

AMENDED IN ASSEMBLY APRIL 2, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2808

Introduced by Assembly Member Muratsuchi
(Coauthors: Assembly Members Baker and Bonta)
(Coauthor: Senator Allen)

February 16, 2018

An act to ~~amend~~ *amend, repeal, and add* Section 42238.02 of the Education Code, relating to education ~~finance, and declaring the urgency thereof, to take effect immediately.~~ *finance.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2808, as amended, Muratsuchi. Education finance: local control funding formula: funding increase.

Existing law establishes a public school financing system that requires state funding for school districts and charter schools to be calculated pursuant to a local control funding formula, as specified. Existing law requires funding pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the percentage of pupils who are English learners, foster youth, or eligible for free or reduced-price meals, as specified, served by the school district or charter school. Existing law specifies the amount of the base grant in the 2013–14 fiscal year, as provided, and requires that amount to be adjusted for inflation in subsequent fiscal years. Existing law requires the Superintendent of Public Instruction to compute the supplemental and concentration grant add-ons as certain percentages of the amount of the base grant. *Existing law, upon full implementation of the local control funding formula, requires, as a condition of the receipt of a specified adjustment to base grant funds,*

all school districts to maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.

This bill would delete the provision specifying the amount of the base grant in the 2013–14 fiscal year and would instead specify new, higher amounts for the ~~2018–19~~ 2019–20 fiscal year, which would also increase the supplemental and concentration grant amounts and result in various other changes to funding calculations for purposes of the local control funding formula. *The bill instead would impose that average class enrollment condition upon full implementation of the local control funding formula or commencing with the 2019–20 fiscal year, whichever is earlier.*

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

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

- 1 SECTION 1. Section 42238.02 of the Education Code is
- 2 amended to read:
- 3 42238.02. (a) The amount computed pursuant to this section
- 4 shall be known as the school district and charter school local
- 5 control funding formula.
- 6 (b) (1) For purposes of this section “unduplicated pupil” means
- 7 a pupil enrolled in a school district or a charter school who is either
- 8 classified as an English learner, eligible for a free or reduced-price
- 9 meal, or is a foster youth. A pupil shall be counted only once for
- 10 purposes of this section if any of the following apply:
- 11 (A) The pupil is classified as an English learner and is eligible
- 12 for a free or reduced-price meal.
- 13 (B) The pupil is classified as an English learner and is a foster
- 14 youth.
- 15 (C) The pupil is eligible for a free or reduced-price meal and is
- 16 classified as a foster youth.
- 17 (D) The pupil is classified as an English learner, is eligible for
- 18 a free or reduced-price meal, and is a foster youth.

1 (2) Under procedures and timeframes established by the
2 Superintendent, commencing with the 2013–14 fiscal year, a school
3 district or charter school shall annually submit its enrolled free
4 and reduced-price meal eligibility, foster youth, and English learner
5 pupil-level records for enrolled pupils to the Superintendent using
6 the California Longitudinal Pupil Achievement Data System.

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

16 (B) The Controller shall include the instructions necessary to
17 enforce paragraph (2) in the audit guide required by Section
18 14502.1. The instructions shall include, but are not necessarily
19 limited to, procedures for determining if the English learner, foster
20 youth, and free or reduced-price meal eligible pupil counts are
21 consistent with the school district’s or charter school’s English
22 learner, foster youth, and free or reduced-price meal eligible pupil
23 records.

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

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

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

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

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

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

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

21 (6) The data used to determine the percentage of unduplicated
22 pupils shall be final once that data is no longer used in the current
23 fiscal year calculation of the percentage of unduplicated pupils.
24 This paragraph does not apply to a change that is the result of an
25 audit that has been appealed pursuant to Section 41344.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(D) Upon full implementation of the local control funding ~~formula~~, *or commencing with the 2019–20 fiscal year, whichever is earlier*, as a condition of the receipt of funds in this paragraph, all school districts shall maintain an average class enrollment for each schoolsite for kindergarten and grades 1 to 3, inclusive, of not more than 24 pupils for each schoolsite in kindergarten and grades 1 to 3, inclusive, unless a collectively bargained alternative ratio is agreed to by the school district.

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

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

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

1 additional grant shall be calculated by multiplying the base grant
2 for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6
3 percent.

4 (e) The Superintendent shall compute a supplemental grant
5 add-on equal to 20 percent of the base grants as specified in
6 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
7 (d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision
8 (d), for each school district's or charter school's percentage of
9 unduplicated pupils calculated pursuant to paragraph (5) of
10 subdivision (b). The supplemental grant shall be calculated by
11 multiplying the base grants as specified in subparagraphs (A) to
12 (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to
13 (4), inclusive, of subdivision (d), by 20 percent and by the
14 percentage of unduplicated pupils calculated pursuant to paragraph
15 (5) of subdivision (b) in that school district or charter school. The
16 supplemental grant shall be expended in accordance with the
17 regulations adopted pursuant to Section 42238.07.

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

33 (2) (A) For a charter school physically located in only one
34 school district, the percentage of unduplicated pupils calculated
35 pursuant to paragraph (5) of subdivision (b) in excess of 55 percent
36 used to calculate concentration grants shall not exceed the
37 percentage of unduplicated pupils calculated pursuant to paragraph
38 (5) of subdivision (b) in excess of 55 percent of the school district
39 in which the charter school is physically located. For a charter
40 school physically located in more than one school district, the

1 charter school's percentage of unduplicated pupils calculated
2 pursuant to paragraph (5) of subdivision (b) in excess of 55 percent
3 used to calculate concentration grants shall not exceed that of the
4 school district with the highest percentage of unduplicated pupils
5 calculated pursuant to paragraph (5) of subdivision (b) in excess
6 of 55 percent of the school districts in which the charter school
7 has a school facility. The concentration grant shall be expended
8 in accordance with the regulations adopted pursuant to Section
9 42238.07.

10 (B) For purposes of this paragraph and subparagraph (A) of
11 paragraph (1) of subdivision (f) of Section 42238.03, a charter
12 school shall report its physical location to the department under
13 timeframes established by the department. For a charter school
14 authorized by a school district, the department shall include the
15 authorizing school district in the department's determination of
16 physical location. For a charter school authorized on appeal
17 pursuant to subdivision (j) of Section 47605, the department shall
18 include the sponsoring school district in the department's
19 determination of physical location. The reported physical location
20 of the charter school shall be considered final as of the second
21 principal apportionment for that fiscal year. For purposes of this
22 paragraph, the percentage of unduplicated pupils of the school
23 district associated with the charter school pursuant to subparagraph
24 (A) shall be considered final as of the second principal
25 apportionment for that fiscal year.

26 (g) The Superintendent shall compute an add-on to the total
27 sum of a school district's or charter school's base, supplemental,
28 and concentration grants equal to the amount of funding a school
29 district or charter school received from funds allocated pursuant
30 to the Targeted Instructional Improvement Block Grant program,
31 as set forth in Article 6 (commencing with Section 41540) of
32 Chapter 3.2, for the 2012–13 fiscal year, as that article read on
33 January 1, 2013. A school district or charter school shall not receive
34 a total funding amount from this add-on greater than the total
35 amount of funding received by the school district or charter school
36 from that program in the 2012–13 fiscal year. The amount
37 computed pursuant to this subdivision shall reflect the reduction
38 specified in paragraph (2) of subdivision (a) of Section 42238.03.

39 (h) (1) The Superintendent shall compute an add-on to the total
40 sum of a school district's or charter school's base, supplemental,

1 and concentration grants equal to the amount of funding a school
2 district or charter school received from funds allocated pursuant
3 to the Home-to-School Transportation program, as set forth in
4 former Article 2 (commencing with Section 39820) of Chapter 1
5 of Part 23.5, former Article 10 (commencing with Section 41850)
6 of Chapter 5, and the Small School District Transportation
7 program, as set forth in former Article 4.5 (commencing with
8 Section 42290), as those articles read on January 1, 2013, for the
9 2012–13 fiscal year. A school district or charter school shall not
10 receive a total funding amount from this add-on greater than the
11 total amount received by the school district or charter school for
12 those programs in the 2012–13 fiscal year. The amount computed
13 pursuant to this subdivision shall reflect the reduction specified in
14 paragraph (2) of subdivision (a) of Section 42238.03.

15 (2) If a home-to-school transportation joint powers agency,
16 established pursuant to Article 1 (commencing with Section 6500)
17 of Chapter 5 of Division 7 of Title 1 of the Government Code for
18 purposes of providing pupil transportation, received an
19 apportionment directly from the Superintendent from any of the
20 funding sources specified in paragraph (1) for the 2012–13 fiscal
21 year, the joint powers agency may identify the member local
22 educational agencies and transfer entitlement to that funding to
23 any of those member local educational agencies by reporting to
24 the Superintendent, on or before September 30, 2015, the
25 reassignment of a specified amount of the joint powers agency's
26 2012–13 fiscal year entitlement to the member local educational
27 agency. Commencing with the 2015–16 fiscal year, the
28 Superintendent shall compute an add-on to the total sum of a school
29 district's or charter school's base, supplemental, and concentrations
30 grants equal to the amount of the entitlement to funding transferred
31 by the joint powers agency to the member school district or charter
32 school.

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

36 (A) For school districts, the average daily attendance of the
37 school district in the corresponding grade level ranges computed
38 pursuant to Section 42238.05, excluding the average daily
39 attendance computed pursuant to paragraph (2) of subdivision (a)

1 of Section 42238.05 for purposes of the computation specified in
2 subdivision (d).

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

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

10 (j) The Superintendent shall adjust the sum of each school
11 district's or charter school's amount determined in subdivisions
12 (g) to (i), inclusive, pursuant to the calculation specified in Section
13 42238.03, less the sum of the following:

14 (1) (A) For school districts, the property tax revenue received
15 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
16 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
17 Revenue and Taxation Code.

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

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

23 (3) The amount, if any, received pursuant to Chapter 3
24 (commencing with Section 16140) of Part 1 of Division 4 of Title
25 2 of the Government Code.

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

27 (5) Fifty percent of the amount received pursuant to Section
28 41603.

29 (6) The amount, if any, received pursuant to the Community
30 Redevelopment Law (Part 1 (commencing with Section 33000)
31 of Division 24 of the Health and Safety Code), less any amount
32 received pursuant to Section 33401 or 33676 of the Health and
33 Safety Code that is used for land acquisition, facility construction,
34 reconstruction, or remodeling, or deferred maintenance and that
35 is not an amount received pursuant to Section 33492.15, or
36 paragraph (4) of subdivision (a) of Section 33607.5, or Section
37 33607.7 of the Health and Safety Code that is allocated exclusively
38 for educational facilities.

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

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

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

(l) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.

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

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

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

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

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

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

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

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

22 (m) Any calculations in law that are used for purposes of
23 determining if a local educational agency is an excess tax school
24 entity or basic aid school district, including, but not limited to, this
25 section and Sections 42238.03, 41544, 47632, 47660, 47663,
26 48310, and 48359.5, and Section 95 of the Revenue and Taxation
27 Code, shall be made exclusive of the revenue received pursuant
28 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
29 36 of Article XIII of the California Constitution.

30 (n) The funds apportioned pursuant to this section and Section
31 42238.03 shall be available to implement the activities required
32 pursuant to Article 4.5 (commencing with Section 52060) of
33 Chapter 6.1 of Part 28 of Division 4.

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

1

(p) This section shall become inoperative on July 1, 2019, and,
2 as of January 1, 2020, is repealed.

3 SEC. 2. Section 42238.02 is added to the Education Code, to
4 read:

5 42238.02. (a) The amount computed pursuant to this section
6 shall be known as the school district and charter school local
7 control funding formula.

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

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

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

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

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

21 (2) Under procedures and timeframes established by the
22 Superintendent, commencing with the 2013–14 fiscal year, a school
23 district or charter school shall annually submit its enrolled free
24 and reduced-price meal eligibility, foster youth, and English
25 learner pupil-level records for enrolled pupils to the Superintendent
26 using the California Longitudinal Pupil Achievement Data System.

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

36 (B) The Controller shall include the instructions necessary to
37 enforce paragraph (2) in the audit guide required by Section
38 14502.1. The instructions shall include, but are not necessarily
39 limited to, procedures for determining if the English learner, foster
40 youth, and free or reduced-price meal eligible pupil counts are

1 consistent with the school district's or charter school's English
2 learner, foster youth, and free or reduced-price meal eligible pupil
3 records.

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

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

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

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

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

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

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

1 (6) *The data used to determine the percentage of unduplicated*
2 *pupils shall be final once that data is no longer used in the current*
3 *fiscal year calculation of the percentage of unduplicated pupils.*
4 *This paragraph does not apply to a change that is the result of an*
5 *audit that has been appealed pursuant to Section 41344.*

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

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

12 (1) *For the 2019–20 fiscal year, a base grant of:*

13 (A) *Eleven thousand seven hundred ninety-nine dollars*
14 *(\$11,799) for average daily attendance in kindergarten and grades*
15 *1 to 3, inclusive.*

16 (B) *Eleven thousand nine hundred seventy-five dollars (\$11,975)*
17 *for average daily attendance in grades 4 to 6, inclusive.*

18 (C) *Twelve thousand three hundred thirty-two dollars (\$12,332)*
19 *for average daily attendance in grades 7 and 8.*

20 (D) *Fourteen thousand two hundred eighty-nine dollars*
21 *(\$14,289) for average daily attendance in grades 9 to 12, inclusive.*

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

35 (3) (A) *The Superintendent shall compute an additional*
36 *adjustment to the kindergarten and grades 1 to 3, inclusive, base*
37 *grant as adjusted for inflation pursuant to paragraph (2) equal to*
38 *10.4 percent. The additional grant shall be calculated by*
39 *multiplying the kindergarten and grades 1 to 3, inclusive, base*
40 *grant, as adjusted by paragraph (2), by 10.4 percent.*

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

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

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

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

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

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

26 (C) School districts that have an average class enrollment for
27 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
28 24 pupils or less for each schoolsite in the 2012–13 fiscal year,
29 shall be exempt from the requirements of subparagraph (B) so
30 long as the school district continues to maintain an average class
31 enrollment for each schoolsite for kindergarten and grades 1 to
32 3, inclusive, of not more than 24 pupils, unless a collectively
33 bargained alternative ratio is agreed to by the school district.

34 (D) Upon full implementation of the local control funding
35 formula or commencing with the 2019–20 fiscal year, whichever
36 is earlier, as a condition of the receipt of funds in this paragraph,
37 all school districts shall maintain an average class enrollment for
38 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
39 not more than 24 pupils for each schoolsite in kindergarten and

1 *grades 1 to 3, inclusive, unless a collectively bargained alternative*
2 *ratio is agreed to by the school district.*

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

7 *(F) The Controller shall include the instructions necessary to*
8 *enforce this paragraph in the audit guide required by Section*
9 *14502.1. The instructions shall include, but are not necessarily*
10 *limited to, procedures for determining if the average class*
11 *enrollment for each schoolsites for kindergarten and grades 1 to*
12 *3, inclusive, exceeds 24 pupils, or an alternative average class*
13 *enrollment for each schoolsites pursuant to a collectively bargained*
14 *alternative ratio. The procedures for determining average class*
15 *enrollment for each schoolsites shall include criteria for employing*
16 *sampling.*

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

23 *(e) The Superintendent shall compute a supplemental grant*
24 *add-on equal to 20 percent of the base grants as specified in*
25 *subparagraphs (A) to (D), inclusive, of paragraph (1) of*
26 *subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of*
27 *subdivision (d), for each school district's or charter school's*
28 *percentage of unduplicated pupils calculated pursuant to*
29 *paragraph (5) of subdivision (b). The supplemental grant shall be*
30 *calculated by multiplying the base grants as specified in*
31 *subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted*
32 *by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent*
33 *and by the percentage of unduplicated pupils calculated pursuant*
34 *to paragraph (5) of subdivision (b) in that school district or charter*
35 *school. The supplemental grant shall be expended in accordance*
36 *with the regulations adopted pursuant to Section 42238.07.*

37 *(f) (1) The Superintendent shall compute a concentration grant*
38 *add-on equal to 50 percent of the base grants as specified in*
39 *subparagraphs (A) to (D), inclusive, of paragraph (1) of*
40 *subdivision (d), as adjusted by paragraphs (2) to (4), inclusive, of*

1 subdivision (d), for each school district's or charter school's
2 percentage of unduplicated pupils calculated pursuant to
3 paragraph (5) of subdivision (b) in excess of 55 percent of the
4 school district's or charter school's total enrollment. The
5 concentration grant shall be calculated by multiplying the base
6 grants as specified in subparagraphs (A) to (D), inclusive, of
7 paragraph (1) of subdivision (d), as adjusted by paragraphs (2)
8 to (4), inclusive, of subdivision (d), by 50 percent and by the
9 percentage of unduplicated pupils calculated pursuant to
10 paragraph (5) of subdivision (b) in excess of 55 percent of the total
11 enrollment in that school district or charter school.

12 (2) (A) For a charter school physically located in only one
13 school district, the percentage of unduplicated pupils calculated
14 pursuant to paragraph (5) of subdivision (b) in excess of 55 percent
15 used to calculate concentration grants shall not exceed the
16 percentage of unduplicated pupils calculated pursuant to
17 paragraph (5) of subdivision (b) in excess of 55 percent of the
18 school district in which the charter school is physically located.
19 For a charter school physically located in more than one school
20 district, the charter school's percentage of unduplicated pupils
21 calculated pursuant to paragraph (5) of subdivision (b) in excess
22 of 55 percent used to calculate concentration grants shall not
23 exceed that of the school district with the highest percentage of
24 unduplicated pupils calculated pursuant to paragraph (5) of
25 subdivision (b) in excess of 55 percent of the school districts in
26 which the charter school has a school facility. The concentration
27 grant shall be expended in accordance with the regulations adopted
28 pursuant to Section 42238.07.

29 (B) For purposes of this paragraph and subparagraph (A) of
30 paragraph (1) of subdivision (f) of Section 42238.03, a charter
31 school shall report its physical location to the department under
32 timeframes established by the department. For a charter school
33 authorized by a school district, the department shall include the
34 authorizing school district in the department's determination of
35 physical location. For a charter school authorized on appeal
36 pursuant to subdivision (j) of Section 47605, the department shall
37 include the sponsoring school district in the department's
38 determination of physical location. The reported physical location
39 of the charter school shall be considered final as of the second
40 principal apportionment for that fiscal year. For purposes of this

1 paragraph, the percentage of unduplicated pupils of the school
2 district associated with the charter school pursuant to
3 subparagraph (A) shall be considered final as of the second
4 principal apportionment for that fiscal year.

5 (g) The Superintendent shall compute an add-on to the total
6 sum of a school district's or charter school's base, supplemental,
7 and concentration grants equal to the amount of funding a school
8 district or charter school received from funds allocated pursuant
9 to the Targeted Instructional Improvement Block Grant program,
10 as set forth in Article 6 (commencing with Section 41540) of
11 Chapter 3.2, for the 2012–13 fiscal year, as that article read on
12 January 1, 2013. A school district or charter school shall not
13 receive a total funding amount from this add-on greater than the
14 total amount of funding received by the school district or charter
15 school from that program in the 2012–13 fiscal year. The amount
16 computed pursuant to this subdivision shall reflect the reduction
17 specified in paragraph (2) of subdivision (a) of Section 42238.03.

18 (h) (1) The Superintendent shall compute an add-on to the total
19 sum of a school district's or charter school's base, supplemental,
20 and concentration grants equal to the amount of funding a school
21 district or charter school received from funds allocated pursuant
22 to the Home-to-School Transportation program, as set forth in
23 former Article 2 (commencing with Section 39820) of Chapter 1
24 of Part 23.5, former Article 10 (commencing with Section 41850)
25 of Chapter 5, and the Small School District Transportation
26 program, as set forth in former Article 4.5 (commencing with
27 Section 42290), as those articles read on January 1, 2013, for the
28 2012–13 fiscal year. A school district or charter school shall not
29 receive a total funding amount from this add-on greater than the
30 total amount received by the school district or charter school for
31 those programs in the 2012–13 fiscal year. The amount computed
32 pursuant to this subdivision shall reflect the reduction specified
33 in paragraph (2) of subdivision (a) of Section 42238.03.

34 (2) If a home-to-school transportation joint powers agency,
35 established pursuant to Article 1 (commencing with Section 6500)
36 of Chapter 5 of Division 7 of Title 1 of the Government Code for
37 purposes of providing pupil transportation, received an
38 apportionment directly from the Superintendent from any of the
39 funding sources specified in paragraph (1) for the 2012–13 fiscal
40 year, the joint powers agency may identify the member local

1 *educational agencies and transfer entitlement to that funding to*
2 *any of those member local educational agencies by reporting to*
3 *the Superintendent, on or before September 30, 2015, the*
4 *reassignment of a specified amount of the joint powers agency's*
5 *2012–13 fiscal year entitlement to the member local educational*
6 *agency. Commencing with the 2015–16 fiscal year, the*
7 *Superintendent shall compute an add-on to the total sum of a*
8 *school district's or charter school's base, supplemental, and*
9 *concentrations grants equal to the amount of the entitlement to*
10 *funding transferred by the joint powers agency to the member*
11 *school district or charter school.*

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

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

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

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

28 *(j) The Superintendent shall adjust the sum of each school*
29 *district's or charter school's amount determined in subdivisions*
30 *(g) to (i), inclusive, pursuant to the calculation specified in Section*
31 *42238.03, less the sum of the following:*

32 *(1) (A) For school districts, the property tax revenue received*
33 *pursuant to Chapter 3.5 (commencing with Section 75) and Chapter*
34 *6 (commencing with Section 95) of Part 0.5 of Division 1 of the*
35 *Revenue and Taxation Code.*

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

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

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

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

5 (5) *Fifty percent of the amount received pursuant to Section*
6 *41603.*

7 (6) *The amount, if any, received pursuant to the Community*
8 *Redevelopment Law (Part 1 (commencing with Section 33000) of*
9 *Division 24 of the Health and Safety Code), less any amount*
10 *received pursuant to Section 33401 or 33676 of the Health and*
11 *Safety Code that is used for land acquisition, facility construction,*
12 *reconstruction, or remodeling, or deferred maintenance and that*
13 *is not an amount received pursuant to Section 33492.15, or*
14 *paragraph (4) of subdivision (a) of Section 33607.5, or Section*
15 *33607.7 of the Health and Safety Code that is allocated exclusively*
16 *for educational facilities.*

17 (7) *The amount, if any, received pursuant to Sections 34177,*
18 *34179.5, 34179.6, 34183, and 34188 of the Health and Safety*
19 *Code.*

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

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

25 (l) (1) *Nothing in this section shall be interpreted to authorize*
26 *a school district that receives funding on behalf of a charter school*
27 *pursuant to Section 47651 to redirect this funding for another*
28 *purpose unless otherwise authorized in law pursuant to paragraph*
29 *(2) or pursuant to an agreement between the charter school and*
30 *its chartering authority.*

31 (2) *A school district that received funding on behalf of a locally*
32 *funded charter school in the 2012–13 fiscal year pursuant to*
33 *paragraph (2) of subdivision (b) of Section 42605, Section 42606,*
34 *and subdivision (b) of Section 47634.1, as those sections read on*
35 *January 1, 2013, or a school district that was required to pass*
36 *through funding to a conversion charter school in the 2012–13*
37 *fiscal year pursuant to paragraph (2) of subdivision (b) of Section*
38 *42606, as that section read on January 1, 2013, may annually*
39 *redirect for another purpose a percentage of the amount of the*
40 *funding received on behalf of that charter school. The percentage*

1 of funding that may be redirected shall be determined pursuant to
2 the following computation:

3 (A) (i) Determine the sum of the need fulfilled for that charter
4 school pursuant to paragraph (3) of subdivision (b) of Section
5 42238.03 in the then current fiscal year for the charter school.

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

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

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

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

25 (C) The maximum amount that may be redirected shall be the
26 lesser of the amount of funding the school district received on
27 behalf of the charter school in the 2012–13 fiscal year pursuant
28 to paragraph (2) of subdivision (b) of Section 42605, Section
29 42606, and subdivision (b) of Section 47634.1, as those sections
30 read on January 1, 2013, or the amount computed pursuant to
31 subparagraph (B).

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

37 (m) Any calculations in law that are used for purposes of
38 determining if a local educational agency is an excess tax school
39 entity or basic aid school district, including, but not limited to,
40 this section and Sections 42238.03, 41544, 47632, 47660, 47663,

1 48310, and 48359.5, and Section 95 of the Revenue and Taxation
2 Code, shall be made exclusive of the revenue received pursuant
3 to subparagraph (B) of paragraph (3) of subdivision (e) of Section
4 36 of Article XIII of the California Constitution.

5 (n) The funds apportioned pursuant to this section and Section
6 42238.03 shall be available to implement the activities required
7 pursuant to Article 4.5 (commencing with Section 52060) of
8 Chapter 6.1 of Part 28 of Division 4.

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

15 (p) This section shall become operative on July 1, 2019.

16 ~~SECTION 1. Section 42238.02 of the Education Code is~~
17 ~~amended to read:~~

18 ~~42238.02. (a) The amount computed pursuant to this section~~
19 ~~shall be known as the school district and charter school local~~
20 ~~control funding formula.~~

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

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

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

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

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

34 ~~(2) Under procedures and timeframes established by the~~
35 ~~Superintendent, commencing with the 2013–14 fiscal year, a school~~
36 ~~district or charter school shall annually submit its enrolled free~~
37 ~~and reduced-price meal eligibility, foster youth, and English learner~~
38 ~~pupil-level records for enrolled pupils to the Superintendent using~~
39 ~~the California Longitudinal Pupil Achievement Data System.~~

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

10 ~~(B) The Controller shall include the instructions necessary to~~
11 ~~enforce paragraph (2) in the audit guide required by Section~~
12 ~~14502.1. The instructions shall include, but are not necessarily~~
13 ~~limited to, procedures for determining if the English learner, foster~~
14 ~~youth, and free or reduced-price meal eligible pupil counts are~~
15 ~~consistent with the school district's or charter school's English~~
16 ~~learner, foster youth, and free or reduced-price meal eligible pupil~~
17 ~~records.~~

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

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

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

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

38 ~~(C) For the 2015–16 fiscal year and each fiscal year thereafter,~~
39 ~~divide the sum of unduplicated pupils for the current fiscal year~~

1 and the two prior fiscal years by the sum of the total pupil
2 enrollment for the current fiscal year and the two prior fiscal years.

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

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

16 (6) The data used to determine the percentage of unduplicated
17 pupils shall be final once that data is no longer used in the current
18 fiscal year calculation of the percentage of unduplicated pupils.
19 This paragraph does not apply to a change that is the result of an
20 audit that has been appealed pursuant to Section 41344.

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

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

27 (1) For the 2018-19 fiscal year, a base grant of:

28 (A) Eleven thousand seven hundred ninety-nine dollars
29 (\$11,799) for average daily attendance in kindergarten and grades
30 1 to 3, inclusive.

31 (B) Eleven thousand nine hundred seventy-five dollars (\$11,975)
32 for average daily attendance in grades 4 to 6, inclusive.

33 (C) Twelve thousand three hundred thirty-two dollars (\$12,332)
34 for average daily attendance in grades 7 and 8.

35 (D) Fourteen thousand two hundred eighty-nine dollars
36 (\$14,289) for average daily attendance in grades 9 to 12, inclusive.

37 (2) In each year the grade span adjusted base grants in paragraph
38 (1) shall be adjusted by the percentage change in the annual average
39 value of the Implicit Price Deflator for State and Local Government
40 Purchases of Goods and Services for the United States, as published

1 by the United States Department of Commerce for the 12-month
2 period ending in the third quarter of the prior fiscal year. This
3 percentage change shall be determined using the latest data
4 available as of May 10 of the preceding fiscal year compared with
5 the annual average value of the same deflator for the 12-month
6 period ending in the third quarter of the second preceding fiscal
7 year, using the latest data available as of May 10 of the preceding
8 fiscal year, as reported by the Department of Finance.

9 (3) (A) The Superintendent shall compute an additional
10 adjustment to the kindergarten and grades 1 to 3, inclusive, base
11 grant as adjusted for inflation pursuant to paragraph (2) equal to
12 10.4 percent. The additional grant shall be calculated by
13 multiplying the kindergarten and grades 1 to 3, inclusive, base
14 grant, as adjusted by paragraph (2), by 10.4 percent.

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

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

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

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

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

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

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

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

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

20 ~~(F) The Controller shall include the instructions necessary to~~
21 ~~enforce this paragraph in the audit guide required by Section~~
22 ~~14502.1. The instructions shall include, but are not necessarily~~
23 ~~limited to, procedures for determining if the average class~~
24 ~~enrollment for each schoolsite for kindergarten and grades 1 to 3,~~
25 ~~inclusive, exceeds 24 pupils, or an alternative average class~~
26 ~~enrollment for each schoolsite pursuant to a collectively bargained~~
27 ~~alternative ratio. The procedures for determining average class~~
28 ~~enrollment for each schoolsite shall include criteria for employing~~
29 ~~sampling.~~

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

36 ~~(e) The Superintendent shall compute a supplemental grant~~
37 ~~add-on equal to 20 percent of the base grants as specified in~~
38 ~~subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision~~
39 ~~(d), as adjusted by paragraphs (2) to (4), inclusive, of subdivision~~
40 ~~(d), for each school district's or charter school's percentage of~~

~~unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b). The supplemental grant shall be calculated by multiplying the base grants as specified in subparagraphs (A) to (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to (4), inclusive, of subdivision (d), by 20 percent and by the percentage of unduplicated pupils calculated pursuant to paragraph (5) of subdivision (b) in that school district or charter school. The supplemental grant shall be expended in accordance with the regulations adopted pursuant to Section 42238.07.~~

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

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

1 in accordance with the regulations adopted pursuant to Section
2 42238.07.

3 (B) For purposes of this paragraph and subparagraph (A) of
4 paragraph (1) of subdivision (f) of Section 42238.03, a charter
5 school shall report its physical location to the department under
6 timeframes established by the department. For a charter school
7 authorized by a school district, the department shall include the
8 authorizing school district in the department's determination of
9 physical location. For a charter school authorized on appeal
10 pursuant to subdivision (j) of Section 47605, the department shall
11 include the sponsoring school district in the department's
12 determination of physical location. The reported physical location
13 of the charter school shall be considered final as of the second
14 principal apportionment for that fiscal year. For purposes of this
15 paragraph, the percentage of unduplicated pupils of the school
16 district associated with the charter school pursuant to subparagraph
17 (A) shall be considered final as of the second principal
18 apportionment for that fiscal year.

19 (g) The Superintendent shall compute an add-on to the total
20 sum of a school district's or charter school's base, supplemental,
21 and concentration grants equal to the amount of funding a school
22 district or charter school received from funds allocated pursuant
23 to the Targeted Instructional Improvement Block Grant program,
24 as set forth in Article 6 (commencing with Section 41540) of
25 Chapter 3.2, for the 2012-13 fiscal year, as that article read on
26 January 1, 2013. A school district or charter school shall not receive
27 a total funding amount from this add-on greater than the total
28 amount of funding received by the school district or charter school
29 from that program in the 2012-13 fiscal year. The amount
30 computed pursuant to this subdivision shall reflect the reduction
31 specified in paragraph (2) of subdivision (a) of Section 42238.03.

32 (h) (1) The Superintendent shall compute an add-on to the total
33 sum of a school district's or charter school's base, supplemental,
34 and concentration grants equal to the amount of funding a school
35 district or charter school received from funds allocated pursuant
36 to the Home-to-School Transportation program, as set forth in
37 former Article 2 (commencing with Section 39820) of Chapter 1
38 of Part 23.5, former Article 10 (commencing with Section 41850)
39 of Chapter 5, and the Small School District Transportation
40 program, as set forth in former Article 4.5 (commencing with

1 Section 42290), as those articles read on January 1, 2013, for the
2 2012–13 fiscal year. A school district or charter school shall not
3 receive a total funding amount from this add-on greater than the
4 total amount received by the school district or charter school for
5 those programs in the 2012–13 fiscal year. The amount computed
6 pursuant to this subdivision shall reflect the reduction specified in
7 paragraph (2) of subdivision (a) of Section 42238.03.

8 (2) If a home-to-school transportation joint powers agency,
9 established pursuant to Article 1 (commencing with Section 6500)
10 of Chapter 5 of Division 7 of Title 1 of the Government Code for
11 purposes of providing pupil transportation, received an
12 apportionment directly from the Superintendent from any of the
13 funding sources specified in paragraph (1) for the 2012–13 fiscal
14 year, the joint powers agency may identify the member local
15 educational agencies and transfer entitlement to that funding to
16 any of those member local educational agencies by reporting to
17 the Superintendent, on or before September 30, 2015, the
18 reassignment of a specified amount of the joint powers agency's
19 2012–13 fiscal year entitlement to the member local educational
20 agency. Commencing with the 2015–16 fiscal year, the
21 Superintendent shall compute an add-on to the total sum of a school
22 district's or charter school's base, supplemental, and concentrations
23 grants equal to the amount of the entitlement to funding transferred
24 by the joint powers agency to the member school district or charter
25 school.

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

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

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

37 (2) The amount computed pursuant to Article 4 (commencing
38 with Section 42280) shall be added to the amount computed
39 pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as

1 multiplied by subparagraph (A) or (B) of paragraph (1), as
2 appropriate.

3 (j) The Superintendent shall adjust the sum of each school
4 district's or charter school's amount determined in subdivisions
5 (g) to (i), inclusive, pursuant to the calculation specified in Section
6 42238.03, less the sum of the following:

7 (1) (A) For school districts, the property tax revenue received
8 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
9 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
10 Revenue and Taxation Code.

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

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

16 (3) The amount, if any, received pursuant to Chapter 3
17 (commencing with Section 16140) of Part 1 of Division 4 of Title
18 2 of the Government Code.

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

20 (5) Fifty percent of the amount received pursuant to Section
21 41603.

22 (6) The amount, if any, received pursuant to the Community
23 Redevelopment Law (Part 1 (commencing with Section 33000)
24 of Division 24 of the Health and Safety Code), less any amount
25 received pursuant to Section 33401 or 33676 of the Health and
26 Safety Code that is used for land acquisition, facility construction,
27 reconstruction, or remodeling, or deferred maintenance and that
28 is not an amount received pursuant to Section 33492.15, or
29 paragraph (4) of subdivision (a) of Section 33607.5, or Section
30 33607.7 of the Health and Safety Code that is allocated exclusively
31 for educational facilities.

32 (7) The amount, if any, received pursuant to Sections 34177,
33 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
34 Code.

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

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

~~(1) (1) Nothing in this section shall be interpreted to authorize a school district that receives funding on behalf of a charter school pursuant to Section 47651 to redirect this funding for another purpose unless otherwise authorized in law pursuant to paragraph (2) or pursuant to an agreement between the charter school and its chartering authority.~~

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

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

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

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

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

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

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

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

13 ~~(m) Any calculations in law that are used for purposes of~~
14 ~~determining if a local educational agency is an excess tax school~~
15 ~~entity or basic aid school district, including, but not limited to, this~~
16 ~~section and Sections 42238.03, 41544, 47632, 47660, 47663,~~
17 ~~48310, and 48359.5, and Section 95 of the Revenue and Taxation~~
18 ~~Code, shall be made exclusive of the revenue received pursuant~~
19 ~~to subparagraph (B) of paragraph (3) of subdivision (e) of Section~~
20 ~~36 of Article XIII of the California Constitution.~~

21 ~~(n) The funds apportioned pursuant to this section and Section~~
22 ~~42238.03 shall be available to implement the activities required~~
23 ~~pursuant to Article 4.5 (commencing with Section 52060) of~~
24 ~~Chapter 6.1 of Part 28 of Division 4.~~

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

31 ~~SEC. 2.~~

32 ~~SEC. 3. Nothing in this act shall be construed to require school~~
33 ~~districts and charter schools to receive additional funding for~~
34 ~~purposes of the 2013–14 fiscal year to the 2017–18 2018–19 fiscal~~
35 ~~year, inclusive.~~

36 ~~SEC. 3. This act is an urgency statute necessary for the~~
37 ~~immediate preservation of the public peace, health, or safety within~~
38 ~~the meaning of Article IV of the California Constitution and shall~~
39 ~~go into immediate effect. The facts constituting the necessity are:~~

1 ~~In order to ensure that school districts and charter schools receive~~
 2 ~~increased funding to more effectively provide instruction to pupils,~~
 3 ~~it is necessary for this act to take immediate effect.~~

4

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6 **REVISIONS:**

7 **Heading—Line 2.**

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