

## 2018 Budget Trailer Bill Analyses Packet

Wednesday, August 15, 2018

<b>Senate Bill</b>	<b>Topic</b>	<b>Page</b>
SB 862	Budget Bill Jr. (Amendments)	1
SB 874	Education (Amendments)	4
SB 875	Resources	10
SB 876	Human Services	11
SB 869	General Government: Elections	12
SB 877	General Government: Clean Up	13
SB 861	Mortgage Settlement	14
SB 867	Leg Counsel Workplace Conduct (Amendments)	15
SB 878	Film Tax Credit	16
SB 879	Public Safety	17
SB 846	Employment	18
Item 3900: Air Resources Board Item 3360: CA Energy Commission	Supplemental Reporting Language for Zero-Emission Vehicle Structure	19
Item 3790 Department of Parks and Recreation	Supplemental Reporting Language for Sonoma County Community Center	21
Item 8860 Department of Finance	Supplemental Reporting Language for May Revision Issuance Date	22
Attachment #1	Amendments to SB 862	23
Attachment #2	Amendments to SB 874	47

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 862 (Committee on Budget and Fiscal Review) – As Introduced January 10, 2018

**SUBJECT:** Budget Act of 2018

**SUMMARY:** This bill makes additional appropriations and includes clarifying and technical changes to the Budget Act of 2018 (Chapter 29 and Chapter 30, Statutes of 2018).

**Proposed Law:** The bill makes clarifying and technical revisions necessary to implement the Budget Act of 2018. Specifically, this bill does the following:

- 1) Adjusts the due date of the report from the Department of Justice to the Legislature related to grants for processing sexual assault kits to six months following the close of the grant cycle. Funds are available for expenditure or encumbrance until June 30, 2021.
- 2) Adjusts the due date of the report from the Department of Justice to the Legislature related to grants to audit untested sexual assault kits to July 1, 2020.
- 3) Makes a technical change to the Student Authors Program and the Lunch at the Library Program to allow for funding to be distributed more effectively. Both California State Library programs were funded in the 2018 Budget Act.
- 4) Allows the University of California a longer expenditure period for Jordan's Syndrome research and legal services for undocumented and immigrant students, faculty, and staff.
- 5) Corrects a technical error regarding state mandates for community colleges by changing the fiscal year from 2015-16 to 2016-17.
- 6) Makes a technical correction to transfer funds to the Coastal Trust Fund instead of the Coastal Conservancy Fund.
- 7) Includes \$4 million for the California Conservation Corps for active transportation projects with provisional language making the funds available for encumbrance and liquidation until June 30, 2024.
- 8) Requires State Coastal Conservancy to distribute a portion of the allocated Greenhouse Gas Reduction funds to the California Coastal Commission and San Francisco Bay Conservation and Development Commission.
- 9) Authorizes a transfer of \$15 million from the Air Quality Improvement Fund to the Alternative and Renewable Fuel and Vehicle Technology Fund.

- 10) Extends the liquidation and encumbrance period for the California Nutrition Incentive Matching Grant Program allocation.
- 11) Specifies that of the \$10 million (General Fund) appropriated to the Department of Social Services (DSS) for the provision of diapers to low-income families with infants or toddlers, \$2.5 million shall be provided to either or both specified organizations serving the San Francisco Bay Area. Additionally specifies that grant details shall be developed in consultation with legislative staff and that DSS may provide up to 25 percent of a grant award as cash in advance of actual purchases made by a grantee to accommodate readiness and infrastructure needs.
- 12) Allows for the appropriation of an additional \$26 million to the Department of Motor Vehicles (DMV) to alleviate wait times at field offices and requires upon request of the funding, submission of a report that includes the status of resources provided, justification for additional resources and estimated impact on wait times, and updated field office wait times. Also, requires DMV to report on potential business process improvements, and to report monthly until December 31, 2020 on wait times in field offices.
- 13) Adds provisions to the Governor's Office of Business and Economic Development Department for the Office of Small Business Advocate to specify that \$3 million shall be used to draw down federal funds for the California Small Business Development Center Program; \$17 million is for the California Small Business Development Technical Assistance Expansion Program, and \$3 million shall be used for other federal small business technical assistance programs.
- 14) Allows for the Department of Education to use \$100,000 in one-time federal Title IV carryover for state operations funding to administer a one-time Title IV grant program, instead of redirecting these funds to administer the Early Math Initiative.
- 15) Updates the federal grant award amounts for various education related programs.
- 16) Corrects the incorrect fiscal year related to reimbursement of education related mandate claims for the Mandated Cost Reimbursement Program.
- 17) Updates references to "pending legislation" with the appropriate budget trailer bill legislation.
- 18) Makes various other minor technical and clarifying amendments.

**Proposed amendments.** With the adoption of amendments, this bill will do the following:

- 1) Corrects an incorrect reference relating to an allocation for the California Conservation Corps to develop and implement active transportation projects.

- 2) Removes a reference to pending legislation and instead specifies that the \$3.6 million allocated for the Department of Forestry and Fire Protection in the 2018 Budget Act may be used for fireworks management and disposal.
- 3) Reappropriates \$15 million in Item 3760-101-0001 in the Budget Act of 2017 to enhance public access and other public purposes concerning the West Coyote Hills area in Orange County.
- 4) Appropriates \$23.5 million for various water related projects, including the water tank installation, well replacement, septic replacement, and the Safe Drinking Water for Schools Grant Program.
- 5) Provides \$10 million (General Fund) to the Office of Emergency Services for grants related to human trafficking services.
- 6) Reduces General Fund resources of \$10 million from the Department of Social Services that had been appropriated for benefit costs related to the elimination of the Social Security Income (SSI) Cash-Out policy, leaving a remaining \$190 million, which is subject to review for adequacy in funding the program changes as part of future budgets.
- 7) Provides \$700,000 to the Department of Justice (DOJ) to implement the California Consumer Privacy Act of 2018.
- 8) Provides funding of up to \$15 million, subject to the passage of pre-trial reform legislation, to support start up activities associated with the implementation of pre-trial reform efforts.
- 9) Appropriates to San Diego County for elections for county offices up to \$20,000 of the \$134.4 million made available in the 2018 Budget Act to counties for upgrading their county election systems.
- 10) Removes the \$26 million cap on the amount the Department of Motor Vehicles can request to further reduce or prevent wait times in field offices. Instead requires that the amount request be justified based on the level of resources necessary to reduce field office wait times by a specified amount.

**Fiscal Effect:** This bill includes additional appropriations from special and federal funds, as well as the General Fund. This bill amends SB 840 (Chapter 29, Statutes of 2018), the 2018 Budget Act, and SB 856 (Chapter 30, Statutes of 2018), which included amendments to the 2018 Budget Act, to reflect the agreement of the use of funds associated with the 2018 budget package. This bill also makes technical and clarifying changes to the 2018 budget.

**Analysis prepared by:** Nicole Vazquez / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 874 (Committee on Budget and Fiscal Review) – As Introduced January 10, 2018

**SUBJECT:** Budget Act of 2018: Education

**SUMMARY:** This bill makes changes to education programs consistent with the Budget Act of 2018. Specifically, **this bill:**

- 1) Includes the following changes in order to increase fiscal transparency within the Local Control Accountability Plan (LCAP) and Annual Update:
  - a. Requires the SBE to adopt a new template for the LCAP and Annual Update on or before January 31, 2020.
  - b. Requires the State Board of Education (SBE) to replace the existing expenditure tables within the "Goals, Actions and Services" section of the LCAP with a new summary table of planned expenditures for all actions for each goal included in the LCAP, broken out by fund source. Also requires the total overall expenditures to be broken out by personnel and non-personnel expenditures.
  - c. Requires the SBE to include a summary table within the "Demonstration of Increased or Improved Services" section of the LCAP that includes a summary of the actions and planned expenditures to increase or improve services for English learners, low-income and foster youth students. Requires the planned expenditures to be grouped by expenditures provided to students on a districtwide, countywide or charter-wide basis, expenditures targeted to one or more student subgroups, and expenditures targeted at specific school sites.
  - d. Requires the SBE to specify in the instructions of the LCAP and Annual Update template that local educational agencies are encouraged to prioritize their goals, actions and related expenditures within the eight state priorities. Specifies that the instructions shall require local educational agencies to consider performance on the California School Dashboard in determining how to prioritize goals, actions and expenditures within the LCAP and Annual Update. Requires local educational agencies to continue to report and track progress on the metrics for all state priorities.
  - e. Requires the SBE to specify in the instructions of the LCAP and Annual Update template that local educational agencies that have numerically significant English learner students must report progress on metrics and include actions and services for English learners in the LCAP and Annual Update.
  - f. Requires the LCAP and Annual Update template adopted by SBE to use language that is understandable and accessible to parents.

- g. Requires school districts and county offices of education to post prominently on the homepage of their website their approved LCAP.
  - h. Consolidates all the LCAP and Annual Update template requirements into a single section in statute.
  - i. Updates relevant sections related to charter schools to clarify that charter schools must also use the updated template adopted by the SBE.
  - j. Provides a limited exemption for the SBE to make the necessary changes to the LCAP and Annual Update template required in this bill without going through the Administrative Procedures Act requirements.
  - k. Updates references to outdated assessments included in the metrics for the state priorities included in the Local Control Funding Formula.
- 2) Provides an extension for the installation of operational child safety alert systems by local education agencies (LEAs) in school buses and other specified vehicles that transport children until on or before March 1, 2019. Under current law LEAs are required to install these devices in qualifying vehicles by the beginning of the 2018-19 school year. Due to a variety of factors, many LEAs have not been able to install the devices in time to meet the current deadline. Provides for an additional six month extension for LEAs with enrollment under 4,000. Includes Legislative intent to that vehicles that transport children with exceptional needs receive priority for installation of devices and to provide no additional extensions.
- 3) Removes references to student assessment statutes that are related to the administration of the California English Language Development Test (CELDT) and removes required reporting that is no longer relevant. The CELDT has been replaced with a new assessment, the English Language Proficiency Assessment for California (ELPAC).
- 4) Clarifies that increases in reimbursement rate adjustment factors for child care and state preschool programs, specifically for infants, toddlers, children with exceptional needs, and severely disabled children, will be effective as of January 1, 2019.
- 5) Extends the liquidation period of one-time funding provided for the Local Solutions Grant Program from June 30, 2026 to June 30, 2028. Extends the annual report period from three to five years after the receipt of a grant to align with the allowable use of grant funding for service scholarships, signing bonuses, and student debt obligations provided the teacher works at the school for 4 years in a 5 year period.
- 6) Removes a reference to the Local Educational Agency Medi-Cal Billing Option program from statute that requires the allocation of one-time discretionary funds to school districts in 2018-19 to be reduced by claim disallowances owed by school districts. This change reflects federal audit findings that no longer require school districts to repay these claims. Statute continues to specify that one-time discretionary funds allocated to school districts in 2018-19 will be reduced by claim disallowances owed under school-based Medi-Cal administrative activities.

- 7) Clarifies that the extension, through 2018-19, of a hold harmless for the impact of average daily attendance reductions associated with the 2017 wildfires is limited to school districts where no less than 5 percent of residences within the school district or school district facilities were destroyed.
- 8) Provides \$21.146 million in one-time Proposition 98 funds for the California School Finance Authority to support the Charter School Facility Grant Program. This appropriation was excluded in error from the prior education trailer bill (AB 1808 [Committee on Budget], Chapter 32, Statutes of 2018).
- 9) Provides \$200,000 in one-time Proposition 98 funds for the San Joaquin Office of Education to support updating the Local Control and Accountability Plan Electronic Template system to reflect changes in this bill.
- 10) Clarifies legislative intent that the University of California provide services, benefits and assistance to all students enrolled in the University. This could include legal services for immigrant or undocumented students per funding provided in the 2018 Budget Act.
- 11) Amends statute from the 2018 Budget Act that created the California Community College Student Equity and Achievement Program. This program is the consolidation of three categorical programs. The amendments clarify that the program is intended to improve student success and eliminate achievement gaps, and requires annual reports from colleges on uses of funding, and an annual report to the Legislature from the Chancellor's Office on this program.
- 12) Alters an appropriation from the 2018 Budget Act that provides funding for professional development for classified staff in schools. The appropriation will now provide \$45 million Proposition 98 General Fund to the Department of Education for this purpose, and \$5 million Proposition 98 General Fund to the Community College Chancellor's Office for similar professional development for community college classified staff.
- 13) Makes other technical and clarifying changes.

With the **adoption of amendments**, this bill will do the following:

- 1) Includes the following changes related to school districts in financial distress:
  - a. For the 2018-19 fiscal year, requires Oakland Unified School District to develop short and long-term financial plans and update school district facilities plans aligned with their plans for fiscal solvency. Requires Inglewood Unified School District to meet the requirements for qualified or positive certification and complete comprehensive operational reviews of the district, as specified.
  - b. For the 2019-20 fiscal year, the Governor's January Budget will include an appropriation for the Oakland Unified School District and Inglewood Unified School District, if the specified requirements are met. Specifies that funds will be

allocated to the Oakland Unified School District and Inglewood Unified School District, if specified benchmarks are met each year, in the following amounts:

- i. For the 2019-20 fiscal year, up to 75 percent of the school district's projected operating deficit.
  - ii. For the 2020-21 fiscal year, up to 50 percent of the school district's projected operating deficit.
  - iii. For the 2021-22 fiscal year, up to 25 percent of the school district's projected operating deficit.
- c. Requires the Fiscal Crisis Management Assistance Team (FCMAT), with concurrence of the appropriate county office of education, to certify to Legislature and Department of Finance that specified benchmarks have been met prior to allocating the state funding. Also requires FCMAT to report to the Legislature and the Department of Finance on the district's progress in meeting the benchmarks included in the prior year Budget Act by March 1<sup>st</sup> of each year, until March 1, 2021.
- d. Assigns authority to appoint a trustee or state administrator for school districts in fiscal distress to the school district's county superintendent, the State Superintendent of Public Instruction (SPI), and the president of the State Board of Education (SBE). Currently, the SPI has sole authority to appoint a trustee or administrator. Requires that the trustee or administrator be selected from a list vetted by or recommended by the Fiscal Crisis and Management Assistance Team (FCMAT).
- e. Requires the appointed administrators to serve under the supervision and direction of the county superintendent, in concurrence with the SPI and the president of the SBE, as specified. Currently, the SPI assumes the authority and rights of the governing board of the school district, and supervises and directs the administrator.
- f. Automatically qualifies school districts in state receivership for state intervention within the K-12 school accountability system, to allow school districts in receivership to access technical assistance for student performance and district management from the California Collaborative for Educational Excellence (CCEE). If the CCEE provides assistance to the school district, requires the CCEE to conduct a systemic review of the school district and coordinate additional assistance under the statewide system of support.
- g. Requires FCMAT to do an annual progress review of: (1) the fiscal recovery of school districts in state receivership, and (2) the effectiveness of county office of education oversight. Additionally, requires annual audits of school districts that receive emergency apportionments to be performed by entities on the State Controller-approved list of auditing firms.

- 2) Includes the following changes related to fiscal transparency:
  - a. Replaces the term "planned expenditures" with "budgeted expenditures" in order to align with terminology used for the Budget Summary for Parents, included in the 2018-19 budget.
  - b. Clarifies that table for increased or improved services targeted at certain school sites does not apply to districts or county offices of education that only have a single school site.
  - c. Clarifies that the LCAP summary table include annual performance.
  - d. Reinstates deleted language and references related to charter school statutes in order to ensure there is a clear link between the goals of the charter school and the LCAP.
  - e. Clarifies that the review of performance on local indicators includes review of the underlying local data.
  - f. Makes other technical and clarifying changes related to fiscal transparency.
- 3) Amends the Classified School Employees Summer Bridge Program to support implementation of the program, including: 1) removing a reference to 2020, instead the program will be operational while funding is available, 2) specifying that local educational agencies shall deposit paycheck withholdings into a separate account, and 3) defining local educational agency for the purpose of the program to mean a school district of county office of education.
- 4) Specifies that the definition of a classified school employee is a full-time equivalent of classified staff as reported in the California Basic Educational Data System, for purposes of the Classified School Employee Professional Development Block Grant Program.
- 5) Corrects the appropriation for the After School Kids Code Grant Program to reflect the correct fiscal year.
- 6) Clarifies the structure and duties of the Community College Student Success Funding Formula Oversight Committee, which was created in the 2018 Budget Act. The Committee will include 12 members: four appointed by the Governor, four appointed by the Senate, and four appointed by the Assembly. At least one community college administrator shall be included among the gubernatorial appointees, at least one community college classified employee shall be included among the Senate appointees, and at least one community college faculty employee shall be included among the Assembly appointees. The committee will review four issues and provide recommendations to the Legislature before it sunsets in 2022. The issues include adding first-generation college students into the supplemental allocation, reviewing the definition of low-income students to better reflect low-income students in areas of the state with a high cost of living, whether to incorporate noncredit instruction and instructional service

agreements in the funding formula, and how allocations could be adjusted in the event of a recession.

7) Makes other technical and clarifying changes.

**FISCAL EFFECT:** This bill appropriates \$21.1 million in one-time Proposition 98 funds for the California School Finance Authority to support the Charter School Facility Grant Program, which was unintentionally left out of the 2018-19 education budget trailer bill. Additionally, the bill would appropriate \$200,000 for the SBE to make the required changes to the LCAP and Annual Update template required in this bill. The funding related to the other changes in this bill is contained in the Budget Act of 2018.

**Analysis Prepared by:** Katie Hardeman and Mark Martin/ BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 875 (Committee on Budget and Fiscal Review) – As Amended August 13, 2018

**SUBJECT:** Budget Act of 2018: Public resources

**SUMMARY:** This is the cleanup Resources Trailer Bill for 2018-19. Specifically, this bill:

- 1) LA River Recreation and Park District. Requires a petition or resolution to be submitted to establish the Lower Los Angeles River Recreation and Park District prior to January 1, 2021.
- 2) Water Conservation – “Existing Facility.” Provides that “existing facility” also includes the North City Project, phase one of the Pure Water San Diego Program, for the purposes of calculating urban water use.
- 3) Delta Levee Subvention Program. Clarifies that the State Water Resources Control Board may provide for an advance to the applicant in an amount not to exceed 75 percent of the estimated state share and that the agreement shall provide that no advance shall be made until the applicant has incurred costs consistent with criteria outlined in paragraph (1) of subdivision (a) of Section 12986.
- 4) Plastics Market Development Program. Clarifies that a reclaimer for empty plastic beverage containers, includes a reclaimer that uses the services of a third party to process the empty plastic beverage containers into a form usable for the manufacture of new plastic projects.

**COMMENTS:** This bill makes a number of clarifying and technical changes to the resources, environmental protection, energy, and agriculture budget actions adopted as part of the 2018-19 Budget package.

**Analysis Prepared by:** Susan Chan / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 876 (Committee on Budget and Fiscal Review) – As Introduced January 10, 2018

**SUBJECT:** Budget Act of 2018: Human Services

**SUMMARY:** This bill makes technical, clarifying changes to health and human services programs consistent with the Budget Act of 2018.

Proposed Law: The bill makes technical and clarifying statutory revisions affecting health and human services programs necessary to implement the Budget Act of 2018. Specifically, **this bill:**

- 1) CalWORKs Home Visiting. Makes a correction regarding who is responsible for providing training.
- 2) In-Home Supportive Services (IHSS). Makes a technical clarification regarding privacy protections that apply to IHSS providers.
- 3) Child Welfare: Home-Based Family Care Rate. Fixes various cross references related to the Home-Based Family Care Rate.
- 4) Makes various other minor technical and clarifying amendments.

**FISCAL EFFECT:** This bill appropriates ten thousand dollars from the Federal Trust Fund to the Department of Social Services for administrative activities related to the CalWORKs Home Visiting Initiative. The funding related to the other changes in this bill is contained in the Budget Act of 2018.

**Analysis Prepared by:** Nicole Vazquez / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 869 (Committee on Budget and Fiscal Review) – As Amended January 10, 2018

**SUBJECT:** Budget Act of 2018: Elections

**SUMMARY:** This trailer bill includes makes statutory changes related to elections necessary to implement the Budget Act of 2018. Specifically, **this bill:**

- 1) Clarifies, for an amendment to the charter of the County of San Diego, how the calculation of qualified electors is computed, as specified. Specifically, the calculation of 10 percent of qualified electors in the county is computed upon the total number of votes cast in the county for all candidates for Governor at the last general election at which a Governor was elected. Applies this provision retroactively, commencing January 1, 2018.
- 2) Appropriates \$1 million from the Federal Trust Fund for the Secretary of State to secure and improve county election systems. This appropriation may be adjusted upon receipt of a request to increase related Federal Trust Fund expenditure authority from the Secretary of State, and subsequent approval by the Director of Finance. The Secretary of State shall submit the request by June 30, 2019.

**FISCAL EFFECT:** Provides \$1 million federal funds to the Secretary of State.

**COMMENTS:** This trailer bill includes provisions related to elections necessary to implement the 2018 Budget Act.

**Analysis Prepared by:** Farra Bracht / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 877 (Committee on Budget and Fiscal Review) – As Introduced January 10, 2018

**SUBJECT:** Budget Act of 2018: General Government: Clean Up

**SUMMARY:** Makes technical changes related to the 2018-19 Budget Act. Specifically, **this bill:**

- 1) Authorizes the Department of Housing and Community Development (department) to charge a person who receives a loan directly from the department pursuant to the Housing for Healthy California Program an ongoing monitoring fee to cover the costs of project monitoring.
- 2) Requires all money received by the department in repayment of any loans to be deposited into the Housing Rehabilitation Loan Fund, and would provide that any money provided be continuously appropriated.
- 3) Requires any employee affected by a work stoppage to be paid by the employer at the prevailing wage rate for any time lost due to a work stoppage for up to 10 days.
- 4) Specifies that an entity awarding a public work contract under certain circumstances without a formal bidding process, such as in an emergency, must provide notice to the Department of Industrial Relations, as is required under current law for normal circumstances.
- 5) Exempts contracts related to the State's 2020 Census Complete Count Effort from the public contracting process.
- 6) Extends the repayment date of a loan made to local mass transit providers from the Public Transportation Account in the State Transportation Fund from January 1, 2019 to January 1, 2021.

**FISCAL EFFECT:** Requires additional funds to be deposited the Housing Rehabilitation Fund, a continuously appropriated fund, thereby making an appropriation.

**COMMENTS:** This budget bill amends the 2018 Budget Act, and makes technical changes related to state government.

**Analysis Prepared by:** Genevieve Morelos / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 861 (Committee on Budget and Fiscal Review) – As Amended June 12, 2018

**SUBJECT:** Budget Act of 2018: National Mortgage Settlement Fund: Allocations

**SUMMARY:** Makes technical changes related to the 2018-19 Budget Act. Specifically, **this bill:**

- 1) Deletes the current contents of the bill and instead, does the following:
  - a. Includes findings and declarations.
  - b. Confirms and ratifies that allocations of funds from the National Mortgage Special Deposit Fund in the 2011-12, 2012-13, and 2013-14 fiscal years were consistent with the direction given to the Director of Finance.
  - c. Confirms and ratifies, that because those allocations were displayed in the Governor's proposed budget for the 2012-13 and 2013-14 fiscal years, and left unchanged in the budget acts adopted for the 2012-13 and 2013-14 fiscal years, the Legislature was aware of, and approved, the allocation and expenditure of funds from the National Mortgage Special Deposit Fund to offset General Fund expenditures in those fiscal years.

**FISCAL EFFECT:** Appropriates \$25,000 from the General Fund to the Department of Finance for legal fees and costs.

**COMMENTS:** This budget bill amends the 2018 Budget Act, and makes changes related to the National Mortgage Settlement Fund.

**Analysis Prepared by:** Genevieve Morelos / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 867 (Committee on Budget and Fiscal Review) – As Introduced January 10, 2018

**SUBJECT:** Budget Act of 2018: Leg Counsel Workplace Conduct

**SUMMARY:** Makes technical changes related to the 2018-19 Budget Act. Specifically, **this bill:**

- 1) Makes findings and declarations related to the Legislature's reform efforts in response to the "Me Too" movement.
- 2) Establishes a unit within the Legislative Counsel Bureau to provide advice and investigation services to the Legislature related to workplace misconduct.
- 3) Requires the unit to accept and investigate reports and complaints of workplace misconduct, as authorized by the Legislature.
- 4) Requires the Legislative Counsel to employ a director of the unit, one or more investigators, and additional staff as appropriate.
- 5) Provides that the position of director and investigator shall be career executive assignments.
- 6) Requires the Legislative Counsel to retain by contract, a rotating panel of experts, to review investigations undertaken by the unit and make recommendations to the Legislature regarding matters under investigation.

**FISCAL EFFECT:** Appropriates \$1.506 million to Legislative Counsel to implement the provisions of the bill.

**COMMENTS:** This budget bill amends the 2018 Budget Act, and makes technical changes related to the

**Analysis Prepared by:** Genevieve Morelos / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 878 (Committee on Budget and Fiscal Review) – As Introduced January 10, 2018

**SUBJECT:** Budget Act of 2018: Taxes: Credits: Qualified Motion Pictures

**SUMMARY:** Makes technical changes to the 2018-19 Budget Act. Specifically, **this bill:**

- 1) Requires the Legislative Analyst's Office to prepare reports on or before January 1, 2023, instead of on or before July 1, 2019, to the effectiveness and administration of the film tax credits under the Sales and Use Tax Law, the Personal Income Tax Law, and the Corporation Tax Law;
- 2) Authorizes on or after July 1, 2025, the California Film Commission to allocate any previously allocated credits not certified, that have not been previously added to credit amounts available for allocation under specified film tax credits allowed under the Personal Income Tax Law and the Corporation Tax Law.
- 3) Defines "previously allocated credits not certified" to mean either:
  - a. Credits allocated for which the qualified taxpayer to which the credit amounts were originally allocated has notified the California Film Commission in writing that the qualified taxpayer will not request certification for the allocated credits.
  - b. The difference between the amount of credits allocated to a qualified taxpayer and the amount of credits the California Film Commission certified, for that qualified taxpayer. For purposes of calculating the difference, the California Film Commission shall not consider any credit amounts for which the qualified taxpayer notifies the California Film Commission under specified sections.
- 4) Authorizes on or after July 1, 2025, the California Film Commission to allocate any unused credit allocation amount for the preceding fiscal year, and the portion of any unused credit allocation amount attributable to certain other film tax credits.

**FISCAL EFFECT:** This bill includes an appropriation of \$5,000 from the General Fund to the California Film Commission to develop rules associated with the programs.

**COMMENT:** This budget bill amends the 2018 Budget Act, and makes technical changes SB 871 (Committee on Budget), the Film Tax Credit trailer bill.

**Analysis Prepared by:** Genevieve Morelos / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 879 (Committee on Budget and Fiscal Review) – As Introduced January 10, 2018

**SUBJECT:** Budget Act of 2018: Public Safety

**SUMMARY:** This is a trailer bill on public safety issues containing necessary changes related to the Budget Act of 2018. This bill makes statutory changes to implement the 2018 Budget Act. Specifically, **this bill:**

- 1) Clarifies existing statute related to the public disclosure of papers, correspondence, records, documents or any information by the California State Auditor.
- 2) Adjusts the number of judges that shall be appointed from 50 to 48 pursuant to the allocation of 2 judgeships in the 2018 Budget Act.
- 3) Clarifies that the Emergency Medical Response Certification process for parolee participants in the CAL-Fire training program is non-provisional. Clarifies existing statute related to the promulgation of emergency regulations regarding the process for Emergency Response Certification in the CAL-Fire training program.
- 4) Reappropriates funds from the 2015 Budget Act in the Peace Officers' Training Fund and extends the period in which the reappropriated funds may be encumbered or expended to June 30, 2019.

**FISCAL EFFECT:** Reappropriates the Peace Officers' Training Fund and extends the date these funds may be expended or encumbered.

**COMMENTS:** This trailer bill includes technical clean up and clarifying language necessary to implement the 2018 Budget Act.

**Analysis Prepared by:** Jennifer Kim / BUDGET / (916) 319-2099

Date of Hearing: August 15, 2018

ASSEMBLY COMMITTEE ON BUDGET

Philip Y. Ting, Chair

SB 846 (Committee on Budget and Fiscal Review) – As Amended June 12, 2018

**SUBJECT:** Budget Act of 2018: Employment

**SUMMARY:** Makes technical changes related to the 2018-19 Budget Act. Specifically, **this bill:**

- 1) Requires the Department of Human Resources to include an evaluation of reasonable accommodation policies and practices in their annual report to the Governor and Legislature.
- 2) Makes various technical references changes including striking "Department of Human Resources" and replacing with "department".
- 3) Provides that an employee hired by the Kern County Hospital Authority on or after the operative date of this act, may participate in the Kern County Employees' Retirement Association, subject to the sole discretion of the retirement board of the association to maintain their tax-qualified or governmental plan status under federal law.
- 4) Requires the Department of General Services to periodically review policies and procedures in the State Contracting Manual and training provided to state personnel related to reasonable accommodation purchases for state employees.
- 5) Requires the Department of General Services, in consultation with the Department of Human Resources and the Department of Rehabilitation, to post on its Internet Website, on January 1, 2019, and biennially thereafter, a report on the purchases of services, goods, information technology, and telecommunications related to reasonable accommodations for state employees.

**FISCAL EFFECT:** Appropriates \$1,371,000 from grant funds received from the federal Department of Labor for expenditure in the 2018-19 to the Department of Industrial Relations for purposes of expanding or supporting existing apprenticeship programs and activities.

**COMMENTS:** This budget bill amends the 2018 Budget Act, and makes technical changes related to employment.

**Analysis Prepared by:** Genevieve Morelos / BUDGET / (916) 319-2099

## **Supplemental Reporting Language for Zero-Emission Vehicle Infrastructure**

### **Item 3900: Air Resources Board**

The Air Resources Board shall update the Clean Vehicle Rebate Project forecast annually until January 1, 2030 and include as part of its forecast the total state rebate investment necessary to facilitate reaching the goal of placing in service at least 5 million zero-emission vehicles by January 1, 2030.

The forecast shall specifically include:

- Models of the impacts of various rebate scenarios' ability to maximize the effectiveness of the rebates provided based on relevant data.
- Annual recommendations for changes for the project structure and various rebate levels based on market demand to reach the 2030 goal, including the project's income eligibility requirements to target moderate and low-income customers.
- Projected sales figures of electric vehicles.
- Impacts of federal policy changes on adoption of electric vehicles.
- Sales price difference between electric vehicles and nonelectric vehicles.
- Assessment of marketing efforts of electric vehicles by automobile manufacturers.
- Survey results of consumer awareness and acceptance of electric vehicles and awareness of the benefits associated with zero-emission vehicles. The survey questions and methodology shall be substantially similar for each report to allow for long-term trend analysis.

### **Item 3360: California Energy Commission**

The Energy Commission shall beginning November 1, 2019, and every November 1 each year thereafter, prepare a statewide assessment of the electric vehicle charging infrastructure needed to meet the goal of at least 5 million zero-emission vehicles in service by January 1, 2030 and to meet the goal of reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030. The assessment shall include the following:

- An assessment of need for infrastructure that services medium- and heavy-duty zero-emission vehicles, availability of electric vehicle charging infrastructure, survey results of consumer awareness of the location of electric vehicle charging stations, and the amount of funding needed for medium- and heavy-duty fueling and charging infrastructure investments in various regions of the state. The survey questions and methodology shall be substantially similar for each report to allow for long-term trend analysis.
- The assessment shall expand on the commission's electric vehicle infrastructure projections to consider all necessary charging infrastructure, including, but not limited to, the chargers, make-ready electrical equipment, and supporting hardware and software, all vehicle categories, road, highway, and offroad electrification, port and airport electrification, and other programs to accelerate the adoption of electric vehicles.
- The assessment shall examine existing and future infrastructure needs throughout the state, including in low-income communities.
- The commission, in consultation with the Department of Transportation and the State Air Resources Board, shall include in the assessment recommendations to improve public awareness of the availability and utilization of zero-emission fueling and charging infrastructure.
- The commission shall regularly seek data and input relating to electric vehicle charging infrastructure from stakeholders, including, but not limited to, the Public Utilities Commission, the State Air Resources Board, electrical corporations, local publicly owned electric utilities, state and local transportation and transit agencies, charging infrastructure companies, environmental groups, and automobile manufacturers.

## **Supplemental Reporting Language for Sonoma County Community Center**

### **Item 3790-101-0001: Department of Parks and Recreation**

On or before December 31, 2018, the Department shall submit a letter to the Joint Legislative Budget Committee describing any additional legislative actions that may be required to facilitate the intent of the appropriation in the *2018-19 Budget Act* of \$5 million to the County of Sonoma to replace a community center. The Department shall consult with the county and other relevant stakeholders in preparing this letter.

## **Supplemental Reporting Language for May Revision Issuance Date**

### **Item 8860-001-0001: Department of Finance**

It is the intent of the Legislature to discuss with the administration of the Governor elected in November 2018, including his appointee for Director of Finance, an earlier date for the release of the May Revision, with a goal of eventually moving forward the May Revision date to May 7 in future years.

AMENDMENTS TO SENATE BILL NO. 862  
AS AMENDED IN ASSEMBLY AUGUST 13, 2018

Amendment 1

In the title, in line 3, after "Items" insert:

0250-101-0932,

Amendment 2

In the title, in line 3, after "0650-001-0001," insert:

0690-101-0001,

Amendment 3

In the title, in line 3, after "0820-001-0001," insert:

0890-101-0001,

Amendment 4

In the title, in line 4, after "3340-001-0318," insert:

3540-001-0140,

Amendment 5

In the title, in line 4, after "3760-101-3228," insert:

3940-001-0001, 3940-101-0001, 5180-101-0001,

Amendment 6

In the title, in line 8, after "Items" insert:

3760-490,

Amendment 7

In the title, in line 9, after "3900-011-3119," insert:

3940-002-0001,



RN1818221

Amendment 8

On page 2, before line 1, insert:

SECTION 1. Item 0250-101-0932 of Section 2.00 of the Budget Act of 2018 is amended to read:

0250-101-0932—For local assistance, Judicial Branch,  
payable from the Trial Court Trust Fund..... 2,534,940,000  
2,549,940,000

Schedule:

- (1) 0150010-Support for Operation of  
Trial Courts..... 2,023,236,000
- (2) 0150019-Compensation of Superior  
Court Judges..... 356,974,000
- (3) 0150028-Assigned Judges..... 28,117,000
- (4) 0150037-Court Interpreters..... 104,960,000
- (5) 0150067-Court Appointed Special  
Advocate (CASA) program..... 2,713,000
- (6) 0150071-Model Self-Help Program..... 957,000
- (7) 0150083-Equal Access Fund..... 5,482,000
- (8) 0150087-Family Law Information  
Centers..... 345,000
- (9) 0150091-Civil Case Coordination..... 832,000
- (10) 0150095-Expenses on Behalf of the  
Trial Courts..... ~~11,325,000~~  
26,325,000
- (11) Reimbursements to 0150010-Support  
for Operation of Trial Courts..... -1,000

Provisions:

- 1. Of the funds appropriated in Schedule (1), \$25,300,000 shall be available for support of services for self-represented litigants, and any unexpended funds shall revert to the General Fund.
- 2. The funds appropriated in Schedule (2) shall be made available for costs of the workers' compensation program for trial court judges.
- 3. The amount appropriated in Schedule (3) shall be made available for all judicial assignments. Schedule (3) expenditures for necessary support staff shall not exceed the staffing level that is necessary to support the equivalent of three judicial officers sitting on assignments. Prior to utilizing funds appropriated in Schedule (3), trial courts shall maximize the use of

judicial officers who may be available due to reductions in court services or court closures.

4. The funds appropriated in Schedule (4) shall be for payments to contractual court interpreters, and certified or registered court interpreters employed by the courts for services provided during court proceedings and other services related to pending court proceedings, including services provided outside a courtroom, and the following court interpreter coordinators: 1.0 each in counties of the 1st through the 15th classes, 0.5 each in counties of the 16th through the 31st classes, and 0.25 each in counties of the 32nd through the 58th classes. For purposes of this provision, "court interpreter coordinators" may be full- or part-time court employees.

The Judicial Council shall set statewide or regional rates and policies for payment of court interpreters, not to exceed the rate paid to certified interpreters in the federal court system.

The Judicial Council shall adopt appropriate rules and procedures for the administration of these funds. The Judicial Council shall report to the Legislature and the Director of Finance annually regarding expenditures from Schedule (4).

5. Upon order of the Director of Finance, the amount available for expenditure in this item may be augmented by the amount of any additional resources available in the Trial Court Trust Fund, which is in addition to the amount appropriated in this item. Any augmentation shall be approved in joint determination with the Chairperson of the Joint Legislative Budget Committee and shall be authorized not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the chairperson of the joint committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine. When a request to augment this item is submitted to the Director of Finance, a copy of that request shall be delivered to the chairpersons of the committees and appropriate subcommittees that consider the State Budget. Delivery

- of a copy of that request shall not be deemed to be notification in writing for purposes of this provision.
6. Notwithstanding any other ~~provision of~~ law, upon approval and order of the Director of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0250-115-0932 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers' compensation claims for judicial branch employees and judges, and administrative costs pursuant to Section 68114.10 of the Government Code.
  7. Upon approval by the Administrative Director, the Controller shall transfer up to \$11,274,000 to Item 0250-001-0932 for recovery of costs for administrative services provided to the trial courts by the Judicial Council.
  8. In order to improve equal access and the fair administration of justice, the funds appropriated in Schedule (7) are available for distribution by the Judicial Council through the Legal Services Trust Fund Commission in support of the Equal Access Fund Program to qualified legal services projects and support centers as defined in Sections 6213 to 6215, inclusive, of the Business and Professions Code, to be used for legal services in civil matters for indigent persons. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Upon approval by the Administrative Director, the Controller shall transfer up to 5 percent of the funding appropriated in Schedule (7) to Item 0250-001-0932 for administrative expenses. Ten percent of the funds remaining after administrative costs shall be for joint projects of courts and legal services programs to make legal assistance available to pro per litigants and 90 percent of the funds remaining after administrative costs shall be distributed consistent with Sections 6216 to 6223, inclusive, of the Business and Professions Code. The Judicial Council may establish additional reporting or quality control requirements consistent with Sections 6213 to 6223, inclusive, of the Business and Professions Code.
  9. Funds available for expenditure in Schedule (7) may be augmented by order of the Director of Finance by the amount of any additional resources deposited for

distribution to the Equal Access Fund Program in accordance with Sections 68085.3 and 68085.4 of the Government Code. Any augmentation under this provision shall be authorized not sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

10. Sixteen (16.0) subordinate judicial officer positions are authorized to be converted to judgeships in the 2018–19 fiscal year in the manner and pursuant to the authority described in subparagraph (B) of paragraph (1) of subdivision (c) of Section 69615 of the Government Code, as described in the notice filed by the Judicial Council under subparagraph (B) of paragraph (3) of subdivision (c) of Section 69615 of the Government Code.
11. Notwithstanding any other ~~provision of law~~, and upon approval of the Director of Finance, the amount available for expenditure in Schedule (1) may be increased by the amount of any additional resources collected for the recovery of costs for court appointed dependency counsel services.
12. Upon approval of the Administrative Director, the Controller shall transfer up to \$556,000 to Item 0250-001-0932 for administrative services provided to the trial courts in support of the court appointed dependency counsel program.
13. Of the amounts appropriated in Schedule (1), \$325,000 shall be allocated by the Judicial Council in order to reimburse the California State Auditor's Office for the costs of trial court audits incurred by the California State Auditor's Office pursuant to Section 19210 of the Public Contract Code.
14. Upon approval of the Administrative Director, the Controller shall transfer up to \$500,000 of the funding appropriated in Schedule (10) of this item to Schedule (1) of Item 0250-001-0932 for administrative services provided by the Judicial Council to implement and administer the Civil Representation Pilot Program.

15. Upon approval of the Administrative Director, the amount available for expenditure in Schedule (10) may be augmented by the amount of resources collected to support the implementation and administration of the Civil Representation Pilot Program.
16. Of the amount appropriated in this item, up to \$540,000 is available to reimburse the Controller for the costs of audits incurred by the Controller pursuant to subdivision (h) of Section 77206 of the Government Code.
17. The Judicial Council shall conduct, or contract with a researcher to conduct, a cost-benefit analysis of self-help services and submit a report to the Legislature on its findings by November 30, 2020. This analysis shall assess the costs and benefits of each method by which self-help services are provided and how cost-effectiveness may vary across issue areas. Costs and benefits shall also include the impacts of self-help services on trial court operations.
18. Of the funds appropriated in this item, \$2,920,000 shall be available for expenses associated with two judgeships in Riverside County Superior Court.
19. Of the discretionary \$75,000,000 appropriated in Schedule (1) of this item for allocation according to a methodology determined by the Judicial Council, it is the intent of the Legislature that \$10,000,000 be utilized to increase the level of court reporters in family law cases. Further, it is the intent of the Legislature that the \$10,000,000 not supplant existing trial court expenditures on court reporters in family law cases.
20. Notwithstanding any other law, and subject to the passage of pre-trial reform legislation, the Judicial Council shall allocate up to \$15,000,000, in the 2018-19 fiscal year, to support start-up activities associated with implementation of pre-trial reform, including development of protocols and rules of court, training, administrative activities, and other necessary activities. These funds shall be reimbursed from a General Fund appropriation provided for this purpose in the Budget Act of 2019. Upon approval of the Administrative Director, the Controller shall transfer an amount determined by the Administrative Director to Item 0250-001-0932 to facilitate funding of the

start-up activities. It is estimated that implementation of the pre-trial reform legislation will have an annual cost of \$200,000,000, as reflected in the most recent longer-term state spending plan.

Amendment 9

On page 2, in line 1, strike out "SECTION 1." and insert:

SEC. 2.

Amendment 10

On page 3, in line 7, strike out "SEC. 2." and insert:

SEC. 3.

Amendment 11

On page 3, in line 27, strike out "SEC. 3." and insert:

SEC. 4.

Amendment 12

On page 3, below line 36, insert:

SEC. 5. Item 0690-101-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

0690-101-0001—For local assistance, Office of Emergency Services.....	99,376,000
	<u>112,876,000</u>

Schedule:

(1) 0385-Special Programs and Grant Management.....	74,376,000
	<u>84,376,000</u>
(2) 0380-Emergency Management Services.....	25,000,000
	<u>28,500,000</u>

Provisions:

1. Notwithstanding any other provision of law, the Office of Emergency Services may provide advance payment of up to 25 percent of grant funds awarded to community-based, nonprofit organizations, cities, school districts, counties, and other units of local

government that have demonstrated cashflow problems according to the criteria set forth by the Office of Emergency Services.

2. Of the amount appropriated in Schedule (1), \$10,000,000 shall be used to provide services for individuals impacted by domestic violence and sexual assault. Specifically, \$5,000,000 is for the Family Violence Prevention Program and \$5,000,000 is for the Rape Crisis Program.
3. Of the amount appropriated in Schedule (1), \$10,000,000 shall be used to provide grants to Family Justice Centers throughout the state.
4. Of the amount appropriated in Schedule (1), \$1,705,000 shall be provided to the City of Rialto to support city facility compliance with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) and to purchase or upgrade service equipment.
5. Of the amount appropriated in Schedule (1), \$5,000,000 shall be used to fund Internet Crimes Against Children Task Forces. This amount is available for encumbrance or expenditure until June 30, 2020.
6. Of the amount appropriated in Schedule (2), \$25,000,000 is available for equipment and technology that improves the mutual aid system.
7. Of the amount appropriated in Schedule (1), \$15,000,000 shall be used for public health and public safety capital upgrades in San Francisco.
8. Of the amount appropriated in Schedule (1), \$10,000,000 shall be used for grants related to services for victims of human trafficking.
9. Of the amount appropriated in Schedule (2), \$3,500,000 shall be used to provide grants to install emergency water tank systems for homes that have had wells recently go dry, and to continue to supply water tanks with water and maintain and repair such systems as an emergency measure while households await new wells or connection to community water systems.

Amendment 13

On page 4, in line 38, strike out "SEC. 4." and insert:

SEC. 6.

Amendment 14

On page 5, strike out line 1 and insert:

276,741,000

Amendment 15

On page 5, strike out line 6 and insert:

158,146,000

Amendment 16

On page 6, between lines 20 and 21, insert:

SEC. 7. Item 0890-101-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

0890-101-0001—For local assistance, Secretary of State..... ~~134,348,000~~  
134,368,000

Schedule:

(1) 0705-Elections..... 134,348,000  
134,368,000

Provisions:

1. Funds appropriated in this item that are not used pursuant to Provision 2 shall be available for reimbursement to counties for voting system replacement costs and shall be available for encumbrance or expenditure until June 30, 2020. Any unexpended funds pursuant to this provision shall revert to the General Fund.
2. Up to \$20,000 of the funds appropriated in this item shall be available for reimbursement to the County of San Diego for costs of implementing subdivision (b) of Section 23725 of the Government Code.

Amendment 17

On page 6, in line 22, strike out "SEC. 5." and insert:

SEC. 8.

Amendment 18

On page 7, strike out lines 20 to 40, inclusive, on page 8, strike out lines 1 to 3, inclusive, and insert:

If additional resources are needed to further reduce or prevent field office wait times beyond the level provided for in this appropriation and Provision 1, the Director of Finance may augment the amount appropriated in this item by submitting a request by the Director of the Department of Motor Vehicles for additional resources. The request must justify the additional resources requested and demonstrate how and by what amount of time the level of resources requested will reduce or prevent wait times at individual offices and statewide. The request must also provide an update on the status of the resources provided pursuant to this appropriation and Provision 1 and their impact on individual and statewide field office wait times. The requested augmentation is intended to reduce or prevent long wait times at impacted field offices and shall be limited to that purpose, including, but not limited to, additional field office staff, business process redesign, and expanded service hours. The request also will provide an updated forecast of the Motor Vehicle Account fund condition that reflects the impact of this request. The Director of Finance may not approve any augmentation unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations not later than 30 days prior to the effective date of the approval, or prior to whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

Amendment 19

On page 8, in line 24, strike out "SEC. 6." and insert:

SEC. 9.

Amendment 20

On page 10, in line 4, strike out "2" and insert:

Amendment 21

On page 10, between lines 9 and 10, insert:

SEC. 10. Item 3540-001-0140 of Section 2.00 of the Budget Act of 2018 is amended to read:

3540-001-0140—For support of Department of Forestry and Fire Protection, payable from the California Environmental License Plate Fund..... 4,208,000  
Schedule:  
(0.5) 2461-Office of the State Fire Marshal..... 3,600,000  
(1) 2470-Resource Management..... 608,000  
Provisions:  
1. The funds appropriated in Schedule (0.5) of this item shall be ~~available, upon approval by the Department of Finance, available~~ for fireworks management and disposal subject to the enactment of pending legislation and adoption of an extended producer responsibility program: disposal.

Amendment 22

On page 10, in line 10, strike out “SEC. 7.” and insert:

SEC. 11.

Amendment 23

On page 10, between lines 31 and 32, insert:

SEC. 12. Item 3760-490 is added to Section 2.00 of the Budget Act of 2018, to read:

3760-490—Reappropriation, State Coastal Conservancy. The amount specified in the following citation is reappropriated for the purposes described in this item and shall be available for encumbrance or expenditure until June 30, 2023:  
0001—General Fund  
(1) \$15,000,000 of the appropriation provided in Item 3760-101-0001, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017). These funds shall be available for expenditure to enhance public access and for other public purposes concerning the West Coyote Hills area

in the County of Orange. Provision 1 of Item 3760-101-0001 of the Budget Act of 2017 does not apply and shall be of no force and effect as of the effective date of this act. Prior to any disbursement of these funds, the Director of Finance shall approve such disbursement in a letter sent to the Chairperson of the Joint Legislative Budget Committee not later than 30 days prior to the proposed disbursement date, or not later than whatever lesser time prior to the proposed disbursement date that the chairperson of the joint committee, or his or her designee, may determine.

Amendment 24

On page 10, in line 32, strike out "SEC. 8." and insert:

SEC. 13.

Amendment 25

On page 10, between lines 38 and 39, insert:

SEC. 14. Item 3940-001-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

3940-001-0001—For support of State Water Resources Control Board, payable from the General Fund Board.....	37,979,000
	<u>38,179,000</u>

Schedule:

(1) 3560-Water Quality.....	18,447,000
(2) 3565-Drinking Water Quality.....	<del>4,864,000</del>
	<u>5,064,000</u>
(3) 3570-Water Rights.....	14,501,000
(4) 3575-Department of Justice legal services.....	167,000

Provisions:

1. The amount appropriated in Program 3575 shall be used to reimburse the Department of Justice for legal services. In addition to the amount in Program 3575, upon order of the Director of Finance, any non-General Fund Budget Act item for support of the State Water Resources Control Board may be augmented to reimburse the Department of Justice for legal services. An augmentation shall not be made sooner than 30 days after the Joint Legislative Budget Committee has been notified in writing.

2. Of this amount, \$981,000 is to reimburse the State Department of Public Health for lease-revenue bond base rental payments associated with the State Water Resources Control Board's occupancy in the State Department of Public Health's Richmond Laboratory.
3. The Controller shall transfer funds appropriated in this item to the State Department of Public Health, in the amount shown in Provision 2, as and when provided for in the Transaction Request submitted by the State Public Works Board.
4. Of the amount appropriated in Schedule (1), \$15,000 is appropriated for the benefit of the Santa Monica Bay Restoration Commission to resolve Los Angeles Superior Court Case No. BS165860. No later than December 31, 2018, the Santa Monica Bay Restoration Commission shall update its Memoranda of Agreement with The Bay Foundation to better delineate roles and responsibilities of the two parties as may be needed to reduce the likelihood of any future litigation by outside parties.
5. Of the amount appropriated in Schedule (2), \$200,000 shall be used for the implementation of Assembly Bill 1577 of the 2017-18 Regular Session, to authorize the State Water Resources Control Board to order the Sativa Water District to accept full management and control by an administrator selected by the board. The funds shall be available contingent upon passage of Assembly Bill 1577 of the 2017-18 Regular Session.

SEC. 15. Item 3940-002-0001 is added to Section 2.00 of the Budget Act of 2018, to read:

3940-002-0001—For support of State Water Resources Control Board .....	3,000,000
Schedule:	
(1) 3565-Drinking Water Quality.....	3,000,000
Provisions:	
1. The funds appropriated in this item shall be available for a needs analysis of drinking water systems.	
2. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, and for liquidation until June 30, 2021.	

SEC. 16. Item 3940-101-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

3940-101-0001—For local assistance, State Water Resources  
Control Board..... 14,500,000  
31,300,000

Schedule:

(1) 3560-Water Quality..... 14,500,000  
31,300,000

Provisions:

1. Of the amounts appropriated in this item, \$9,500,000 shall be used for emergency repairs to the Oxnard Waste Water Treatment Plant.
2. Not more than 5 percent of the amount appropriated in this item may be used for administrative costs of these programs.
3. The funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2020, and for liquidation until June 30, 2023.
4. Of the amounts appropriated under this item, \$5,000,000 shall be made available to the State Water Resources Control Board to provide grants or contracts for drinking water testing for lead at licensed child care centers, as defined, remediation of lead in plumbing and drinking water fixtures, and technical assistance for licensed childcare providers to apply for testing and remediation.
  - (a) The board shall give priority to the following licensed child care centers:
    - (1) Those that at least serve children zero to five years of age, with the highest priority for centers that service children zero to three years of age.
    - (2) Those that have 50 percent or more of their registered children who receive subsidized care.
    - (3) Those that operate only one facility.
  - (b) The board shall coordinate with the California Child Care Resource and Referral Network to provide technical assistance to the child care providers. The technical assistance shall include, but not be limited to:
    - (1) Outreach to licensed childcare providers to inform them about the opportunity to have drinking water tested for lead and the opportunity for remediation should lead be detected.

- (2) Assistance communicating and coordinating with landlords about the availability and need for drinking water testing for lead at a licensed child care center, should that provider be a tenant in a rented facility.
  - (c) This provision does not apply to any licensed child care provider that currently receives, or is eligible to receive, state or local funding for drinking water testing for lead.
  - (d) The board may adopt guidelines to implement this provision. Those guidelines are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
  - (e) Administrative and managerial contracts entered into under this section are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and the board may award those contracts on a noncompetitive bid basis as necessary to implement the purposes of this provision.
  - (f) For purposes of this provision, "licensed child care center" means a licensed child day care center, as defined in Section 1596.76 of the Health and Safety Code.
5. Of the amount appropriated in this item, \$6,800,000 shall be used for the State Water Resources Control Board's Safe Drinking Water for Schools grant program, including up to \$1,000,000 for technical assistance.
6. (a) Of the amounts appropriated in this item, \$10,000,000 shall be used for the State Water Resources Control Board to provide emergency relief grants to households to fund well replacement, septic system replacement, permanent connections to public systems, well or septic abandonment, point-of-use and point-of-entry treatment systems, and debt relief for households who have financed well replacement as a result of the drought emergency.
- (b) Of the amount described in subdivision (a) of this Provision 6, \$750,000 shall be used for the board to create a pilot program to provide grants for wells and septic replacements in households affected by the wildfire and not covered by

insurance. To the extent there is a greater demand for this pilot program, upon approval from the Department of Finance, the board may authorize a higher amount of funding, from the amount described in subdivision (a) of this Provision 6, for this purpose.

SEC. 17. Item 5180-101-0001 of Section 2.00 of the Budget Act of 2018 is amended to read:

5180-101-0001—For local assistance, State Department of Social Services.....	953,956,000
	<u>943,956,000</u>
Schedule:	
(1) 4270010-CalWORKs.....	528,472,000
(2) 4270019-Other Assistance Payments.....	<u>425,734,000</u>
	<u>415,734,000</u>
(3) Reimbursements to 4270010-CalWORKs.....	-250,000

Provisions:

1. (a) Funds appropriated in this item shall not be encumbered unless every rule or regulation adopted and every all-county letter issued by the State Department of Social Services that adds to the costs of any program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule, regulation, or all-county letter that would increase the costs of a program, the Department of Finance shall consider the amount of the proposed increase on an annualized basis, the effect the change would have on the expenditure limitations for the program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, and any additional factors relating to the fiscal integrity of the program or the state's fiscal situation.
- (b) Notwithstanding Sections 28.00 and 28.50, the availability of funds contained in this item for rules, regulations, or all-county letters that add to program costs funded from the General Fund in

excess of \$500,000 on an annual basis, including those that are the result of a federal regulation, but excluding those that are (1) specifically required as a result of the enactment of a federal or state law or (2) included in the appropriation made by this act, shall not be approved by the Department of Finance sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or sooner than such lesser time after notification as the chairperson of the joint committee, or his or her designee, may in each instance determine.

2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the costs of a program or programs when the federal funds have not been received or funds in any subaccount within the Local Revenue Fund have not been deposited prior to the usual time for the state to transmit payment to the counties. This loan from the General Fund shall be repaid when the federal funds or the funds for any subaccounts within the Local Revenue Fund for the program or programs becomes available.
3. The Department of Finance may authorize the transfer of amounts from this item to Item 5180-001-0001 in order to fund the costs of the administrative hearing process associated with the CalWORKs program.
4. (a) The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, including, but not limited to, the timing of federal payments, or any rule or regulation adopted and any all-county letter issued as a result of the enactment of a federal or state law, the adoption of a federal regulation, or a court action, during the 2018–19 fiscal year that are within or in excess of amounts appropriated in this act for that year.
  - (b) If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for this item, the

department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.

5. Nonfederal funds appropriated in this item which have been budgeted to meet the state's Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) shall not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
6. In the event of a declared disaster and upon county request, the State Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from this item and Item 5180-101-0890 to Items 5180-001-0001 and 5180-001-0890, for this purpose.
7. Pursuant to the Electronic Benefits Transfer (EBT) Act (Chapter 3 (commencing with Section 10065) of Part 1 of Division 9 of the Welfare and Institutions Code) and in accordance with the EBT System regulations (Manual of Policies and Procedures Section 16-401.15), in the event a county fails to reimburse the EBT contractor for settlement of EBT transactions made against the county's cash assistance programs, the state is required to pay the contractor. The State Department of Social Services may use funds from this item to reimburse the EBT contractor for settlement on behalf of the county. The county shall be required to reimburse the department for the county's settlement via direct payment or administrative offset.
8. The Department of Finance is authorized to approve expenditures for the California Food Assistance Program in those amounts made necessary by changes in the CalFresh Program Standard Utility Allowance, including those that result from midyear Standard Utility Allowance adjustments requested by the state. If the Department of Finance determines that the

estimate of expenditures will exceed the expenditure authority of this item, the department shall so report to the Legislature. At the time the report is made, the amount of the appropriation made in this item shall be increased by the amount of the excess unless and until otherwise provided by law.

9. Of the amount appropriated in Schedule (1), \$46,675,000 shall be available for housing supports for those families in receipt of CalWORKs for whom homelessness or housing instability is a barrier to self-sufficiency or child well-being pursuant to Section 11330.5 of the Welfare and Institutions Code.
10. Provision 5 of Item 5180-101-0890 also applies to this item.
11. (a) Of the amounts appropriated in Schedule (2), ~~\$199,323,000~~ \$189,323,000 is for benefit costs related to elimination of the SSI Cash-Out policy. The total funding provided in the Budget Act of 2018 to eliminate the SSI Cash-Out policy is ~~\$230,000,000~~ \$220,000,000 in General Fund monies, which consists of a one-time ~~\$200,000,000~~ \$190,000,000 appropriation from the General Fund and an early reversion of a total of \$30,000,000 of General Fund monies appropriated for CalFresh administration in the 2016–17 fiscal year. Any state administration costs resulting from the elimination of the cash-out policy, and any increased benefit costs resulting from providing parity in benefits for Cash Assistance Program for Immigrants recipients and SSI/SSP recipients, shall be funded by the one-time ~~\$200,000,000~~ \$190,000,000 appropriation from the General Fund. The 2018–19 costs to update automation systems and for county administration shall be funded by the \$30,000,000 early reversion to the General Fund. For the development of the 2019–20 Governor’s Budget, the County Welfare Directors Association of California shall present, no later than October 1, 2018, an administrative cost estimate for 2019–20 and beyond related to the elimination of the SSI Cash-Out policy to the State Department of Social Services, including the underlying assumptions and methodology used to develop the cost estimates. These updated costs shall be

evaluated by the Department of Finance, and may be funded from the balance of the one-time ~~\$200,000,000~~ \$190,000,000 appropriated in the Budget Act of 2018 available in 2019–20 and 2020–21, if approved and while hold harmless benefits continue to be funded.

- (b) The Department of Finance may authorize the transfer of funds from Schedule (2) of this item to Schedule (1) of Item 5180-141-0001 to support unanticipated costs related to automation and county administrative activities associated with the elimination of the SSI Cash-Out policy, pursuant to Sections 18900.5, 18900.6, and 18900.7 of the Welfare and Institutions Code, subject to documentation provided by the State Department of Social Services explaining the need for the resources. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.
- (c) The Department of Finance may authorize the transfer of funds from Schedule (2) of this item to Schedule (1) of Item 5180-001-0001 to fund the costs associated with the administration of the SSI Cash-Out policy elimination, subject to documentation provided by the State Department of Social Services explaining the need for the resources. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.
- (d) The Department of Finance may authorize the transfer of funds from Schedule (2) of this item to Schedule (1) of Item 5180-111-0001 to fund unanticipated increased costs for providing parity in benefits for California Assistance Program for Immigrants recipients related to the SSI Cash-Out policy elimination, pursuant to Section 18941 of the Welfare and Institutions Code.
- (e) Notwithstanding any other law, these funds shall be available for encumbrance or expenditure until June 30, 2022.
- (f) The State Department of Social Services shall update the Legislature during the 2019–20 budget process on the expenditures of funds appropriated

in the Budget Act of 2018 for the elimination of the SSI Cash-Out policy.

12. (a) Of the funds appropriated in Schedule (2), \$6,850,000 is to support the CalFresh Fruit and Vegetable EBT Pilot pursuant to Section 10072.3 of the Welfare and Institutions Code.
- (b) The Department of Finance may authorize the transfer of funds from Schedule (2) of this item to Schedule (1) of Item 5180-001-0001 to fund the costs associated with the administration of the CalFresh Fruit and Vegetable EBT Pilot, subject to documentation provided by the State Department of Social Services explaining the need for the resources. The Department of Finance shall report to the Legislature the amount to be transferred pursuant to this provision. The transfer shall be authorized at the time the report is made.
- (c) Notwithstanding any other law, these funds shall be available for encumbrance or expenditure until June 30, 2021.

Amendment 26

On page 10, in line 39, strike out "SEC. 9." and insert:

SEC. 18.

Amendment 27

On page 19, in line 38, strike out "SEC. 10." and insert:

SEC. 19.

Amendment 28

On page 24, in line 13, strike out "SEC. 11." and insert:

SEC. 20.

Amendment 29

On page 24, in line 28, strike out "SEC. 12." and insert:

SEC. 21.

Amendment 30

On page 28, in line 34, strike out "SEC. 13." and insert:  
SEC. 22.

Amendment 31

On page 29, in line 10, strike out "SEC. 14." and insert:  
SEC. 23.

Amendment 32

On page 29, in line 25, strike out "SEC. 15." and insert:  
SEC. 24.

Amendment 33

On page 31, in line 23, strike out "SEC. 16." and insert:  
SEC. 25.

Amendment 34

On page 31, in line 39, strike out "SEC. 17." and insert:  
SEC. 26.

Amendment 35

On page 38, in line 13, strike out "SEC. 18." and insert:  
SEC. 27.

Amendment 36

On page 38, in line 32, strike out "SEC. 19." and insert:  
SEC. 28.

Amendment 37

On page 46, in line 2, strike out "SEC. 20." and insert:  
SEC. 29.

Amendment 38

On page 46, in line 34, strike out "SEC. 21." and insert:  
SEC. 30.

Amendment 39

On page 47, in line 6, strike out "SEC. 22." and insert:  
SEC. 31.

Amendment 40

On page 47, in line 21, strike out "SEC. 23." and insert:  
SEC. 32.

Amendment 41

On page 52, in line 12, strike out "SEC. 24." and insert:  
SEC. 33.

Amendment 42

On page 54, in line 24, strike out "SEC. 25." and insert:  
SEC. 34.

Amendment 43

On page 56, in line 39, strike out "SEC. 26." and insert:  
SEC. 35.

Amendment 44

On page 57, in line 39, strike out "SEC. 27." and insert:  
SEC. 36.

Amendment 45

On page 58, in line 14, strike out "SEC. 28." and insert:  
SEC. 37.

Amendment 46  
On page 58, in line 31, strike out "SEC. 29." and insert:  
SEC. 38.

AMENDMENTS TO SENATE BILL NO. 874  
AS AMENDED IN ASSEMBLY AUGUST 13, 2018

Amendment 1

In the title, in line 2, after "8265.5," insert:

41320, 41320.1, 41321, 41325, 41326, 41327, 41327.1, 41327.2,

Amendment 2

In the title, in line 3, strike out "and 78222" and insert:

52074, 78222, and 84750.41

Amendment 3

In the title, in line 3, after "to," insert:

to add Chapter 6.5 (commencing with Section 42160) to Part 24 of Division 3 of Title 2 of,

Amendment 4

In the title, in line 7, strike out "Section" and insert:

Sections 131, 133, and

Amendment 5

On page 6, in line 1, strike out "19" and insert:

30

Amendment 6

On page 12, below line 40, insert:

SEC. 5. Section 41320 of the Education Code is amended to read:  
41320. As a condition to any emergency apportionment to be made pursuant to Section ~~41320.2~~ 41320.2, the following requirements shall be met:

(a) The school district requesting the apportionment shall submit to the county superintendent of schools having jurisdiction over the school district a report issued by an independent auditor approved by the county superintendent of schools on the financial conditions and budgetary controls of the school district, a written management review conducted by a qualified management consultant approved by the county



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superintendent of schools, and a fiscal plan adopted by the governing board to resolve the financial problems of the school district.

(b) The county superintendent of schools shall review, and provide written comment on, the independent auditor's report, the management review, and the school district plan. That written comment shall include the county superintendent's approval or disapproval of the school district plan. In the event the county superintendent disapproves the plan, the governing board shall revise the school district plan to respond to the concerns expressed by the county superintendent.

(c) Upon his or her approval of the school district plan, the county superintendent of schools shall submit copies of the report, review, plan, and written comments specified in subdivision (b) to the ~~Superintendent of Public Instruction, Superintendent,~~ the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, the Director of Finance, ~~the president of the state board or his or her designee,~~ and the Controller.

(d) The school district receiving the apportionment shall be eligible for assistance from the California Collaborative for Educational Excellence pursuant to Section 52074.

~~(d)~~

~~(e) The Superintendent of Public Instruction shall review the reports and comments submitted to him or her by the county superintendent of schools and schools, with the concurrence of the Superintendent, shall certify to the Director of Finance that the action taken to correct the financial problems of the school district is realistic and will result in placing the school district on a sound financial basis.~~

~~(e)~~

(f) The school district shall develop a schedule to repay the emergency loan, including any lease financing pursuant to Article 2.7 (commencing with Section 41329.50), and submit it to the county superintendent of schools. The county superintendent of schools shall review and comment on the repayment schedule and submit it to the ~~Superintendent of Public Instruction~~ for approval or disapproval. Upon the approval of the repayment schedule, and of the other reports, reviews, plans, and the appointment of the trustee required by this article, the ~~Superintendent of Public Instruction~~ shall request the Controller to disburse the proceeds of the emergency loan to the school district.

~~(f)~~

(g) The school district requesting the apportionment shall reimburse the county superintendent of schools for the costs incurred by the superintendent pursuant to this section.

SEC. 6. Section 41320.1 of the Education Code is amended to read:

41320.1. Acceptance by the school district of the apportionments made pursuant to Section 41320 constitutes the agreement by the school district to all of the following conditions:

(a) ~~The Superintendent shall~~ county superintendent of schools, the Superintendent, and the president of the state board or his or her designee shall, by majority vote, appoint a trustee from a pool of candidates identified and vetted by the County Office Fiscal Crisis and Management Assistance Team pursuant to subdivision (b) who has recognized expertise in management and finance and may employ, on a short-term

basis, staff necessary to assist the trustee, including, but not limited to, certified public accountants, as follows:

(1) The expenses incurred by the trustee and necessary staff shall be borne by the school district.

(2) The county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall establish the terms and conditions of the employment, including the remuneration of the trustee. The trustee shall serve at the pleasure of, and report directly to, the Superintendent, to the county superintendent of schools. The county superintendent of schools shall provide regular updates to the Superintendent and the president of the state board or his or her designee regarding the work of the trustee.

(3) The trustee, and necessary staff, shall serve until the school district has adequate fiscal systems and controls in place, the Superintendent has determined that the school district's future compliance with the fiscal plan approved for the school district under pursuant to Section 41320 is probable, and the Superintendent decides county superintendent of schools, the Superintendent, and the president of the state board or his or her designee decide to terminate the trustee's appointment, but in no event for less than three years. The Superintendent county superintendent of schools shall notify the county superintendent of schools, the Legislature, the Department of Finance, and the Controller no less than 60 days before the time that the Superintendent county superintendent of schools expects these conditions to be met.

(4) Before the school district repays the loan, including interest, the recipient of the loan shall select an auditor from a list established by the Superintendent and the Controller to conduct an audit of its fiscal systems. If the fiscal systems are deemed to be inadequate, the Superintendent county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may retain the trustee until the deficiencies are corrected. The cost of this audit and any additional cost of the trustee shall be borne by the school district.

(5) Notwithstanding any other law, all reports submitted to the trustee are public records.

(6) To facilitate the appointment of the trustee and the employment of necessary staff, for purposes of this section, the Superintendent this section is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(7) Notwithstanding any other law, the Superintendent may appoint an employee of the department to act as trustee for up to the duration of the trusteeship. The If the trustee appointed pursuant to this section is an employee of the department, the salary and benefits of that employee shall be established by the Superintendent and paid by the school district. During the time of appointment, the employee is an employee of the school district, but shall remain in the same retirement system under the same plan as if the employee had remained in the department. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the department. The time served in the appointment shall be counted for all purposes as if the employee had served that time in his or her former position with the department.

(b) The County Office Fiscal Crisis and Management Assistance Team, when selecting the pool of candidates for trustee, shall consider candidates' expertise in management and finance, previous experience mitigating fiscal distress in school districts, and ability to meaningfully engage with the community that the school district serves.

~~(b)~~

~~(c)~~ (1) The trustee appointed by the Superintendent pursuant to this section shall monitor and review the operation of the school district. During the period of his or her service, the trustee may stay or rescind an action of the governing board of the school district that, in the judgment of the trustee, may affect the financial condition of the school district.

(2) After the trustee's period of service, and until the loan is repaid, the county superintendent of schools that has jurisdiction over the school district may stay or rescind an action of the governing board of the school district that, in his or her judgment, may affect the financial condition of the school district. The county superintendent of schools shall notify the ~~Superintendent, Superintendent and the president of the state board or his or her designee,~~ within five business days, if he or she stays or rescinds an action of the governing board of the school district. The notice shall include, but not be limited to, both of the following:

(A) A description of the governing board of the school district's intended action and its financial implications.

(B) The rationale and findings that support the county superintendent of school's decision to stay or rescind the action of the governing board of the school district.

~~(3) If the Superintendent is notified by the county superintendent of schools notifies the Superintendent and the president of the state board or his or her designee pursuant to paragraph (2), the Superintendent county superintendent of schools shall report to the Legislature, pursuant to Section 9795 of the Government Code, on or before December 30 of every year, whether the school district is complying with the fiscal plan approved for the school district.~~

(4) ~~The Superintendent county superintendent of schools, with concurrence from the Superintendent,~~ may establish timelines and prescribe formats for reports and other materials to be used by the trustee to monitor and review the operations of the school district. The trustee shall approve or reject all reports and other materials required from the school district as a condition of receiving the apportionment. The Superintendent, upon the recommendation of the trustee, may reduce an apportionment to the school district in an amount up to two hundred dollars (\$200) per day for each late or unacceptable report or other material required under this part, and shall report to the Legislature a failure of the school district to comply with the requirements of this section. ~~If the Superintendent county superintendent of schools determines, at any time, that the fiscal plan approved for the school district under Section 41320 is unsatisfactory, he or she may modify the plan as necessary, with concurrence from the Superintendent,~~ and the school district shall comply with the plan as modified.

~~(e)~~

(d) At the request of ~~the county superintendent of schools, with approval from the Superintendent,~~ the Controller shall transfer to the department, from an apportionment to which the school district would otherwise have been entitled pursuant to Section 42238.02, as implemented by Section 42238.03, the amount necessary to

pay the expenses incurred by the trustee and associated costs incurred by the county superintendent of schools.

(d)

(e) For the fiscal year in which the apportionments are disbursed and every year thereafter, the Controller, ~~or his or her designee, an auditor that is designated by the Controller as both active and able to perform K-12 local education agency audits,~~ shall cause an audit to be conducted of the books and accounts of the school district, in lieu of the audit required by Section 41020. At the Controller's discretion, the audit may be conducted by the Controller, his or her designee, an auditor that is designated by the Controller as both active and able to perform K-12 local education agency audits, or an auditor selected by the school district and approved by the Controller. The costs of these audits shall be borne by the school district. These audits shall be required until the Controller determines, in consultation with the county superintendent of schools and the Superintendent, that the school district is financially solvent, but in no event earlier than one year following the implementation of the plan or later than the time the apportionment made is repaid, including interest. ~~For an audit conducted by the Controller, or his or her designee, the Controller, The auditor selected pursuant to this subdivision, if any, the county superintendent of schools, a County Office Fiscal Crisis and Management Assistance Team representative,~~ the Superintendent, and the school district superintendent, or their respective designees, shall meet before the audit to discuss the terms of the audit and the timeline under which it will proceed. In addition, the Controller shall conduct quality control reviews pursuant to subdivision (c) of Section 14504.2.

(e)

(f) For purposes of errors and omissions liability insurance policies, the trustee appointed pursuant to this section is an employee of the local educational agency to which he or she is assigned. For purposes of workers' compensation benefits, the trustee is an employee of the local educational agency to which he or she is assigned, except that a trustee appointed pursuant to paragraph (7) of subdivision (a) is an employee of the department for those purposes.

(f)

(g) Except for an individual appointed by the ~~Superintendent vote pursuant to subdivision (a) as a trustee pursuant to described in~~ paragraph (7) of subdivision (a), the state-appointed trustee appointed pursuant to this section is a member of the State Teachers' Retirement System, if qualified, for the period of service as trustee, unless the trustee elects in writing not to become a member. A person who is a member or retirant of the State Teachers' Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the trustee chooses to become a member or is already a member, the trustee shall be placed on the payroll of the school district for the purpose of providing appropriate contributions to the system. The Superintendent may also require that an individual appointed as a trustee pursuant to described in paragraph (7) of subdivision (a) be placed on the payroll of the school district for purposes of remuneration, other benefits, and payroll deductions. For purposes of workers' compensation benefits, the state-appointed trustee is deemed an employee of the local educational agency to which he or she is assigned, except that a trustee who is ~~appointed pursuant to described in~~ paragraph (7) of subdivision (a) is an employee of the department for those purposes.

SEC. 7. Section 41321 of the Education Code is amended to read:

41321. (a) On or before October 31 of the year following receipt of an emergency apportionment, and each year thereafter, until the emergency apportionment, including interest, is repaid, the governing board of the school district shall prepare a report on the financial condition of the school district. The report shall include, but not necessarily be limited to, all of the following information:

(1) Specific actions taken to reduce expenditures or increase income, and the cost savings and increased income resulting from those actions.

(2) A copy of the adopted budget for the current fiscal year.

(3) Reserves for economic uncertainties.

(4) Status of employee contracts.

(5) Obstacles to the implementation of the adopted recovery plan.

(b) The school district shall submit the report to the trustee for review. Upon the trustee's approval of the report, the school district shall transmit copies to the county superintendent of schools, the ~~Superintendent of Public Instruction~~, Superintendent, the president of the state board or his or her designee, and the Controller.

SEC. 8. Section 41325 of the Education Code is amended to read:

41325. (a) The Legislature finds and declares that when a school district becomes insolvent and requires an emergency apportionment from the state in the amount designated in this article, it is necessary that the ~~Superintendent~~ county superintendent of schools, under the supervision of the Superintendent, assume control of the school district in order to ensure the school district's return to fiscal solvency.

(b) It is the intent of the Legislature that ~~the Superintendent, operating through an appointed~~ an administrator, appointed pursuant to Section 41326, do all of the following:

(1) Implement substantial changes in the school district's fiscal policies and practices, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptcy Code for the adjustment of indebtedness.

(2) Revise the school district's educational program to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils.

(3) Encourage all members of the school community to accept a fair share of the burden of the school district's fiscal recovery.

(4) Consult, for the purposes described in this subdivision, with the school district governing board, the exclusive representatives of the employees of the school district, parents, and the community.

(5) Consult with and seek recommendations from the county superintendent of ~~schools~~ schools and the Superintendent for the purposes described in this subdivision.

(c) For purposes of this article, the ~~Superintendent~~ county superintendent of schools, the Superintendent, and the president of the state board or his or her designee may also appoint a trustee with the powers and responsibilities of an administrator, as set forth in this article.

SEC. 9. Section 41326 of the Education Code is amended to read:

41326. (a) Notwithstanding any other provision of this code, the acceptance by a school district of an apportionment made pursuant to Section 41320 that exceeds an amount equal to 200 percent of the amount of the reserve recommended for that

school district under the standards and criteria adopted pursuant to Section 33127 constitutes the agreement by the school district to the conditions set forth in this article. Before applying for an emergency apportionment in the amount identified in this subdivision, the governing board of a school district shall discuss the need for that apportionment at a regular or special meeting of the governing board of the school district and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the school district, and other members of the community. For purposes of this article, "qualifying school district" means a school district that accepts a loan as described in this subdivision.

(b) ~~The Superintendent~~ county superintendent of schools shall assume all the legal rights, duties, and powers of the governing board of a qualifying school district. ~~The Superintendent, in consultation with the county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall appoint an administrator to act on his or her behalf in exercising~~ administrator from a pool of candidates identified and vetted by the County Office Fiscal Crisis and Management Assistance Team pursuant to subdivision (c) to exercise the authority described in this subdivision in accordance with all of the following:

(1) The administrator shall serve under the direction and supervision of the ~~Superintendent~~ county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, until terminated by the Superintendent county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, at his or her their discretion. The Superintendent shall consult with the county superintendent of schools before terminating the administrator.

(2) The administrator shall have recognized expertise in management and finance.

(3) To facilitate the appointment of the administrator and the employment of necessary staff, ~~for purposes of this section, the Superintendent~~ this section is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(4) Notwithstanding any other law, ~~the Superintendent may appoint if~~ an employee of the state or the office of the county superintendent of schools is appointed to act as administrator for up to the duration of the administratorship. During the tenure of his or her appointment, pursuant to this section, the administrator, if he or she is an employee of the state or the office of the county superintendent of schools, is an employee of the qualifying school ~~district, district during the tenure of his or her appointment,~~ but shall remain in the same retirement system under the same plan that has been provided by his or her employment with the state or the office of the county superintendent of schools. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the state or the office of the county superintendent of schools. The time served in the appointment shall be counted for all purposes as if the administrator had served that time in his or her former position with the state or the office of the county superintendent of schools.

(5) Except for an individual appointed as an administrator by the ~~Superintendent~~ county superintendent of schools who is described in and subject to paragraph (4), the administrator shall be a member of the State Teachers' Retirement System, if

qualified, for the period of service as administrator, unless he or she elects in writing not to become a member. A person who is a member or retirant of the State Teachers' Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the administrator chooses to become a member or is already a member, the administrator shall be placed on the payroll of the qualifying school district for purposes of providing appropriate contributions to the system. The Superintendent may also require the administrator to be placed on the payroll of the qualifying school district for purposes of remuneration, other benefits, and payroll deductions.

(6) For purposes of workers' compensation benefits, the administrator is an employee of the qualifying school district, except that an administrator ~~appointed pursuant~~ described in and subject to paragraph (4) may be deemed an employee of the state or office of the county superintendent of schools, as applicable.

(7) The qualifying school district shall add the administrator as a covered employee of the qualifying school district for all purposes of errors and omissions liability insurance policies.

(8) The salary and benefits of the administrator shall be established by the ~~Superintendent~~ county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, and paid by the qualifying school district.

(9) The ~~Superintendent~~ county superintendent of schools or the administrator may employ, on a short-term basis and at the expense of the qualifying school district, any staff necessary to assist the administrator, including, but not limited to, a certified public accountant.

(10) The administrator may do all of the following:

(A) Implement substantial changes in the fiscal policies and practices of the qualifying school district, including, if necessary, the filing of a petition under Chapter 9 (commencing with Section 901) of Title 11 of the United States Code for the adjustment of indebtedness.

(B) Revise the educational program of the qualifying school district to reflect realistic income projections and pupil performance relative to state standards.

(C) Encourage all members of the school community to accept a fair share of the burden of the fiscal recovery of the qualifying school district.

(D) Consult, for the purposes described in this subdivision, with the governing board of the qualifying school district, the exclusive representatives of the employees of the qualifying school district, parents, and the community.

(E) Consult with, and seek recommendations from, the Superintendent, the county superintendent of schools, and the County Office Fiscal Crisis and Management Assistance Team authorized pursuant to subdivision (c) of Section 42127.8 for purposes described in this article.

(F) ~~With the~~ Upon approval of by the Superintendent, county superintendent of schools, enter into agreements on behalf of the qualifying school district and, subject to any contractual obligation of the qualifying school district, change existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in Sections 41327 and 41327.1.

(G) Request the advice and assistance of the California Collaborative for Educational Excellence.

(c) The County Office Fiscal Crisis and Management Assistance Team, when selecting the pool of candidates for administrator, shall consider candidates' expertise in management and finance, previous experience mitigating fiscal distress in school districts, and ability to engage meaningfully with the community that the school district serves.

~~(e)~~

~~(d)~~ (1) Except as provided for in paragraph (2), the period of time during which the ~~Superintendent~~ county superintendent of schools exercises the authority described in subdivision (b), the governing board of the qualifying school district shall serve as an advisory body reporting to the ~~state-appointed administrator, administrator appointed pursuant to subdivision (b),~~ and has no rights, duties, or powers, and is not entitled to any stipend, benefits, or other compensation from the qualifying school district.

(2) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment, the governing board of the qualifying school district may conduct an annual advisory evaluation of an administrator for the duration of the administratorship.

(B) An advisory evaluation of an administrator shall focus on the administrator's effectiveness in leading the qualifying school district toward fiscal recovery and improved academic achievement. Advisory evaluation criteria shall be agreed upon by the governing board of the qualifying school district and the administrator before the advisory evaluation. The advisory evaluation shall include, but not be limited to, all of the following:

(i) Goals and standards consistent with Section 41327.1.

(ii) Commendations in the areas of the administrator's strengths and achievements.

(iii) Recommendations for improving the administrator's effectiveness in areas of concern and unsatisfactory performance.

(C) An advisory evaluation of an administrator conducted by the governing board of a qualifying school district shall be submitted to the Governor, the Legislature, pursuant to Section 9795 of the Government Code, the Superintendent, the president of the state board or his or her designee, the county superintendent of schools, and the County Office Fiscal Crisis and Management Assistance Team.

(3) Upon the appointment of an administrator pursuant to this section, the district superintendent of schools is no longer an employee of the qualifying school district.

(4) A determination of the severance compensation for the district superintendent of schools shall be made pursuant to subdivision ~~(j)~~. (k).

~~(d)~~

(e) Notwithstanding Section 35031 or any other law, the administrator, after according the affected employee reasonable notice and the opportunity for a hearing, may terminate the employment of a deputy, associate, assistant superintendent, or other school district level administrator who is employed by a qualifying school district under a contract of employment signed or renewed after January 1, 1992, if the employee fails to document, to the satisfaction of the administrator, that before the date of the acceptance of the emergency apportionment he or she either advised the governing board of the qualifying school district, or his or her superior, that actions contemplated or taken by the governing board of the qualifying school district could

result in the fiscal insolvency of the qualifying school district, or took other appropriate action to avert that fiscal insolvency.

~~(e)~~

~~(f)~~ The authority of the county superintendent of schools, the Superintendent, the president of the state board or his or her designee, and the administrator, under this section shall continue until all of the following occur:

(1) (A) After one complete fiscal year has elapsed following the qualifying school district's acceptance of an emergency apportionment as described in subdivision (a), the administrator determines, and so notifies ~~the Superintendent and the county superintendent of schools, the Superintendent, and the president of the state board or his or her designee~~, that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.

~~(B) The Superintendent county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may return power to the governing board of the qualifying school district for an area listed in subdivision (a) of Section 41327.1 if performance under the recovery plan for that area has been demonstrated to the satisfaction of the Superintendent. county superintendent of schools, with concurrence from the Superintendent.~~

~~(2) The Superintendent county superintendent of schools, with concurrence from the Superintendent, has approved all of the recovery plans referred to in subdivision (a) of Section 41327 and the County Office Fiscal Crisis and Management Assistance Team completes the improvement plans specified in Section 41327.1 and has completed a minimum of two reports identifying the qualifying school district's progress in implementing the improvement plans.~~

~~(3) The administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery plans.~~

~~(4) The qualifying school district has completed all reports required by the Superintendent county superintendent of schools and the administrator.~~

~~(5) The Superintendent county superintendent of schools, with concurrence from the Superintendent, determines that future compliance by the qualifying school district with the recovery plans approved pursuant to paragraph (2) is probable.~~

~~(f)~~

~~(g)~~ When the conditions stated in subdivision ~~(e)~~ ~~(f)~~ have been met, and at least 60 days after the ~~Superintendent county superintendent of schools~~ has notified the Legislature, pursuant to Section 9795 of the Government Code, the Department of Finance, ~~the Superintendent, the president of the state board or his or her designee, and the Controller, and the county superintendent of schools Controller~~ that he or she expects the conditions prescribed pursuant to this section to be met, the governing board of the qualifying school district shall regain all of its legal rights, duties, and powers, except for the powers held by the trustee provided for pursuant to Article 2 (commencing with Section 41320). ~~The Superintendent parties specified in Section 41320.1 shall appoint a trustee under Section 41320.1 that section to monitor and review the operations of the qualifying school district until the conditions of subdivision (b) of that section have been met.~~

~~(g)~~

(h) Notwithstanding subdivision (f), (g), if the qualifying school district violates a provision of the recovery plans approved by the Superintendent county superintendent of schools, with concurrence from the Superintendent, pursuant to this article within five years after the trustee appointed pursuant to Section 41320.1 is removed or after the emergency apportionment is repaid, whichever occurs later, or the improvement plans specified in Section 41327.1 during the period of the trustee's appointment, the Superintendent county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, may reassume, either directly or through an administrator appointed in accordance with this section, all of the legal rights, duties, and powers of the governing board of the qualifying school district. The Superintendent county superintendent of schools, with concurrence from both the Superintendent and the president of the state board or his or her designee, shall return to the governing board of the qualifying school district all of its legal rights, duties, and powers reassumed under this subdivision when he or she determines that future compliance with the approved recovery plans is probable, or after a period of one year, whichever occurs later.

(h)

(i) Article 2 (commencing with Section 41320) shall apply except as otherwise specified in this article.

(i)

(j) It is the intent of the Legislature that the legislative budget subcommittees annually conduct a review of each qualifying school district that includes an evaluation of the financial condition of the qualifying school district, the impact of the recovery plans upon the qualifying school district's educational program, and the efforts made by the state-appointed administrator to obtain input from the community and the governing board of the qualifying school district.

(j)

(k) (1) The district superintendent of schools is entitled to a due process hearing for purposes of determining final compensation. The final compensation of the district superintendent of schools shall be between zero and six times his or her monthly salary. The outcome of the due process hearing shall be reported to the Superintendent and the public. The information provided to the public shall explain the rationale for the compensation.

(2) This subdivision applies only to a contract for employment negotiated on or after June 21, 2004.

(k)

(l) (1) When the Superintendent county superintendent of schools assumes control over a qualifying school district pursuant to subdivision (b), ~~he or she shall, in consultation with the County Office Fiscal Crisis and Management Assistance Team, Team shall~~ review the fiscal oversight of the qualifying school district by the county superintendent of schools. The Superintendent County Office Fiscal Crisis and Management Assistance Team may consult with other fiscal experts, including other county superintendents of schools and regional fiscal teams, in conducting this review.

(2) Within three months of the county superintendent of schools assuming control over a qualifying school district, the Superintendent County Office Fiscal Crisis and Management Assistance Team shall report ~~his or her~~ its findings to the Legislature Legislature, pursuant to Section 9795 of the Government Code, and shall provide a

copy of that report to the Department of ~~Finance~~. Finance, the Superintendent, and the president of the state board or his or her designee. This report shall include findings as to fiscal oversight actions that were or were not taken and may include recommendations as to an appropriate legislative response to improve fiscal oversight.

(3) In the year following the completion of the report required in paragraph (2), the County Office Fiscal Crisis and Management Assistance Team shall begin annual reviews of the effectiveness of the oversight of the qualifying school district by the county office of education.

~~(3)~~  
(4) If, after performing the duties described in paragraphs (1) and (2), (1), (2), and (3), the Superintendent County Office Fiscal Crisis and Management Assistance Team determines that the county superintendent of schools failed to carry out his or her responsibilities for fiscal oversight as required by this code, the Superintendent Superintendent, with the concurrence of the president of the state board or his or her designee, may exercise the authority of the county superintendent of schools who has oversight responsibilities for a qualifying school district. The Superintendent and the president of the state board or his or her designee shall further require the county superintendent of schools to demonstrate remediation of deficiencies identified in reports required in paragraphs (2) and (3). If the Superintendent finds, based on the report reports required in paragraph (2), paragraphs (2) and (3), that the county superintendent of schools failed to appropriately take into account particular types of indicators of financial distress, or failed to take appropriate remedial actions in the qualifying school district, the Superintendent shall further investigate whether the county superintendent of schools failed to take into account those indicators, or similarly failed to take appropriate actions in other school districts with negative or qualified certifications.

SEC. 10. Section 41327 of the Education Code is amended to read:

41327. (a) In accordance with timelines, instructions, and a format established by the ~~Superintendent of Public Instruction, county superintendent of schools, with concurrence from the Superintendent, the state-appointed administrator appointed pursuant to subdivision (b) of Section 41326~~ shall prepare or obtain the following reports and plans:

(1) A management review and recovery plan.

(2) A multiyear financial recovery plan. The multiyear financial recovery plan shall include a plan, to be submitted annually on or before July 1, to repay to the state any and all loans owed by the school district.

~~(3) During the period of service by the state-appointed administrator,~~ administrator appointed pursuant to subdivision (b) of Section 41326, an annual report on the financial condition of the school district, including, but not necessarily limited to, all of the following information:

(A) Specific actions taken to reduce school district expenditures or increase income to the school district, and the amount of the resulting cost savings and increases in income.

(B) A copy of the adopted school district budget for the current fiscal year.

(C) The amount of the school district budgetary reserve.

(D) The status of employee contracts.

(E) Any obstacles to the implementation of the recovery plans described in paragraphs (1) and (2).

(b) Each of the reports or plans required under this section, or under any other law that requires the school district to prepare reports or plans, shall be submitted to the ~~Superintendent of Public Instruction~~ county superintendent of schools for approval, after his or her consideration of comments and recommendations of the ~~county superintendent of schools~~, with concurrence from the Superintendent. The ~~Superintendent of Public Instruction~~ county superintendent of schools may accept and approve, for the purposes of this section, any reports or plans that were prepared by or for the school district prior to the school district's acceptance of a loan as described in subdivision (a) of Section 41326.

(c) With the approval of the ~~Superintendent of Public Instruction~~, county superintendent of schools, the ~~state-appointed~~ administrator appointed pursuant to subdivision (b) of Section 41326 may enter into agreements on behalf of the school district and, subject to any contractual obligation of the school district, change any existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in subdivision (a).

(d) The County Office Financial Crisis and Management Assistance Team shall do an annual review of the progress made with regard to the recovery plans required by subdivision (a), and submit that review to the county superintendent, the Superintendent, and the president of the state board or his or her designee.

SEC. 11. Section 41327.1 of the Education Code is amended to read:

41327.1. (a) The state board shall adopt and may periodically update by regulation a comprehensive list of professional and legal standards that all school districts are encouraged to use as a guide to conduct a good educational program and fiscal and management practices that shall be used as the basis of evaluating the improvement of qualifying school districts pursuant to this article. These standards shall, at a minimum, address all of the following areas:

- (1) Financial management.
- (2) Pupil achievement.
- (3) Personnel management.
- (4) Facilities management.
- (5) Community relations.

(b) If an administrator is appointed pursuant to Section 41326, the County Office Fiscal Crisis and Management Assistance Team established pursuant to Section 42127.8 shall conduct comprehensive assessments in the five areas specified in subdivision (a).

(c) After the assessments specified in subdivision (b) are completed, the ~~Superintendent, county superintendent of schools,~~ in consultation with the County Office Fiscal Crisis and Management Assistance ~~Team and the county superintendent of schools,~~ Team, the Superintendent, and the president of the state board or his or her designee, shall determine, based upon the school district's particular needs and circumstances, the level of improvement needed in the standards adopted pursuant to subdivision (a) before local authority will be returned pursuant to subdivision ~~(f)~~ (g) of Section 41326. Based upon this determination, the County Office Fiscal Crisis and Management Assistance Team shall complete improvement plans in the five areas specified in subdivision (a) that focus on the agreed upon standards, and that are consistent with the financial improvement plan.

(d) Beginning six months after an emergency loan is approved, and every six months thereafter until local authority is returned pursuant to subdivision ~~(f)~~ (g) of Section 41326, the County Office Fiscal Crisis and Management Assistance Team shall file a written status report with the appropriate fiscal and policy committees of the Legislature, the Members of the Legislature that represent the qualifying school district, any advisory council of the school district, the Superintendent, the county superintendent of schools, and the Director of Finance. The reports shall indicate the progress that the school district is making in meeting the recommendations of the improvement plans developed pursuant to this section.

(e) If the County Office Fiscal Crisis and Management Assistance Team indicates in writing that it has insufficient resources to complete the comprehensive assessments, improvement plans, and progress reports required pursuant to this section, the department county superintendent of schools shall request proposals to complete these tasks, and subject to the approval of the Department of Finance, select an entity to complete the tasks assigned to the County Office Fiscal Crisis and Management Assistance Team pursuant to this section.

SEC. 12. Section 41327.2 of the Education Code is amended to read:

41327.2. (a) The appointment of an administrator pursuant to Section 41326 does not remove any statutory rights, duties, or obligations from the county superintendent of schools. The county superintendent of schools retains the responsibility to superintend school districts under his or her jurisdiction.

(b) The county superintendent of schools shall submit reports to the Superintendent, the president of the state board or his or her designee, the appropriate fiscal and policy committees of the Legislature, and the Director of Finance subsequent to review by the county superintendent of schools of the school district's budget and interim reports in accordance with subdivision (d) of, and paragraph (1) of subdivision (f) of, Section 42127, and paragraph (2) of subdivision (a) of, and subdivision (e) of, Section 42131. These reports shall document the fiscal and administrative status of the qualifying school district, particularly in regard to the implementation of fiscal and management recovery plans. Each report shall also include a determination of whether the revenue streams to the school district appear to be consistent with its expenditure plan, according to the most recent data available at the time of the report. These reports are required until six months after all rights, duties, and powers are returned to the school district pursuant to this article.

SEC. 13. Chapter 6.5 (commencing with Section 42160) is added to Part 24 of Division 3 of Title 2 of the Education Code, to read:

#### CHAPTER 6.5. SCHOOL DISTRICTS IN FINANCIAL DISTRESS

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

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

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

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

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

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

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

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

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

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

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

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

(5) Sale or lease of surplus property.

(6) Growth and maintenance of budgetary reserves.

(7) Approval of school district budgets by the Alameda County Office of Education.

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

(e) The activities described in subdivision (c) shall be determined in the annual Budget Act based on joint recommendations from the County Office Fiscal Crisis and Management Assistance Team and the Alameda County Superintendent of Public

Schools. These recommendations shall be submitted to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance by March 1 of each fiscal year, through March 1, 2021, in conjunction with the certification described in subdivision (d).

42161. (a) For the 2018–19 fiscal year, the Inglewood Unified School District shall do both of the following:

(1) Meet the requirements for qualified or positive certification for the school district's second interim report pursuant to Article 3 (commencing with Section 42130) of Chapter 6.

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

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

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

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

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

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

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

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

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

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

(5) Sale or lease of surplus property.

(6) Growth and maintenance of budgetary reserves.

(7) Approval of school district budgets by the Los Angeles County Office of Education.

(d) Funds described in subdivision (b) shall be allocated to Inglewood Unified School District upon the certification of the County Office Fiscal Crisis and Management Assistance Team, with concurrence from the Los Angeles County Office of Education, to the Assembly Committee on Budget, Senate Committee on Budget and Fiscal Review, and the Department of Finance that the activities described in subdivision (c), as specified in the prior year Budget Act, have been completed.

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

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

Amendment 7

On page 13, in line 1, strike out "SEC. 5." and insert:

SEC. 14.

Amendment 8

On page 16, in line 31, strike out "SEC. 6." and insert:

SEC. 15.

Amendment 9

On page 18, in line 5, strike out "SEC. 7." and insert:

SEC. 16.

Amendment 10

On page 18, in line 17, strike out "52064." and insert:

52064 and shall include all of the following:

(1) A review of the progress toward the goals included in the charter, an assessment of the effectiveness of the specific actions described in the charter toward achieving the goals, and a description of changes to the specific actions the charter school will make as a result of the review and assessment.

(2) A listing and description of the expenditures for the fiscal year implementing the specific actions included in the charter as a result of the reviews and assessment required by paragraph (1).

Amendment 11

On page 19, in line 2, strike out “subdivision (f) of”

Amendment 12

On page 19, in line 8, strike out “SEC. 8.” and insert:

SEC. 17.

Amendment 13

On page 22, in line 2, strike out “subdivision (f) of”

Amendment 14

On page 22, in line 10, strike out “SEC. 9.” and insert:

SEC. 18.

Amendment 15

On page 22, in line 38, strike out “SEC. 10.” and insert:

SEC. 19.

Amendment 16

On page 24, in line 13, strike out “planned” and insert:

budgeted

Amendment 17

On page 24, in line 31, strike out “planned” and insert:

budgeted

Amendment 18

On page 24, in line 38, strike out “planned” and insert:

budgeted

Amendment 19

On page 25, in line 1, strike out “planned” and insert:

budgeted

Amendment 20

On page 25, in line 7, strike out “For” and insert:

Only for

Amendment 21

On page 25, in line 7, strike out “only,” and insert:

that operate more than one schoolsite,

Amendment 22

On page 25, in line 8, strike out “planned” and insert:

budgeted

Amendment 23

On page 25, in line 32, strike out “any”

Amendment 24

On page 26, in line 2, after the first “on” insert:

annual

Amendment 25

On page 26, in line 3, strike out “by subdivision (f) of” and insert:

in

Amendment 26

On page 26, in line 24, strike out “include” and insert:

require the inclusion of additional

Amendment 27

On page 26, in line 24, strike out the second “in” and strike out line 25

Amendment 28

On page 26, in line 38, strike out “priority.” and insert:

priority and, for charter schools, in accordance with Section 47606.5.

Amendment 29

On page 27, in line 2, after the second “the” insert:

goals,

Amendment 30

On page 27, in line 2, strike out “actions” and insert:

actions,

Amendment 31

On page 27, in line 7, strike out “indicators” and insert:

indicators, including their locally collected and reported data for the local indicators, that are

Amendment 32

On page 27, in lines 8 and 9, strike out “by subdivision (f) of” and insert:

in

Amendment 33

On page 27, in line 10, after “the” insert:

goals,

Amendment 34

On page 27, in line 10, strike out “actions” and insert:

actions,

Amendment 35

On page 28, in line 5, after “implement” insert:

Assembly Bill 1808 and

Amendment 36

On page 28, strike out line 38 and insert:

2020, except that the state board may adopt revisions to those templates pursuant to subdivision (g) that are necessary to implement Assembly Bill 1808 of the 2017–18 Regular Session or meet federal requirements.

Amendment 37

On page 28, in line 39, strike out “SEC. 11.” and insert:

SEC. 20.

Amendment 38

On page 29, in line 25, strike out “SEC. 12.” and insert:

SEC. 21.

Amendment 39

On page 32, in line 37, strike out “subdivision (f) of”

Amendment 40

On page 34, in line 21, strike out “SEC. 13.” and insert:

SEC. 22.

Amendment 41

On page 34, between lines 28 and 29, insert:

SEC. 23. Section 52074 of the Education Code is amended to read:  
52074. (a) The California Collaborative for Educational Excellence is hereby established.

(b) The purpose of the California Collaborative for Educational Excellence is to advise and assist school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan adopted

pursuant to this article. The California Collaborative for Educational Excellence shall achieve this purpose by facilitating continuous improvement for local educational agencies within California's system of public school support.

(c) The California Collaborative for Educational Excellence shall be governed by a board consisting of the following five members:

- (1) The Superintendent or his or her designee.
- (2) The president of the state board or his or her designee.
- (3) A county superintendent of schools appointed by the Senate Committee on

Rules.

- (4) A teacher appointed by the Speaker of the Assembly.
- (5) A superintendent of a school district appointed by the Governor.

(d) The governing board of the California Collaborative for Educational Excellence shall select, and direct the administrative agent provided for in subdivision (e) to hire, the executive director of the California Collaborative for Educational Excellence and provide policy and program direction.

(e) The department, in consultation with the executive director of the state board and with the approval of the Department of Finance, shall contract with a local educational agency, or consortium of local educational agencies, to serve as the administrative agent for the California Collaborative for Educational Excellence. The administrative agent shall operate all aspects of the California Collaborative for Educational Excellence in accordance with the terms of its contract or contracts with the State of California, applicable statutes, and the policy and program direction of the governing board of the California Collaborative for Educational Excellence. The Superintendent shall apportion funds appropriated for the California Collaborative for Educational Excellence to the administrative agent.

(f) Pursuant to the policy and program direction of the governing board of the California Collaborative for Educational Excellence, the administrative agent shall contract with individuals, local educational agencies, or organizations with the expertise, experience, and a record of success to carry out the purposes of this article. The areas of expertise, experience, and record of success shall include, but are not limited to, all of the following:

(1) State priorities as described in subdivision (d) of Section 52060, including the state and local indicators developed for the California School Dashboard pursuant to Section 52064.5.

- (2) Improving the quality of teaching.
- (3) Improving the quality of school district and schoolsite leadership.

(4) Successfully addressing the needs of special pupil populations, including, but not limited to, English learners, pupils eligible to receive a free or reduced-price meal, pupils in foster care, and individuals with exceptional needs.

(g) (1) The California Collaborative for Educational Excellence may accept a request or referral to advise and assist a school district, county superintendent of schools, or charter school pursuant to paragraph (2) or in any either of the following circumstances:

(+)

(A) If the county superintendent of schools of the county in which the school district or charter school is located determines, following the provision of technical assistance pursuant to Section 52071 or 47607.3 as applicable, and the geographic lead

agency of that county identified pursuant to Section 52073 agrees, that the advice and assistance of the California Collaborative for Educational Excellence is necessary to help the school district or charter school accomplish the goals described in the local control and accountability plan adopted pursuant to this article.

(2)

(B) If the Superintendent determines that the advice and assistance of the California Collaborative for Educational Excellence is necessary to help the school district, county superintendent of schools, or charter school accomplish the goals set forth in the local control and accountability plan adopted pursuant to this article.

(2) (A) If a school district receives an emergency apportionment pursuant to Article 2 (commencing with Section 41320) of Chapter 3 of Part 24 of Division 3, the school district shall be deemed to have been referred to the California Collaborative for Educational Excellence.

(B) If the California Collaborative for Educational Excellence provides assistance to a school district referred pursuant to this paragraph, the California Collaborative for Educational Excellence shall conduct a systemic review of the school district to identify needs and strategies to improve pupil academic achievement, including, but not limited to, needs identified pursuant to Sections 52052, 52064.5, and 52071. Based on the results of the systemic review, the California Collaborative for Educational Excellence shall coordinate and facilitate the assistance provided to the school district by governmental agencies to provide coherent and effective support consistent with the purpose of the statewide system of support specified in Section 52059.5. The governmental agencies may include, among others, the department, the local county superintendent, the applicable geographic lead agency, and the County Office Fiscal Crisis and Management Assistance Team. It is the intent of the Legislature that no single governmental agency providing assistance in partnership with other governmental agencies bear the full cost of assistance.

(3) Outside of the processes described in paragraphs (1) and (2), a school district, county office of education, or charter school that requests the advice and assistance of the California Collaborative for Educational Excellence shall reimburse the California Collaborative for Educational Excellence for the cost of those services pursuant to authority provided in the annual Budget Act.

(h) To the extent authority is provided in the annual Budget Act, a school district at risk of qualifying for state intervention pursuant to subdivision (b) of Section 52072 shall have priority for direct technical assistance from the California Collaborative for Educational Excellence.

(i) In addition to the functions described in subdivision (g), the California Collaborative for Educational Excellence shall do both of the following:

(1) Facilitate professional development activities that increase the capacity of local educational agencies to improve pupil outcomes in alignment with state priorities pursuant to Section 52060 and to improve performance on the state and local indicators developed for the California School Dashboard pursuant to Section 52064.5. The California Collaborative for Educational Excellence shall provide professional development in partnership with state professional associations, nonprofit organizations, and public agencies. The governing board of the California Collaborative for Educational Excellence shall determine the extent of the training that is necessary to comply with this paragraph.

(2) Produce a professional development training calendar, to be posted on the California Collaborative for Educational Excellence's Internet Web site, that publicizes all of the professional development activities offered pursuant to paragraph (1) at the local, regional, and state levels.

(j) The individuals with whom the administrative agent enters into employment contracts to carry out the purposes of this article shall be deemed employees of the administrative agent and eligible for participation in either the State Teachers' Retirement System or the Public Employees' Retirement System, as appropriate to the nature of the work to be performed by the employees.

(k) Receipt of any revenues not appropriated by the Legislature to the California Collaborative for Educational Excellence shall be subject to approval by the governing board of the California Collaborative for Educational Excellence. The governing board of the California Collaborative for Educational Excellence shall ensure that all activities, regardless of fund source, are aligned with the purpose of the California Collaborative for Educational Excellence, as described in subdivision (b).

Amendment 42

On page 35, in line 10, strike out "SEC. 14." and insert:

SEC. 24.

Amendment 43

On page 38, in line 9, strike out "SEC. 15." and insert:

SEC. 25.

Amendment 44

On page 38, in line 23, strike out "SEC. 16." and insert:

SEC. 26.

Amendment 45

On page 41, between lines 18 and 19, insert:

SEC. 27. Section 84750.41 of the Education Code is amended to read:

84750.41. (a) There is hereby established the Community College Student Success Funding Formula Oversight Committee for the purpose of continuously evaluating and reviewing the implementation of the student success funding formula established pursuant to Section 84750.4. ~~The committee shall consist of 15 members.~~

~~(b) It is the intent of the Legislature that the membership, duties, and responsibilities of the oversight committee be further refined and determined through the legislative process, with final decisions made before the end of the 2018-19 Regular Session.~~

(e) At a minimum, one of the duties of the oversight committee shall be developing an implementation plan, including a timeline, for collecting data on the number of first-generation college students enrolled at community colleges for the purpose of including this information in the student success metrics by the 2022–23 fiscal year.

(b) (1) (A) The committee shall consist of 12 members, as follows:

(i) Four members shall be appointed by the Senate Committee on Rules and shall serve at the pleasure of the Senate Committee on Rules. At least one of these members shall be employed by a community college district in a classified position.

(ii) Four members shall be appointed by the Speaker of the Assembly and shall serve at the pleasure of the Speaker of the Assembly. At least one of these members shall be a faculty member from a community college district.

(iii) Four members shall be appointed by the Governor and shall serve a four-year term. At least one of these members shall be a community college administrator.

(B) In appointing members, the appointing authority shall make every effort to ensure both of the following:

(i) There is a geographic balance of representation on the committee as a whole, with members from the northern and southern and urban and rural areas of the state.

(ii) The membership reflects a diverse expertise in higher education, taking into consideration factors, including, but not limited to, socioeconomic background and professional experience, which may include experience working in, or serving, disadvantaged communities.

(C) For members with four-year terms, vacancies on the committee shall be filled by the applicable appointing authority for the unexpired portions of the terms in which they occur.

(2) The committee shall elect one of its members as chairperson, who shall preside at all meetings, and a vice chairperson who shall preside in absence of the chairperson.

(3) Members of the committee shall serve without compensation, but the chancellor's office may reimburse members for their actual and necessary traveling expenses while on official business. Each member shall also receive one hundred dollars (\$100) for each day he or she is attending to official business.

(4) Any action taken pursuant to this section to develop a report pursuant to subdivision (c) by the committee is exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(5) All meetings of the committee shall be subject to Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code. The chancellor's office shall provide the committee with guidance and assistance, as necessary, to ensure the committee is in compliance with the requirements of this paragraph.

(6) (A) Notwithstanding Article 4.7 (commencing with Section 1125) of Chapter 1 of Division 4 of Title 1 of the Government Code, related to incompatible activities, Section 1099 of the Government Code, related to incompatible offices, or any other law, a member of the committee shall not be considered to hold an incompatible office or to be engaged in activities inconsistent or incompatible with his or her duties as a result of his or her employment or affiliation with the committee.

(B) Committee members shall not include any state legislator, member of the Board of Governors of the California Community Colleges, a trustee of a local governing board of a community college district, legislative staff, or staff from the Department of Finance.

(7) The committee shall arrive at a consensus as a condition of having a specified finding or recommendation included in the reports described in subdivision (c).

(c) (1) The committee shall review and make recommendations on the following aspects of the funding formula:

(A) The first priority of the committee shall be to review and make recommendations to the Legislature and the Department of Finance on or before January 1, 2020, on the following elements and their inclusion in the supplemental allocation of the funding formula including a proposed implementation plan.

(i) First-generation college students, including a timeline for data collection and incorporation into the funding formula by no later than the 2022–23 fiscal year.

(ii) The definition of a low-income student in subdivision (e) of Section 84750.4, and whether to adjust the point system to better reflect low-income students in regions of the state with a high cost of living.

(iii) Incoming students' level of academic proficiency, which may include, but is not limited to, measures such as performance on a nationally recognized high school assessment, high school coursework, high school grades or grade point average, or achievement of a high school diploma.

(B) The other priority of the committee shall be to review and make recommendations to the Legislature and the Department of Finance on or before June 30, 2021, on the following elements and their inclusion in the applicable allocation of the funding formula, including an implementation plan:

(i) Noncredit instruction and instructional service agreements, and whether these should be incorporated as part of the base and supplemental allocations of the funding formula.

(ii) How district allocations could be adjusted if a recession were to occur.

(2) Nothing in this subdivision shall preclude the committee from submitting interim reports.

(d) (1) The chancellor's office shall issue a request for application to select the staff to support the work on the committee. Notwithstanding any other law, a representative from each of the Assembly, the Senate, and the Department of Finance shall jointly evaluate the submitted applications and select the application to staff the work on the committee. The chancellor's office shall execute and fund the contract with the selected applicant pursuant to the final selection.

(2) It is the intent of the Legislature that the chancellor's office will share data and information with the committee and the selected applicant related to the work of the committee.

(e) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

Amendment 46

On page 41, in line 19, strike out "SEC. 17." and insert:

SEC. 28.

Amendment 47

On page 47, in line 34, strike out "SEC. 18." and insert:

SEC. 29.

Amendment 48

On page 50, in line 16, strike out "SEC. 19." and insert:

SEC. 30.

Amendment 49

On page 50, in line 24, strike out "as provided" and insert:

school pupil activity buses described

Amendment 50

On page 51, in line 7, strike out "as provided" and insert:

school pupil activity buses described

Amendment 51

On page 52, in line 33, strike out "SEC. 20." and insert:

SEC. 31.

Amendment 52

On page 53, between lines 30 and 31, insert:

SEC. 32. Section 131 of Chapter 32 of the Statutes of 2018 is amended to read:

SEC. 131. (a) For the 2018–19 fiscal year, the sum of fifteen million dollars (\$15,000,000) is hereby appropriated from the General Fund to the State Department of Education for allocation for grants pursuant to Section 8460 of the Education Code to be available for the 2018–19, 2019–20, and 2020–21 fiscal years.

(b) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be

deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the ~~2017-18~~ 2016-17 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the ~~2017-18~~ 2016-17 fiscal year.

SEC. 33. Section 133 of Chapter 32 of the Statutes of 2018 is amended to read:

SEC. 133. (a) The sum of fifty million dollars (\$50,000,000), is hereby appropriated to the Controller for transfer to Section A of the State School Fund for allocation by the State Department of Education for the Classified School Employee Summer Assistance Program.

(b) The Classified School Employee Summer Assistance Program shall provide a participating classified employee up to one dollar (\$1) for each one dollar (\$1) that the classified employee has elected to have withheld from his or her monthly paychecks pursuant to this section.

(c) For the 2019-20 school year, a local educational agency may elect to participate in the Classified School Employee Summer Assistance Program. A participating local educational agency shall notify classified employees by January 1, 2019, that the local educational agency has elected to participate in the Classified School Employee Summer Assistance Program for the next school year. Once a local educational agency elects to participate in the Classified School Employee Summer Assistance Program and notifies classified employees pursuant to this subdivision, the local educational agency is prohibited from reversing its decision to participate in the Classified School Employee Summer Assistance Program for the 2019-20 school year.

(d) (1) A classified employee that elects to participate in the Classified School Employee Summer Assistance Program shall notify the local educational agency, in writing, by March 1, 2019, on a form developed by the State Department of Education that he or she wishes to participate in the Classified School Employee Summer Assistance Program for the 2019-20 school year. The classified employee shall specify the amount to be withheld from his or her monthly paychecks during the 2019-20 school year and whether he or she chooses to have the amounts withheld paid out during the summer recess period in one or two payments. A participating classified employee may elect to have up to 10 percent of his or her monthly pay withheld during the school year.

(2) A classified employee shall be eligible to participate in the Classified School Employee Summer Assistance Program if the classified employee has been employed with the local educational agency for at least one year at the time the classified employee elects to participate in the Classified School Employee Summer Assistance Program.

(3) A classified employee shall be eligible to participate in the Classified School Employee Summer Assistance Program if the classified employee is employed by the local educational agency for fewer than 12 months per fiscal year.

(4) A classified employee shall not be eligible to participate in the Classified School Employee Summer Assistance Program if the classified employee's regular annual pay received directly from the local educational agency is more than two times the full-time pay of a classified employee, paid at the state minimum wage for an entire school year, at the time of enrollment. For purposes of determining a classified employee's regular annual pay received directly from the local educational agency,

the employing local educational agency shall exclude any pay received by the classified employee during the summer recess period of the previous fiscal year. For purposes of this section, "summer recess period" means the period that regular class sessions are not being held by a local educational agency during the months of June, July, and ~~August of the 2020 calendar year.~~ August.

(e) A local educational agency that elects to participate in the Classified School Employee Summer Assistance Program shall notify the State Department of Education in writing, by April 1, 2019, on a form developed by the State Department of Education that it has elected to participate in the Classified School Employee Summer Assistance Program. The local educational agency shall specify the number of classified employees that have elected to participate in the Classified School Employee Summer Assistance Program and the total estimated amount to be withheld from participating classified employee paychecks for the 2019–20 school year.

(f) The State Department of Education shall notify participating local educational agencies in writing, by May 1, 2019, of the estimated amount of state match funding that a participating classified employee can expect to receive as a result of participating in the Classified School Employee Summer Assistance Program. If the funding provided pursuant to subdivision (a) is insufficient to provide one dollar (\$1) for each one dollar (\$1) that has been withheld from participating classified employee monthly paychecks, the State Department of Education shall notify local educational agencies of the expected prorated amount of state match funds that a participating classified employee can expect to receive as result of participating in the Classified School Employee Summer Assistance Program.

(g) Participating local educational agencies shall notify participating classified employees by June 1, 2019, the amount of estimated state match funds that a participating classified employee can expect to receive as a result of participating in the Classified School Employee Summer Assistance Program. After receiving that notification, a classified employee may withdraw his or her election to participate in the Classified School Employee Summer Assistance Program or reduce the amount to be withheld from his or her paycheck pursuant to paragraph (1) of subdivision (d) by notifying his or her employing local educational agency no later than 30 days after the start of the school year.

(h) The local educational agency shall deposit the amounts withheld from participating classified employee monthly paychecks in accordance with the choices made by each participating classified employee pursuant to subdivision (d) ~~in an account within its general fund, to be known as the Classified School Employee Summer Assistance Program Fund.~~ a separate account.

(i) A classified employee that separates from employment with a local educational agency during the 2019–20 school year may request from the local educational agency any pay withheld from his or her paycheck pursuant to this ~~section and deposited into the Classified School Employee Summer Assistance Program Fund.~~ section. However, the classified employee shall not be entitled to receive any state match funds provided pursuant this section.

(j) Participating local educational agencies shall request payment from the State Department of Education on or before July 31, 2020, on a form developed by the State Department of Education, for the amount of classified employee pay ~~that has been deposited in the Classified School Employee Summer Assistance Program Fund.~~

withheld from the monthly paychecks of participating classified employees and placed in a separate account pursuant to subdivision (h).

(k) The State Department of Education shall apportion funds to participating local educational agencies within 30 days of receiving a request for payment by the participating local educational agency pursuant to subdivision (j). The apportionment shall be determined for each local educational agency by the State Department of Education on the basis of the amount that has been deposited into the local educational agency's Classified School Employee Summer Assistance Program Fund. The apportionment received by local educational agencies shall be deposited in the Classified School Employee Summer Assistance Program Fund, withheld from the monthly paychecks of participating classified employees and placed in a separate account pursuant to subdivision (h).

(l) If the total amount requested by participating local educational agencies exceeds the amount appropriated pursuant to subdivision (a), the State Department of Education shall prorate the amount apportioned to participating local educational agencies accordingly, consistent with the determination made pursuant to subdivision (f).

(m) The participating local educational agency shall pay participating classified employees ~~from the Classified School Employee Summer Assistance Program Fund~~ the amounts withheld in accordance with the classified employee's choices, plus the amount apportioned by the State Department of Education that is attributable to the amount withheld from that classified employee's paychecks during the school year. This amount shall be paid to the participating classified employee during the summer recess period, in either one or two payments, in accordance with the classified employee's option pursuant to subdivision (d).

(n) The state match funding received by participating classified employees pursuant to this section shall not be considered compensation for the purposes of determining retirement benefits for the California Public Employees' Retirement System or the California State Teachers' Retirement System.

(o) For purposes of this section, "local educational agency" means a school district or county office of education.

(p)

(p) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2016-17 fiscal year, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202 of the Education Code, for the 2016-17 fiscal year.

Amendment 53

On page 53, in line 31, strike out "SEC. 21." and insert:

SEC. 34.

Amendment 54

On page 54, in line 34, strike out “person employed on”, strike out lines 35 and 36 and insert:

full-time equivalent of classified staff, as reported in the California Basic Educational Data System.

Amendment 55

On page 55, in line 22, strike out “SEC. 22.” and insert:

SEC. 35.

Amendment 56

On page 56, in line 1, strike out “SEC. 23.” and insert:

SEC. 36.

Amendment 57

On page 56, between lines 26 and 27, insert:

SEC. 37. With respect to Section 13 of this act, the Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the financial distress faced by the Oakland Unified School District and the Inglewood Unified School District.

Amendment 58

On page 56, in line 27, strike out “SEC. 24.” and insert:

SEC. 38.

Amendment 59

On page 56, in line 32, strike out “SEC. 25.” and insert:

SEC. 39.

**PROPOSED AMENDMENTS**

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

PROPOSED AMENDMENTS TO SENATE BILL NO. 874  
AMENDED IN ASSEMBLY AUGUST 13, 2018

**SENATE BILL**

**No. 874**

**Introduced by Committee on Budget and Fiscal Review**

January 10, 2018



**Amendment 1  
Amendments 2 & 3**

**Amendment 4**

An act to amend Sections 8265.5, 41320, 41320.1, 41321, 41325, 41326, 41327, 41327.1, 41327.2, 44416, 46392, 47606.5, 52060, 52061, 52064, 52065, 52066, 52067, and ~~78222~~ 52074, 78222, and 84750.41 of, to add Section 66093.4 to, to add Chapter 6.5 (commencing with Section 42160) to Part 24 of Division 3 of Title 2 of, to repeal Section 60810 of, and to repeal and amend Section 313 of, the Education Code, to amend Sections 17581.6 and 17581.97 of the Government Code, to amend Section 28160 of the Vehicle Code, to amend Section 77 of Chapter 15 of the Statutes of 2017, and to amend ~~Section~~ Sections 131, 133, and 134 of Chapter 32 of the Statutes of 2018, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

SB 874, as amended, Committee on Budget and Fiscal Review. Education finance.

(1) Existing law, the Child Care and Development Services Act, establishes a system of child care and development services for children up to 13 years of age, and requires the Superintendent of Public Instruction to implement a plan establishing assigned reimbursement rates, per unit of average daily enrollment, to be paid by the state to provider agencies for the provision of those services. Existing law also provides for an adjustment factor to be applied to units of average daily

enrollment if a provider agency serves children who meet specified criteria.

This bill would revise the adjustment factors applicable until December 31, 2018, as provided.

*(2) Existing law authorizes the governing board of a school district to request an emergency apportionment through the Superintendent of Public Instruction if the governing board of the school district determines during a fiscal year that its revenues are less than the amount necessary to meet its current year expenditure obligations. Existing law imposes duties on the Superintendent, among others, relating to the administration of those emergency apportionments.*

*This bill would reallocate duties, and would revise the provisions, relating to those emergency apportionments. Because the bill would impose new duties on county superintendents of schools, the bill would impose a state-mandated local program.*

*(3) 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 the governing board of a school district to certify twice during a fiscal year whether the school district is able to meet its financial obligations for the remainder of the fiscal year and for the subsequent fiscal year. Existing law requires these certifications to be classified as positive, qualified, or negative and to be filed with the county superintendent of schools. Existing law requires a county superintendent of schools to change a positive certification to negative or qualified when the county office of education determines a negative or qualified certification should have been filed.*

*This bill would require the Oakland Unified School District, for the 2018–19 fiscal year, in collaboration with and with the concurrence of the Alameda County Office of Education and the County Office Fiscal Crisis and Management Assistance Team, to take certain actions by March 1, 2019, regarding its financial plans and school district construction plans, as specified. The bill would provide that, beginning with the 2019–20 fiscal year and ending with the 2021–22 fiscal year, the Budget Act for those fiscal years shall include certain appropriations, as specified. The bill would make the disbursement of moneys from those appropriations contingent upon the completion of activities specified in the prior year Budget Act to improve the school district's fiscal solvency.*

*This bill would require the Inglewood Unified School District, for the 2018–19 fiscal year, to take certain actions. The bill would provide that, beginning with the 2019–20 fiscal year and ending with the 2021–22 fiscal year, the Budget Act for those fiscal years shall include certain appropriations, as specified. The bill would make the disbursement of moneys from those appropriations contingent upon the completion of activities specified in the prior year Budget Act to improve the school district’s fiscal solvency.*

*Because the bill would impose additional duties on local agencies, this bill would impose a state-mandated local program.*

*This bill would make legislative findings and declarations as to the necessity of a special statute for Oakland Unified School District and the Inglewood Unified School District.*

(2)

(4) Existing law establishes the Local Solutions Grant Program to provide one-time competitive grants to specified types of local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers, as provided. Existing law appropriates \$50,000,000 from the General Fund to the Commission on Teacher Credentialing for the 2018–19 fiscal year for purposes of the program, and provides that this funding is available for encumbrance through June 30, 2023, and for liquidation through June 30, 2026. Existing law requires the commission to require grant recipients to submit a final implementation report within 3 years of receiving a grant award.

This bill would instead make that funding available for liquidation through June 30, 2028, and would instead require the commission to require grant recipients to submit a final implementation report within 5 years of receiving a grant award. By extending the time in which funds encumbered under an existing appropriation may be liquidated, the bill would make an appropriation.

(3)

(5) Existing law requires, on or before July 1, 2014, governing boards of school districts and county boards of education to adopt a local control and accountability plan, as provided. Existing law requires charter schools, on or before July 1, 2015, and each year thereafter, to adopt a local control and accountability plan to update the goals and annual actions to achieve those goals identified in the charter petition, as provided. Existing law requires, on or before March 31, 2014, the State Board of Education to adopt templates for use by school districts, county

superintendents of schools, and charter schools for purposes of the local control and accountability plans.

This bill would require, on or before January 31, 2020, the template adopted by the state board to require the inclusion of specified information relating to pupil performance and fiscal accountability in the local control and accountability plans. The bill would require the template, to the greatest extent practicable, to use language that is understandable and accessible to parents. The bill would require a local control and accountability plan and an annual update to a local control and accountability plan adopted by a school district, county board of education, or charter school to include all of the information specified in the template, and would require data reported in the local control and accountability plan to be reported in a manner consistent with how information is reported on the California School Dashboard maintained by the State Department of Education. The bill would require the superintendent of a school district and a county superintendent of schools to post prominently on the homepage of their Internet Web site, instead of just posting on their Internet Web site, their local control and accountability plans and any updates or revisions to those plans. To the extent the bill would require school districts, county boards of education, and charter schools to include additional information in their local control and accountability plans, the bill would impose a state-mandated local program.

The bill would appropriate, for the 2018–19 fiscal year, \$200,000 from the General Fund to the department to support updating the Local Control Accountability Plan Electronic Template system. The bill would require the department, in collaboration with, and subject to the approval of, the executive director of the state board, to enter into contracts with the San Joaquin County Office of Education for these purposes. To the extent these contracts would impose additional duties on the San Joaquin County Office of Education, the bill would impose a state-mandated local program.

*(6) Existing law establishes the California Collaborative for Educational Excellence for purposes of advising and assisting school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan. Existing law authorizes the collaborative to accept a request or referral to advise and assist a school district, county superintendent of schools, or charter school, in specified circumstances. Existing law authorizes the governing board of a school district to request an emergency*

*apportionment through the Superintendent of Public Instruction if the governing board of the school district determines during a fiscal year that its revenues are less than the amount necessary to meet its current year expenditure obligations.*

*This bill would provide that a school district is deemed to have been referred to the California Collaborative for Educational Excellence if the school district receives an emergency apportionment pursuant to specified provisions. The bill, if the collaborative provides assistance to a school district referred pursuant to this provision, would require the collaborative to conduct a systemic review of the school district to identify needs and strategies to improve pupil academic achievement, as provided. The bill would require the collaborative, based on the results of the systemic review, to coordinate and facilitate the assistance provided to the school district by governmental agencies to provide coherent and effective support consistent with the purpose of the statewide system of support.*

(4)

(7) The California Constitution provides that the University of California constitutes a public trust administered by the Regents of the University of California, a corporation in the form of a board, with full powers of organization and government, subject to legislative control only for specified purposes.

This bill would expressly authorize the University of California to provide services, benefits, and any other form of assistance aimed at furthering a student’s educational success to all of its enrolled students who meet the eligibility requirements for any such program the University, or its campuses, establishes.

(5)

(8) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law establishes the Student Equity and Achievement Program pursuant to which funding may be provided to support the California Community Colleges in implementing activities and practices that, among other things, advance the systemwide goal of eliminating achievement gaps for students from traditionally underrepresented groups. Existing law requires a community college district to comply with certain requirements as a condition of the receipt of funds for purposes of the program.

**PROPOSED AMENDMENTS**

SB 874

— 6 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

This bill would also require a community college district, as a condition of the receipt of funds for purposes of the program, to provide a report to the Office of the Chancellor of the California Community Colleges by January 1 of each year detailing how program funding was expended in the prior fiscal year and an assessment of the progress in advancing the systemwide goal of eliminating achievement gaps for students from traditionally underrepresented groups. The bill would require, by April 1 of each year, the chancellor’s office to submit a systemwide report to the Legislature and Department of Finance that provides a summary of those district reports. The bill would authorize the Board of Governors to require districts or colleges to provide a local fund match for funding appropriated for purposes of the program, and alter other provisions relating to program funding.

*(9) Existing law establishes the Community College Student Success Funding Formula Oversight Committee, consisting of 15 members for purposes of continuously evaluating and reviewing the implementation of the student success funding formula. Existing law states the intent of the Legislature to further refine and determine the membership, duties, and responsibilities of the oversight committee.*

*This bill would provide that the oversight committee consists of 12 members, 4 appointed by the Senate Committee on Rules, 4 by the Speaker of the Assembly, and 4 by the Governor, as specified. The bill would specify that the committee members appointed by the Legislature serve at the pleasure of the appointing authority and those appointed by the Governor serve a 4-year term, with at least one member being a community college administrator. The bill would specify the duties and responsibilities of the oversight committee. The bill would repeal the oversight committee on January 1, 2022.*

~~(6)~~

*(10) Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. Existing law provides that specified services provided by local educational agencies are covered Medi-Cal benefits and are reimbursable on a fee-for-service basis under the Local Educational Agency Medi-Cal Billing Option program.*

Existing law appropriates, for the 2018–19 fiscal year, \$697,759,000 from the General Fund to the Controller for transfer to Section A of the State School Fund for allocation by the State Department of Education to school districts, county offices of education, and charter schools, as

specified. Under existing law, if a school district, county office of education, or charter school is required to repay claims disallowed under, among other programs, the Local Educational Agency Medi-Cal Billing Option program for the 2009–10 fiscal year to the 2015–16 fiscal year, inclusive, the Controller is required, upon notification from the Department of Finance, to withhold the specified amounts owed from the allocations made pursuant to these provisions.

This bill would delete that requirement for the Controller to withhold the specified amounts owed if a school district, county office of education, or charter school is required to repay claims disallowed under the Local Educational Agency Medi-Cal Billing Option program.

(7)

(11) Existing law requires all schoolbuses to be equipped with certain safety features, as specified. Existing law requires, on or before the beginning of the 2018–19 school year, schoolbuses, school pupil activity buses, except as provided, youth buses, and child care motor vehicles to be equipped with an operational child safety alert system, as defined.

This bill would instead require schoolbuses, school pupil activity buses, except as provided, youth buses, and child care motor vehicles to be equipped with an operational child safety alert system on or before March 1, 2019. The bill would grant specified school districts, county offices of education, charter schools, private schools, and other entities that operate those vehicles an additional 6 months to meet that requirement if certain documentation is submitted to the Department of the California Highway Patrol on or before March 1, 2019.

The bill would require the Department of the California Highway Patrol to consult with the State Department of Education to develop frequently asked questions related to the implementation of these requirements.

(8)

(12) Existing law, for the 2017–18 fiscal year, appropriates \$400,000 from the General Fund to the Superintendent of Public Instruction for support and development of the Local Control Accountability Plan Electronic Template system and the California School Dashboard mobile app, with \$350,000 of that amount required to be used to host, maintain, and support the development of the Local Control Accountability Plan Electronic Template system and the remaining \$50,000 to be used to support and develop the California School Dashboard mobile app.

**PROPOSED AMENDMENTS**

SB 874

— 8 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

This bill would provide that the \$50,000 to be used to support and develop the California School Dashboard mobile app is available for encumbrance through the 2018–19 fiscal year.

*(13) Existing law appropriates \$50,000,000 to the Controller for transfer to Section A of the State School Fund for allocation by the State Department of Education for purposes of the Classified School Employee Summer Assistance Program. Existing law authorizes a classified employee of a local educational agency participating in the program who meets specified requirements to withhold an amount from his or her monthly paycheck during the 2019–20 school year to be paid out during the summer recess period, and requires the department to apportion funds to participating local educational agencies to provide a participating classified employee up to \$1 for each \$1 that participating classified employee has elected to have withheld from his or her monthly paychecks. The bill would require participating local educational agencies to deposit the amounts withheld from the monthly paychecks of a participating classified employee in an account within its general fund, to be known as the Classified School Employee Summer Assistance Program Fund.*

*This bill, instead of requiring the amounts withheld to be deposited in an account within its general fund, would require the amounts withheld to be deposited in a separate account. The bill would also clarify that, for purposes of the program, “local educational agency” means a school district or county office of education.*

~~(9)~~

*(14) Existing law appropriates \$50,000,000 for the 2018–19 fiscal year from the General Fund to the State Department of Education to establish the Classified School Employee Professional Development Block Grant Program. Existing law requires the department to apportion those block grant funds to local educational agencies for specified purposes relating to the professional development of classified school employees, as provided.*

This bill would require the department to provide \$5,000,000 of those funds to the Office of the Chancellor of the California Community Colleges for professional development for classified community college employees, as provided. Because the bill would authorize an existing appropriation to be spent for a new purpose, the bill would make an appropriation.

~~(10)~~

**PROPOSED AMENDMENTS**

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

(15) Existing law establishes the Charter Schools Facilities Program to provide funding to qualifying entities for the purpose of establishing school facilities for charter school pupils. Existing law places various duties on the California School Finance Authority for purposes of administering the program.

This bill would appropriate \$21,146,000 from the General Fund to the California School Finance Authority for the 2018–19 fiscal year to support programmatic costs for the program attributable to the 2017–18 fiscal year.

(11)

(16) This bill would repeal obsolete provisions, make conforming and clarifying changes, correct cross-references, and make other nonsubstantive changes.

(12)

(17) 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 the statutory provisions noted above.

(13)

(18) Funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(14)

(19) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: yes.

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

Page 6

1 SECTION 1. With respect to Section 19 30 of this act:  
2 (a) It is the intent of the Legislature by authorizing the extension  
3 for compliance with the child safety requirements initially  
4 established by Chapter 721 of the Statutes of 2016 (Senate Bill  
5 1072 of the 2015–16 Regular Session) to provide a sufficient  
6 timeline to successfully install child safety alert systems in all

**Amendment 5**

**PROPOSED AMENDMENTS**

**SB 874**

**— 10 —**

**RN 18 18225 08**

**08/14/18 05:32 PM**

**SUBSTANTIVE**

Page 6 7 applicable vehicles as required by Section 28160 of the Vehicle  
 8 Code to ensure the safety of all pupils and youth being transported.  
 9 (b) It is further the intent of the Legislature, by providing this  
 10 extension, to strongly encourage school districts, county offices  
 11 of education, charter schools, private schools, and other entities  
 12 to prioritize the installation of child safety alert systems on vehicles

Page 7 1 that transport individuals with exceptional needs, as defined in  
 2 Section 56026 of the Education Code, as their safety continues to  
 3 be a top priority for the Legislature.  
 4 (c) Additionally, as public safety remains a top priority for the  
 5 Legislature, it is further the intent of the Legislature to only provide  
 6 this extension on a one-time basis to ensure that child safety alert  
 7 systems are properly installed on all applicable vehicles pursuant  
 8 to Section 28160 of the Vehicle Code and pupils and youth are  
 9 transported in the safest manner.

10 SEC. 2. Section 313 of the Education Code, as amended by  
 11 Section 2 of Chapter 478 of the Statutes of 2013, is repealed.

Page 9 9 SEC. 3. Section 313 of the Education Code, as added by Section  
 10 3 of Chapter 478 of the Statutes of 2013, is amended to read:

11 313. (a) Each school district that has one or more pupils who  
 12 are English learners, and, to the extent required by federal law,  
 13 each county office of education and each charter school, shall  
 14 assess the English language development of each pupil in order to  
 15 determine the level of proficiency for purposes of this chapter.

16 (b) The department, with the approval of the state board, shall  
 17 establish procedures for conducting the assessment required  
 18 pursuant to subdivision (a) and for the reclassification of a pupil  
 19 from English learner to English proficient.

20 (c) Commencing with the 2000–01 school year until subdivision  
 21 (d) is implemented, the assessment shall be conducted upon initial  
 22 enrollment, and annually, thereafter, during a period of time  
 23 determined by the Superintendent and the state board. The annual  
 24 assessments shall continue until the pupil is redesignated as English  
 25 proficient. The assessment shall primarily utilize the English  
 26 language development test identified or developed by the  
 27 Superintendent pursuant to Chapter 7 (commencing with Section  
 28 60810) of Part 33 of Division 4 of Title 2.

29 (d) (1) This subdivision shall not be implemented unless and  
 30 until the department receives written documentation from the  
 31 United States Department of Education that federal law permits

Page 9 32 the implementation of the changes set forth in this subdivision or  
33 until the 2013–14 school year, whichever occurs later.

34 (2) The summative assessment shall be conducted annually  
35 during a four-month period after January 1 determined by the  
36 Superintendent with the approval of the state board. Annual  
37 assessments shall continue until the pupil is redesignated as English  
38 proficient. The annual assessment shall primarily utilize the English  
39 language development assessment identified or developed by the

Page 10 1 Superintendent pursuant to Chapter 7 (commencing with Section  
2 60810) of Part 33 of Division 4 of Title 2.

3 (3) The assessment for initial identification shall be conducted  
4 upon the initial enrollment of a pupil in order to provide  
5 information to be used to determine if the pupil is an English  
6 learner.

7 (A) If the initial enrollment of a pupil occurs on a date outside  
8 of the testing period identified pursuant to paragraph (2), the prior  
9 year’s annual assessment for the grade in which the pupil is  
10 enrolling shall be used for this purpose.

11 (B) If the initial enrollment of a pupil occurs on a date within  
12 the testing period identified pursuant to paragraph (2), the initial  
13 assessment of the pupil shall be conducted as part of the annual  
14 assessment conducted pursuant to paragraph (2).

15 (4) Notwithstanding paragraph (2), a school district shall assess  
16 the English language development of a pupil pursuant to this  
17 section no more than one time per school year for each assessment  
18 purpose pursuant to Chapter 7 (commencing with Section 60810)  
19 of Part 33 of Division 4 of Title 2.

20 (e) The assessments conducted pursuant to subdivision (d) shall  
21 be conducted in a manner consistent with federal statutes and  
22 regulations.

23 (f) The reclassification procedures developed by the department  
24 shall utilize multiple criteria in determining whether to reclassify  
25 a pupil as proficient in English, including, but not limited to, all  
26 of the following:

27 (1) Assessment of language proficiency using an objective  
28 assessment instrument, including, but not limited to, the English  
29 language development test that is developed or acquired pursuant  
30 to Section 60810.

31 (2) Teacher evaluation, including, but not limited to, a review  
32 of the pupil’s curriculum mastery.

**PROPOSED AMENDMENTS**

SB 874

— 12 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 10 33 (3) Parental opinion and consultation.  
34 (4) Comparison of the performance of the pupil in basic skills  
35 against an empirically established range of performance in basic  
36 skills based upon the performance of English proficient pupils of  
37 the same age, that demonstrates whether the pupil is sufficiently  
38 proficient in English to participate effectively in a curriculum  
39 designed for pupils of the same age whose native language is  
40 English.

Page 11 1 (g) This section does not preclude a school district or county  
2 office of education from testing English learners more than once  
3 in a school year if the school district or county office of education  
4 chooses to do so.

10 SEC. 4. Section 8265.5 of the Education Code is amended to  
11 read:

12 8265.5. (a) In order to reflect the additional expense of serving  
13 children who meet any of the criteria outlined in subdivisions (c)  
14 and (d), the provider agency’s reported child days of enrollment  
15 for these children shall be multiplied by the adjustment factors  
16 listed below.

17 (b) The adjustment factors shall apply to a full-day state  
18 preschool program and those programs for which assigned  
19 reimbursement rates are at or below the standard reimbursement  
20 rate. In addition, the adjustment factors shall apply to those  
21 programs for which assigned reimbursement rates are above the  
22 standard reimbursement rate, but the reimbursement rate, as  
23 adjusted, shall not exceed the adjusted standard reimbursement  
24 rate. The adjustment factors shall apply to those full-day state  
25 preschool programs for which assigned reimbursement rates are  
26 above the full-day state preschool reimbursement rate, but the  
27 reimbursement rate, as adjusted, shall not exceed the adjusted  
28 full-day state preschool reimbursement rate.

29 (c) Until December 31, 2018, the adjustment factors shall be as  
30 follows:

31 (1) For infants who are 0 to 18 months of age and are served in  
32 a child day care center, the adjustment factor shall be 1.7.

34 (2) For toddlers who are 18 to 36 months of age and are served  
35 in a child day care center, the adjustment factor shall be 1.4.

36 (3) For infants and toddlers who are 0 to 36 months of age and  
37 are served in a family child care home, the adjustment factor shall  
38 be 1.4.

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

Page 11 39 (4) For children with exceptional needs who are 0 to 21 years  
40 of age, the adjustment factor shall be 1.2.

Page 12 1 (5) For severely disabled children who are 0 to 21 years of age,  
2 the adjustment factor shall be 1.5.

3 (6) For children at risk of neglect, abuse, or exploitation who  
4 are 0 to 14 years of age, the adjustment factor shall be 1.1.

5 (7) For limited-English-speaking and non-English-speaking  
6 children who are two years of age through kindergarten age, the  
7 adjustment factor shall be 1.1.

8 (d) Notwithstanding any other law, commencing January 1,  
9 2019, the adjustment factors shall be as follows:

10 (1) For infants who are 0 to 18 months of age and are served in  
11 a child day care center or a family child care home, the adjustment  
12 factor shall be 2.44.

13 (2) For toddlers who are 18 to 36 months of age and are served  
14 in a child day care center or a family child care home, the  
15 adjustment factor shall be 1.8.

16 (3) For children with exceptional needs who are 0 to 21 years  
17 of age, the adjustment factor shall be 1.54.

18 (4) For severely disabled children who are 0 to 21 years of age,  
19 the adjustment factor shall be 1.93.

20 (5) For children at risk of neglect, abuse, or exploitation who  
21 are 0 to 14 years of age, the adjustment factor shall be 1.1.

22 (6) For limited-English-speaking and non-English-speaking  
23 children who are two years of age through kindergarten age, the  
24 adjustment factor shall be 1.1.

26 (e) Use of the adjustment factors shall not increase the provider  
27 agency's total annual allocation.

29 (f) Days of enrollment for children having more than one of the  
30 criteria outlined in subdivisions (c) and (d) shall not be reported  
31 under more than one of the above categories.

34 (g) The difference between the reimbursement resulting from  
35 the use of the adjustment factors outlined in subdivisions (c) and  
36 (d) and the reimbursement that would otherwise be received by a  
37 provider in the absence of the adjustment factors shall be used for  
38 special and appropriate services for each child for whom an  
39 adjustment factor is claimed.

40 SEC. 5. Section 41320 of the Education Code is amended to  
+ read:

Amendment 6

**PROPOSED AMENDMENTS**

SB 874

— 14 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ 41320. As a condition to any emergency apportionment to be  
+ made pursuant to Section ~~41320.2~~ 41320.2, the following  
+ requirements shall be met:

+ (a) The *school* district requesting the apportionment shall submit  
+ to the county superintendent of schools having jurisdiction over  
+ the *school* district a report issued by an independent auditor  
+ approved by the county superintendent of schools on the financial  
+ conditions and budgetary controls of the *school* district, a written  
+ management review conducted by a qualified management  
+ consultant approved by the county superintendent of schools, and  
+ a fiscal plan adopted by the governing board to resolve the financial  
+ problems of the *school* district.

+ (b) The county superintendent of schools shall review, and  
+ provide written comment on, the independent auditor’s report, the  
+ management review, and the *school* district plan. That written  
+ comment shall include the county superintendent’s approval or  
+ disapproval of the *school* district plan. In the event the county  
+ superintendent disapproves the plan, the governing board shall  
+ revise the *school* district plan to respond to the concerns expressed  
+ by the county superintendent.

+ (c) Upon his or her approval of the *school* district plan, the  
+ county superintendent of schools shall submit copies of the report,  
+ review, plan, and written comments specified in subdivision (b)  
+ to the ~~Superintendent of Public Instruction, Superintendent,~~ the  
+ Joint Legislative Audit Committee, the Joint Legislative Budget  
+ Committee, the Director of Finance, *the president of the state*  
+ *board or his or her designee,* and the Controller.

+ (d) *The school district receiving the apportionment shall be*  
+ *eligible for assistance from the California Collaborative for*  
+ *Educational Excellence pursuant to Section 52074.*

+ ~~(d)~~  
+ (e) ~~The Superintendent of Public Instruction shall review the~~  
+ ~~reports and comments submitted to him or her by the county~~  
+ ~~superintendent of schools and schools, with the concurrence of the~~  
+ ~~Superintendent,~~ shall certify to the Director of Finance that the  
+ action taken to correct the financial problems of the *school* district  
+ is realistic and will result in placing the *school* district on a sound  
+ financial basis.

+ (e)

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

+ (f) The *school* district shall develop a schedule to repay the  
+ emergency loan, including any lease financing pursuant to Article  
+ 2.7 (commencing with Section 41329.50), and submit it to the  
+ county superintendent of schools. The county superintendent of  
+ schools shall review and comment on the repayment schedule and  
+ submit it to the Superintendent of Public Instruction for approval  
+ or disapproval. Upon the approval of the repayment schedule, and  
+ of the other reports, reviews, plans, and the appointment of the  
+ trustee required by this article, the Superintendent of Public  
+ Instruction shall request the Controller to disburse the proceeds of  
+ the emergency loan to the *school* district.

+ (f)

+ (g) The *school* district requesting the apportionment shall  
+ reimburse the county superintendent of schools for the costs  
+ incurred by the superintendent pursuant to this section.

+ SEC. 6. Section 41320.1 of the Education Code is amended to  
+ read:

+ 41320.1. Acceptance by the school district of the  
+ apportionments made pursuant to Section 41320 constitutes the  
+ agreement by the school district to all of the following conditions:

+ (a) The ~~Superintendent shall~~ county superintendent of schools,  
+ the Superintendent, and the president of the state board or his or  
+ her designee shall, by majority vote, appoint a trustee from a pool  
+ of candidates identified and vetted by the County Office Fiscal  
+ Crisis and Management Assistance Team pursuant to subdivision

+ (b) who has recognized expertise in management and finance and  
+ may employ, on a short-term basis, staff necessary to assist the  
+ trustee, including, but not limited to, certified public accountants,  
+ as follows:

+ (1) The expenses incurred by the trustee and necessary staff  
+ shall be borne by the school district.

+ (2) The county superintendent of schools, with concurrence  
+ from both the Superintendent and the president of the state board  
+ or his or her designee, shall establish the terms and conditions of  
+ the employment, including the remuneration of the trustee. The  
+ trustee shall ~~serve at the pleasure of, and report directly to, the~~  
+ Superintendent. to the county superintendent of schools. The county  
+ superintendent of schools shall provide regular updates to the  
+ Superintendent and the president of the state board or his or her  
+ designee regarding the work of the trustee.

**PROPOSED AMENDMENTS**

SB 874

— 16 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ (3) The trustee, and necessary staff, shall serve until the school  
+ district has adequate fiscal systems and controls in place, the  
+ Superintendent has determined that the school district's future  
+ compliance with the fiscal plan approved for the school district  
+ ~~under pursuant to~~ Section 41320 is probable, and the  
+ ~~Superintendent decides~~ *county superintendent of schools, the*  
+ *Superintendent, and the president of the state board or his or her*  
+ *designee decide* to terminate the trustee's appointment, but in no  
+ event for less than three years. The ~~Superintendent~~ *county*  
+ *superintendent of schools* shall notify ~~the county superintendent~~  
+ ~~of schools~~, the Legislature, the Department of Finance, and the  
+ Controller no less than 60 days before the time that the  
+ ~~Superintendent~~ *county superintendent of schools* expects these  
+ conditions to be met.

+ (4) Before the school district repays the loan, including interest,  
+ the recipient of the loan shall select an auditor from a list  
+ established by the Superintendent and the Controller to conduct  
+ an audit of its fiscal systems. If the fiscal systems are deemed to  
+ be inadequate, the ~~Superintendent~~ *county superintendent of schools,*  
+ *with concurrence from both the Superintendent and the president*  
+ *of the state board or his or her designee,* may retain the trustee  
+ until the deficiencies are corrected. The cost of this audit and any  
+ additional cost of the trustee shall be borne by the school district.

+ (5) Notwithstanding any other law, all reports submitted to the  
+ trustee are public records.

+ (6) To facilitate the appointment of the trustee and the  
+ employment of necessary staff, ~~for purposes of this section, the~~  
+ ~~Superintendent~~ *this section* is exempt from the requirements of  
+ Article 6 (commencing with Section 999) of Chapter 6 of Division  
+ 4 of the Military and Veterans Code and Part 2 (commencing with  
+ Section 10100) of Division 2 of the Public Contract Code.

+ (7) ~~Notwithstanding any other law, the Superintendent may~~  
+ ~~appoint an employee of the department to act as trustee for up to~~  
+ ~~the duration of the trusteeship. The~~ *If the trustee appointed*  
+ *pursuant to this section is an employee of the department, the*  
+ salary and benefits of that employee shall be established by the  
+ Superintendent and paid by the school district. During the time of  
+ appointment, the employee is an employee of the school district,  
+ but shall remain in the same retirement system under the same  
+ plan as if the employee had remained in the department. Upon the

+ expiration or termination of the appointment, the employee shall  
+ have the right to return to his or her former position, or to a position  
+ at substantially the same level as that position, with the department.  
+ The time served in the appointment shall be counted for all  
+ purposes as if the employee had served that time in his or her  
+ former position with the department.

+ (b) *The County Office Fiscal Crisis and Management Assistance*  
+ *Team, when selecting the pool of candidates for trustee, shall*  
+ *consider candidates' expertise in management and finance,*  
+ *previous experience mitigating fiscal distress in school districts,*  
+ *and ability to meaningfully engage with the community that the*  
+ *school district serves.*

+ (b)

+ (c) (1) ~~The trustee appointed by the Superintendent pursuant~~  
+ *to this section shall monitor and review the operation of the school*  
+ *district. During the period of his or her service, the trustee may*  
+ *stay or rescind an action of the governing board of the school*  
+ *district that, in the judgment of the trustee, may affect the financial*  
+ *condition of the school district.*

+ (2) After the trustee's period of service, and until the loan is  
+ repaid, the county superintendent of schools that has jurisdiction  
+ over the school district may stay or rescind an action of the  
+ governing board of the school district that, in his or her judgment,  
+ may affect the financial condition of the school district. The county  
+ superintendent of schools shall notify the ~~Superintendent,~~  
+ *Superintendent and the president of the state board or his or her*  
+ *designee, within five business days, if he or she stays or rescinds*  
+ *an action of the governing board of the school district. The notice*  
+ *shall include, but not be limited to, both of the following:*

+ (A) A description of the governing board of the school district's  
+ intended action and its financial implications.

+ (B) The rationale and findings that support the county  
+ superintendent of school's decision to stay or rescind the action  
+ of the governing board of the school district.

+ (3) ~~If the Superintendent is notified by the county superintendent~~  
+ *of schools notifies the Superintendent and the president of the state*  
+ *board or his or her designee pursuant to paragraph (2), the*  
+ ~~Superintendent~~ *county superintendent of schools shall report to*  
+ *the Legislature, pursuant to Section 9795 of the Government Code,*

PROPOSED AMENDMENTS

SB 874

— 18 —

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

+ on or before December 30 of every year, whether the school district  
+ is complying with the fiscal plan approved for the school district.

+ (4) ~~The Superintendent~~ *county superintendent of schools, with*  
+ *concurrence from the Superintendent,* may establish timelines and  
+ prescribe formats for reports and other materials to be used by the  
+ trustee to monitor and review the operations of the school district.  
+ The trustee shall approve or reject all reports and other materials  
+ required from the school district as a condition of receiving the  
+ apportionment. The Superintendent, upon the recommendation of  
+ the trustee, may reduce an apportionment to the school district in  
+ an amount up to two hundred dollars (\$200) per day for each late  
+ or unacceptable report or other material required under this part,  
+ and shall report to the Legislature a failure of the school district  
+ to comply with the requirements of this section. If the  
+ ~~Superintendent~~ *county superintendent of schools* determines, at  
+ any time, that the fiscal plan approved for the school district under  
+ Section 41320 is unsatisfactory, he or she may modify the plan as  
+ necessary, *with concurrence from the Superintendent,* and the  
+ school district shall comply with the plan as modified.

+ (e)

+ (d) At the request of *the county superintendent of schools, with*  
+ *approval from the Superintendent,* the Controller shall transfer to  
+ the department, from an apportionment to which the school district  
+ would otherwise have been entitled pursuant to Section 42238.02,  
+ as implemented by Section 42238.03, the amount necessary to pay  
+ the expenses incurred by the trustee and associated costs incurred  
+ by the county superintendent of schools.

+ (d)

+ (e) For the fiscal year in which the apportionments are disbursed  
+ and every year thereafter, the Controller, ~~or his or her designee,~~  
+ *an auditor that is designated by the Controller as both active and*  
+ *able to perform K-12 local education agency audits,* shall cause  
+ an audit to be conducted of the books and accounts of the school  
+ district, in lieu of the audit required by Section 41020. At the  
+ Controller's discretion, the audit may be conducted by the  
+ Controller, his or her designee, *an auditor that is designated by*  
+ *the Controller as both active and able to perform K-12 local*  
+ *education agency audits,* or an auditor selected by the school  
+ district and approved by the Controller. The costs of these audits  
+ shall be borne by the school district. These audits shall be required

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

+ until the Controller determines, in consultation with the *county*  
+ *superintendent of schools and the Superintendent*, that the school  
+ district is financially solvent, but in no event earlier than one year  
+ following the implementation of the plan or later than the time the  
+ apportionment made is repaid, including interest. ~~For an audit~~  
+ ~~conducted by the Controller, or his or her designee, the Controller,~~  
+ *The auditor selected pursuant to this subdivision, if any, the county*  
+ *superintendent of schools, a County Office Fiscal Crisis and*  
+ *Management Assistance Team representative, the Superintendent,*  
+ and the school district superintendent, or their respective designees,  
+ shall meet before the audit to discuss the terms of the audit and  
+ the timeline under which it will proceed. In addition, the Controller  
+ shall conduct quality control reviews pursuant to subdivision (c)  
+ of Section 14504.2.

+ (e)

+ (f) For purposes of errors and omissions liability insurance  
+ policies, the trustee appointed pursuant to this section is an  
+ employee of the local educational agency to which he or she is  
+ assigned. For purposes of workers' compensation benefits, the  
+ trustee is an employee of the local educational agency to which  
+ he or she is assigned, except that a trustee appointed pursuant to  
+ paragraph (7) of subdivision (a) is an employee of the department  
+ for those purposes.

+ (f)

+ (g) Except for an individual appointed by the ~~Superintendent~~  
+ ~~vote pursuant to subdivision (a) as a trustee pursuant to described~~  
+ ~~in paragraph (7) of subdivision (a), the state-appointed trustee~~  
+ ~~appointed pursuant to this section~~ is a member of the State  
+ Teachers' Retirement System, if qualified, for the period of service  
+ as trustee, unless the trustee elects in writing not to become a  
+ member. A person who is a member or retirant of the State  
+ Teachers' Retirement System at the time of appointment shall  
+ continue to be a member or retirant of the system for the duration  
+ of the appointment. If the trustee chooses to become a member or  
+ is already a member, the trustee shall be placed on the payroll of  
+ the school district for the purpose of providing appropriate  
+ contributions to the system. The Superintendent may also require  
+ that an individual appointed as ~~a trustee pursuant to described in~~  
+ ~~paragraph (7) of subdivision (a)~~ be placed on the payroll of the  
+ school district for purposes of remuneration, other benefits, and

**PROPOSED AMENDMENTS**

SB 874

— 20 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ payroll deductions. For purposes of workers' compensation  
+ benefits, the state-appointed trustee is deemed an employee of the  
+ local educational agency to which he or she is assigned, except  
+ that a trustee who is ~~appointed pursuant to~~ *described in* paragraph  
+ (7) of subdivision (a) is an employee of the department for those  
+ purposes.

+ *SEC. 7. Section 41321 of the Education Code is amended to  
+ read:*

+ 41321. (a) On or before October 31 of the year following  
+ receipt of an emergency apportionment, and each year thereafter,  
+ until the emergency apportionment, including interest, is repaid,  
+ the governing board of the *school* district shall prepare a report on  
+ the financial condition of the *school* district. The report shall  
+ include, but not necessarily be limited to, all of the following  
+ information:

+ (1) Specific actions taken to reduce expenditures or increase  
+ income, and the cost savings and increased income resulting from  
+ those actions.

+ (2) A copy of the adopted budget for the current fiscal year.

+ (3) Reserves for economic uncertainties.

+ (4) Status of employee contracts.

+ (5) Obstacles to the implementation of the adopted recovery  
+ plan.

+ (b) The *school* district shall submit the report to the trustee for  
+ review. Upon the trustee's approval of the report, the *school* district  
+ shall transmit copies to the county superintendent of schools, the  
+ ~~Superintendent of Public Instruction, Superintendent, the president~~  
+ *of the state board or his or her designee, and the Controller.*

+ *SEC. 8. Section 41325 of the Education Code is amended to  
+ read:*

+ 41325. (a) The Legislature finds and declares that when a  
+ school district becomes insolvent and requires an emergency  
+ apportionment from the state in the amount designated in this  
+ article, it is necessary that the ~~Superintendent~~ *county superintendent*  
+ *of schools, under the supervision of the Superintendent, assume*  
+ control of the *school* district in order to ensure the *school* district's  
+ return to fiscal solvency.

+ (b) It is the intent of the Legislature that ~~the Superintendent,~~  
+ ~~operating through an appointed~~ *an administrator, appointed*  
+ *pursuant to Section 41326, do all of the following:*

- + (1) Implement substantial changes in the school district’s fiscal policies and practices, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptcy Code for the adjustment of indebtedness.
- + (2) Revise the school district’s educational program to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils.
- + (3) Encourage all members of the school community to accept a fair share of the burden of the school district’s fiscal recovery.
- + (4) Consult, for the purposes described in this subdivision, with the school district governing board, the exclusive representatives of the employees of the school district, parents, and the community.
- + (5) Consult with and seek recommendations from the county superintendent of schools *schools and the Superintendent* for the purposes described in this subdivision.
- + (c) For purposes of this article, the ~~Superintendent~~ *county superintendent of schools, the Superintendent, and the president of the state board or his or her designee* may also appoint a trustee with the powers and responsibilities of an administrator, as set forth in this article.
- + *SEC. 9. Section 41326 of the Education Code is amended to read:*
- + 41326. (a) Notwithstanding any other provision of this code, the acceptance by a school district of an apportionment made pursuant to Section 41320 that exceeds an amount equal to 200 percent of the amount of the reserve recommended for that school district under the standards and criteria adopted pursuant to Section 33127 constitutes the agreement by the school district to the conditions set forth in this article. Before applying for an emergency apportionment in the amount identified in this subdivision, the governing board of a school district shall discuss the need for that apportionment at a regular or special meeting of the governing board of the school district and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the school district, and other members of the community. For purposes of this article, “qualifying school district” means a school district that accepts a loan as described in this subdivision.

PROPOSED AMENDMENTS

SB 874

— 22 —

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

+ (b) ~~The Superintendent~~ *county superintendent of schools* shall  
+ assume all the legal rights, duties, and powers of the governing  
+ board of a qualifying school district. ~~The Superintendent, in~~  
+ ~~consultation with the~~ county superintendent of schools, ~~with~~  
+ ~~concurrence from both the Superintendent and the president of~~  
+ ~~the state board or his or her designee,~~ shall appoint an  
+ ~~administrator to act on his or her behalf in exercising~~ *administrator*  
+ ~~from a pool of candidates identified and vetted by the County Office~~  
+ ~~Fiscal Crisis and Management Assistance Team pursuant to~~  
+ ~~subdivision (c) to exercise~~ the authority described in this  
+ subdivision in accordance with all of the following:

+ (1) The administrator shall serve under the direction and  
+ supervision of ~~the Superintendent~~ *county superintendent of schools,*  
+ ~~with concurrence from both the Superintendent and the president~~  
+ ~~of the state board or his or her designee,~~ until terminated by the  
+ ~~Superintendent~~ *county superintendent of schools,* ~~with concurrence~~  
+ ~~from both the Superintendent and the president of the state board~~  
+ ~~or his or her designee,~~ at ~~his or her~~ *their* discretion. ~~The~~  
+ ~~Superintendent shall consult with the county superintendent of~~  
+ ~~schools before terminating the administrator.~~

+ (2) The administrator shall have recognized expertise in  
+ management and finance.

+ (3) To facilitate the appointment of the administrator and the  
+ employment of necessary staff, ~~for purposes of this section, the~~  
+ ~~Superintendent~~ *this section* is exempt from the requirements of  
+ Article 6 (commencing with Section 999) of Chapter 6 of Division  
+ 4 of the Military and Veterans Code and Part 2 (commencing with  
+ Section 10100) of Division 2 of the Public Contract Code.

+ (4) Notwithstanding any other law, ~~the Superintendent may~~  
+ ~~appoint if~~ an employee of the state or the office of the county  
+ superintendent of schools ~~is appointed~~ to act as administrator ~~for~~  
+ ~~up to the duration of the~~ *administratorship.* ~~During the tenure of~~  
+ ~~his or her appointment, pursuant to this section,~~ the administrator,  
+ if he or she is an employee of the state or the office of the county  
+ superintendent of schools, is an employee of the qualifying school  
+ ~~district, district during the tenure of his or her appointment,~~ but  
+ shall remain in the same retirement system under the same plan  
+ that has been provided by his or her employment with the state or  
+ the office of the county superintendent of schools. Upon the  
+ expiration or termination of the appointment, the employee shall

+ have the right to return to his or her former position, or to a position  
+ at substantially the same level as that position, with the state or  
+ the office of the county superintendent of schools. The time served  
+ in the appointment shall be counted for all purposes as if the  
+ administrator had served that time in his or her former position  
+ with the state or the office of the county superintendent of schools.

+ (5) Except for an individual appointed as an administrator by  
+ the ~~Superintendent~~ *county superintendent of schools who*  
+ *is described in and subject* to paragraph (4), the administrator shall  
+ be a member of the State Teachers' Retirement System, if qualified,  
+ for the period of service as administrator, unless he or she elects  
+ in writing not to become a member. A person who is a member or  
+ retirant of the State Teachers' Retirement System at the time of  
+ appointment shall continue to be a member or retirant of the system  
+ for the duration of the appointment. If the administrator chooses  
+ to become a member or is already a member, the administrator  
+ shall be placed on the payroll of the qualifying school district for  
+ purposes of providing appropriate contributions to the system. The  
+ Superintendent may also require the administrator to be placed on  
+ the payroll of the qualifying school district for purposes of  
+ remuneration, other benefits, and payroll deductions.

+ (6) For purposes of workers' compensation benefits, the  
+ administrator is an employee of the qualifying school district,  
+ except that an administrator ~~appointed pursuant~~ *described in and*  
+ *subject* to paragraph (4) may be deemed an employee of the state  
+ or office of the county superintendent of schools, as applicable.

+ (7) The qualifying school district shall add the administrator as  
+ a covered employee of the qualifying school district for all purposes  
+ of errors and omissions liability insurance policies.

+ (8) The salary and benefits of the administrator shall be  
+ established by the ~~Superintendent~~ *county superintendent of schools,*  
+ *with concurrence from both the Superintendent and the president*  
+ *of the state board or his or her designee,* and paid by the qualifying  
+ school district.

+ (9) The ~~Superintendent~~ *county superintendent of schools* or the  
+ administrator may employ, on a short-term basis and at the expense  
+ of the qualifying school district, any staff necessary to assist the  
+ administrator, including, but not limited to, a certified public  
+ accountant.

+ (10) The administrator may do all of the following:

**PROPOSED AMENDMENTS**

SB 874

— 24 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ (A) Implement substantial changes in the fiscal policies and  
+ practices of the qualifying school district, including, if necessary,  
+ the filing of a petition under Chapter 9 (commencing with Section  
+ 901) of Title 11 of the United States Code for the adjustment of  
+ indebtedness.

+ (B) Revise the educational program of the qualifying school  
+ district to reflect realistic income projections and pupil performance  
+ relative to state standards.

+ (C) Encourage all members of the school community to accept  
+ a fair share of the burden of the fiscal recovery of the qualifying  
+ school district.

+ (D) Consult, for the purposes described in this subdivision, with  
+ the governing board of the qualifying school district, the exclusive  
+ representatives of the employees of the qualifying school district,  
+ parents, and the community.

+ (E) Consult with, and seek recommendations from, the  
+ Superintendent, the county superintendent of schools, and the  
+ County Office Fiscal Crisis and Management Assistance Team  
+ authorized pursuant to subdivision (c) of Section 42127.8 for  
+ purposes described in this article.

+ (F) ~~With the~~ Upon approval of by the ~~Superintendent,~~ county  
+ ~~superintendent of schools,~~ enter into agreements on behalf of the  
+ qualifying school district and, subject to any contractual obligation  
+ of the qualifying school district, change existing school district  
+ rules, regulations, policies, or practices as necessary for the  
+ effective implementation of the recovery plans referred to in  
+ Sections 41327 and 41327.1.

+ (G) Request the advice and assistance of the California  
+ Collaborative for Educational Excellence.

+ (c) *The County Office Fiscal Crisis and Management Assistance  
+ Team, when selecting the pool of candidates for administrator,  
+ shall consider candidates' expertise in management and finance,  
+ previous experience mitigating fiscal distress in school districts,  
+ and ability to engage meaningfully with the community that the  
+ school district serves.*

+ (e)

+ (d) (1) Except as provided for in paragraph (2), the period of  
+ time during which the ~~Superintendent~~ county superintendent of  
+ schools exercises the authority described in subdivision (b), the  
+ governing board of the qualifying school district shall serve as an

+ advisory body reporting to the ~~state-appointed administrator,~~  
+ *administrator appointed pursuant to subdivision (b)*, and has no  
+ rights, duties, or powers, and is not entitled to any stipend, benefits,  
+ or other compensation from the qualifying school district.

+ (2) (A) After one complete fiscal year has elapsed following  
+ the qualifying school district's acceptance of an emergency  
+ apportionment, the governing board of the qualifying school district  
+ may conduct an annual advisory evaluation of an administrator  
+ for the duration of the administratorship.

+ (B) An advisory evaluation of an administrator shall focus on  
+ the administrator's effectiveness in leading the qualifying school  
+ district toward fiscal recovery and improved academic  
+ achievement. Advisory evaluation criteria shall be agreed upon  
+ by the governing board of the qualifying school district and the  
+ administrator before the advisory evaluation. The advisory  
+ evaluation shall include, but not be limited to, all of the following:

- + (i) Goals and standards consistent with Section 41327.1.
- + (ii) Commendations in the areas of the administrator's strengths  
+ and achievements.
- + (iii) Recommendations for improving the administrator's  
+ effectiveness in areas of concern and unsatisfactory performance.

+ (C) An advisory evaluation of an administrator conducted by  
+ the governing board of a qualifying school district shall be  
+ submitted to the Governor, the Legislature, *pursuant to Section*  
+ *9795 of the Government Code*, the Superintendent, *the president*  
+ *of the state board or his or her designee, the county superintendent*  
+ *of schools*, and the County Office Fiscal Crisis and Management  
+ Assistance Team.

+ (3) Upon the appointment of an administrator pursuant to this  
+ section, the district superintendent of schools is no longer an  
+ employee of the qualifying school district.

+ (4) A determination of the severance compensation for the  
+ district superintendent of schools shall be made pursuant to  
+ subdivision ~~(j)~~: *(k)*.

+ ~~(d)~~  
+ (e) Notwithstanding Section 35031 or any other law, the  
+ administrator, after according the affected employee reasonable  
+ notice and the opportunity for a hearing, may terminate the  
+ employment of a deputy, associate, assistant superintendent, or  
+ other school district level administrator who is employed by a

**PROPOSED AMENDMENTS**

SB 874

— 26 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ qualifying school district under a contract of employment signed  
+ or renewed after January 1, 1992, if the employee fails to  
+ document, to the satisfaction of the administrator, that before the  
+ date of the acceptance of the emergency apportionment he or she  
+ either advised the governing board of the qualifying school district,  
+ or his or her superior, that actions contemplated or taken by the  
+ governing board of the qualifying school district could result in  
+ the fiscal insolvency of the qualifying school district, or took other  
+ appropriate action to avert that fiscal insolvency.

+ (e)  
+ (f) The authority of *the county superintendent of schools*, the  
+ Superintendent, *the president of the state board or his or her*  
+ *designee*, and the administrator, under this section shall continue  
+ until all of the following occur:

+ (1) (A) After one complete fiscal year has elapsed following  
+ the qualifying school district's acceptance of an emergency  
+ apportionment as described in subdivision (a), the administrator  
+ determines, and so notifies ~~the Superintendent~~ and the county  
+ superintendent of schools, *the Superintendent, and the president*  
+ *of the state board or his or her designee*, that future compliance  
+ by the qualifying school district with the recovery plans approved  
+ pursuant to paragraph (2) is probable.

+ (B) ~~The Superintendent~~ *county superintendent of schools, with*  
+ *concurrence from both the Superintendent and the president of*  
+ *the state board or his or her designee*, may return power to the  
+ governing board of the qualifying school district for an area listed  
+ in subdivision (a) of Section 41327.1 if performance under the  
+ recovery plan for that area has been demonstrated to the satisfaction  
+ of ~~the Superintendent~~. *county superintendent of schools, with*  
+ *concurrence from the Superintendent.*

+ (2) ~~The Superintendent~~ *county superintendent of schools, with*  
+ *concurrence from the Superintendent*, has approved all of the  
+ recovery plans referred to in subdivision (a) of Section 41327 and  
+ the County Office Fiscal Crisis and Management Assistance Team  
+ completes the improvement plans specified in Section 41327.1  
+ and has completed a minimum of two reports identifying the  
+ qualifying school district's progress in implementing the  
+ improvement plans.

+ (3) The administrator certifies that all necessary collective  
+ bargaining agreements have been negotiated and ratified, and that  
+ the agreements are consistent with the terms of the recovery plans.

+ (4) The qualifying school district has completed all reports  
+ required by the ~~Superintendent~~ *county superintendent of schools*  
+ and the administrator.

+ (5) The ~~Superintendent~~ *county superintendent of schools, with*  
+ *concurrence from the Superintendent,* determines that future  
+ compliance by the qualifying school district with the recovery  
+ plans approved pursuant to paragraph (2) is probable.

+ (f)

+ (g) When the conditions stated in subdivision ~~(e)~~ (f) have been  
+ met, and at least 60 days after the ~~Superintendent~~ *county*  
+ *superintendent of schools* has notified the Legislature, *pursuant*  
+ *to Section 9795 of the Government Code,* the Department of  
+ Finance, *the Superintendent, the president of the state board or*  
+ *his or her designee, and the* ~~Controller, and the county~~  
+ ~~superintendent of schools~~ *Controller* that he or she expects the  
+ conditions prescribed pursuant to this section to be met, the  
+ governing board of the qualifying school district shall regain all  
+ of its legal rights, duties, and powers, except for the powers held  
+ by the trustee provided for pursuant to Article 2 (commencing with  
+ Section 41320). The ~~Superintendent~~ *parties specified in Section*  
+ *41320.1* shall appoint a trustee under ~~Section 41320.1~~ *that section*  
+ to monitor and review the operations of the qualifying school  
+ district until the conditions of subdivision (b) of that section have  
+ been met.

+ (g)

+ (h) Notwithstanding subdivision ~~(f)~~, (g), if the qualifying school  
+ district violates a provision of the recovery plans approved by the  
+ ~~Superintendent~~ *county superintendent of schools, with concurrence*  
+ *from the Superintendent,* pursuant to this article within five years  
+ after the trustee appointed pursuant to Section 41320.1 is removed  
+ or after the emergency apportionment is repaid, whichever occurs  
+ later, or the improvement plans specified in Section 41327.1 during  
+ the period of the trustee's appointment, the ~~Superintendent~~ *county*  
+ *superintendent of schools, with concurrence from both the*  
+ *Superintendent and the president of the state board or his or her*  
+ *designee,* may reassume, either directly or through an administrator  
+ appointed in accordance with this section, all of the legal rights,

**PROPOSED AMENDMENTS**

SB 874

— 28 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ duties, and powers of the governing board of the qualifying school  
+ district. The ~~Superintendent~~ *county superintendent of schools, with*  
+ *concurrence from both the Superintendent and the president of*  
+ *the state board or his or her designee, shall return to the governing*  
+ board of the qualifying school district all of its legal rights, duties,  
+ and powers reassumed under this subdivision when he or she  
+ determines that future compliance with the approved recovery  
+ plans is probable, or after a period of one year, whichever occurs  
+ later.

+ (h)  
+ (i) Article 2 (commencing with Section 41320) shall apply  
+ except as otherwise specified in this article.

+ (i)  
+ (j) It is the intent of the Legislature that the legislative budget  
+ subcommittees annually conduct a review of each qualifying school  
+ district that includes an evaluation of the financial condition of the  
+ qualifying school district, the impact of the recovery plans upon  
+ the qualifying school district's educational program, and the efforts  
+ made by the state-appointed administrator to obtain input from the  
+ community and the governing board of the qualifying school  
+ district.

+ (j)  
+ (k) (1) The district superintendent of schools is entitled to a  
+ due process hearing for purposes of determining final  
+ compensation. The final compensation of the district superintendent  
+ of schools shall be between zero and six times his or her monthly  
+ salary. The outcome of the due process hearing shall be reported  
+ to the Superintendent and the public. The information provided to  
+ the public shall explain the rationale for the compensation.

+ (2) This subdivision applies only to a contract for employment  
+ negotiated on or after June 21, 2004.

+ (k)  
+ (l) (1) When the ~~Superintendent~~ *county superintendent of*  
+ *schools* assumes control over a qualifying school district pursuant  
+ to subdivision (b), ~~he or she shall, in consultation with the County~~  
+ ~~Office Fiscal Crisis and Management Assistance Team, Team shall~~  
+ review the fiscal oversight of the qualifying school district by the  
+ county superintendent of schools. The ~~Superintendent~~ *County*  
+ *Office Fiscal Crisis and Management Assistance Team* may consult

+ with other fiscal experts, including other county superintendents  
+ of schools and regional fiscal teams, in conducting this review.

+ (2) Within three months of *the county superintendent of schools*  
+ assuming control over a qualifying school district, the  
+ ~~Superintendent~~ *County Office Fiscal Crisis and Management*  
+ *Assistance Team* shall report ~~his or her~~ *its* findings to the  
+ ~~Legislature~~ *Legislature, pursuant to Section 9795 of the*  
+ *Government Code*, and shall provide a copy of that report to the  
+ Department of ~~Finance~~. *Finance, the Superintendent, and the*  
+ *president of the state board or his or her designee*. This report  
+ shall include findings as to fiscal oversight actions that were or  
+ were not taken and may include recommendations as to an  
+ appropriate legislative response to improve fiscal oversight.

+ (3) *In the year following the completion of the report required*  
+ *in paragraph (2), the County Office Fiscal Crisis and Management*  
+ *Assistance Team shall begin annual reviews of the effectiveness*  
+ *of the oversight of the qualifying school district by the county office*  
+ *of education.*

+ (3)

+ (4) If, after performing the duties described in paragraphs ~~(1)~~  
+ ~~and (2)~~, *(1), (2), and (3)*, the ~~Superintendent~~ *County Office Fiscal*  
+ *Crisis and Management Assistance Team* determines that the  
+ county superintendent of schools failed to carry out his or her  
+ responsibilities for fiscal oversight as required by this code, the  
+ ~~Superintendent~~ *Superintendent, with the concurrence of the*  
+ *president of the state board or his or her designee*, may exercise  
+ the authority of the county superintendent of schools who has  
+ oversight responsibilities for a qualifying school district. *The*  
+ *Superintendent and the president of the state board or his or her*  
+ *designee shall further require the county superintendent of schools*  
+ *to demonstrate remediation of deficiencies identified in reports*  
+ *required in paragraphs (2) and (3)*. If the Superintendent finds,  
+ based on the ~~report reports~~ required in ~~paragraph (2)~~, *paragraphs*  
+ *(2) and (3)*, that the county superintendent of schools failed to  
+ appropriately take into account particular types of indicators of  
+ financial distress, or failed to take appropriate remedial actions in  
+ the qualifying school district, the Superintendent shall further  
+ investigate whether the county superintendent of schools failed to  
+ take into account those indicators, or similarly failed to take

PROPOSED AMENDMENTS

SB 874

— 30 —

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

+ appropriate actions in other school districts with negative or  
+ qualified certifications.

+ *SEC. 10. Section 41327 of the Education Code is amended to*  
+ *read:*

+ 41327. (a) In accordance with timelines, instructions, and a  
+ format established by the ~~Superintendent of Public Instruction;~~  
+ *county superintendent of schools, with concurrence from the*  
+ *Superintendent, the ~~state-appointed~~ administrator appointed*  
+ *pursuant to subdivision (b) of Section 41326 shall prepare or obtain*  
+ *the following reports and plans:*

+ (1) A management review and recovery plan.

+ (2) A multiyear financial recovery plan. The multiyear financial  
+ recovery plan shall include a plan, to be submitted annually on or  
+ before July 1, to repay to the state any and all loans owed by the  
+ *school district.*

+ (3) During the period of service by the ~~state-appointed~~  
+ ~~administrator;~~ *administrator appointed pursuant to subdivision*  
+ *(b) of Section 41326, an annual report on the financial condition*  
+ *of the school district, including, but not necessarily limited to, all*  
+ *of the following information:*

+ (A) Specific actions taken to reduce *school district* expenditures  
+ or increase income to the *school district*, and the amount of the  
+ resulting cost savings and increases in income.

+ (B) A copy of the adopted *school district* budget for the current  
+ fiscal year.

+ (C) The amount of the *school district* budgetary reserve.

+ (D) The status of employee contracts.

+ (E) Any obstacles to the implementation of the recovery plans  
+ described in paragraphs (1) and (2).

+ (b) Each of the reports or plans required under this section, or  
+ under any other law that requires the *school district* to prepare  
+ reports or plans, shall be submitted to the ~~Superintendent of Public~~  
+ ~~Instruction~~ *county superintendent of schools* for approval, ~~after~~  
+ ~~his or her consideration of comments and recommendations of the~~  
+ ~~county superintendent of schools.~~ *with concurrence from the*  
+ *Superintendent. The ~~Superintendent of Public Instruction~~ county*  
+ *superintendent of schools may accept and approve, for the purposes*  
+ *of this section, any reports or plans that were prepared by or for*  
+ *the school district prior to the school district's acceptance of a loan*  
+ *as described in subdivision (a) of Section 41326.*

+ (c) With the approval of the ~~Superintendent of Public Instruction,~~  
+ *county superintendent of schools*, the ~~state-appointed~~ administrator  
+ *appointed pursuant to subdivision (b) of Section 41326* may enter  
+ into agreements on behalf of the *school* district and, subject to any  
+ contractual obligation of the *school* district, change any existing  
+ *school* district rules, regulations, policies, or practices as necessary  
+ for the effective implementation of the recovery plans referred to  
+ in subdivision (a).

+ (d) *The County Office Financial Crisis and Management*  
+ *Assistance Team shall do an annual review of the progress made*  
+ *with regard to the recovery plans required by subdivision (a), and*  
+ *submit that review to the county superintendent, the Superintendent,*  
+ *and the president of the state board or his or her designee.*

+ SEC. 11. *Section 41327.1 of the Education Code is amended*  
+ *to read:*

+ 41327.1. (a) The state board shall adopt and may periodically  
+ update by regulation a comprehensive list of professional and legal  
+ standards that all *school* districts are encouraged to use as a guide  
+ to conduct a good educational program and fiscal and management  
+ practices that shall be used as the basis of evaluating the  
+ improvement of qualifying *school* districts pursuant to this article.  
+ These standards shall, at a minimum, address all of the following  
+ areas:

- + (1) Financial management.
- + (2) Pupil achievement.
- + (3) Personnel management.
- + (4) Facilities management.
- + (5) Community relations.

+ (b) If an administrator is appointed pursuant to Section 41326,  
+ the County Office Fiscal Crisis and Management Assistance Team  
+ established pursuant to Section 42127.8 shall conduct  
+ comprehensive assessments in the five areas specified in  
+ subdivision (a).

+ (c) After the assessments specified in subdivision (b) are  
+ completed, the ~~Superintendent,~~ *county superintendent of schools,*  
+ in consultation with the County Office Fiscal Crisis and  
+ Management Assistance Team ~~and the county superintendent of~~  
+ ~~schools,~~ *Team, the Superintendent, and the president of the state*  
+ *board or his or her designee,* shall determine, based upon the  
+ *school* district's particular needs and circumstances, the level of

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

SB 874

— 32 —

+ improvement needed in the standards adopted pursuant to  
+ subdivision (a) before local authority will be returned pursuant to  
+ subdivision—(f) (g) of Section 41326. Based upon this  
+ determination, the County Office Fiscal Crisis and Management  
+ Assistance Team shall complete improvement plans in the five  
+ areas specified in subdivision (a) that focus on the agreed upon  
+ standards, and that are consistent with the financial improvement  
+ plan.

+ (d) Beginning six months after an emergency loan is approved,  
+ and every six months thereafter until local authority is returned  
+ pursuant to subdivision—(f) (g) of Section 41326, the County Office  
+ Fiscal Crisis and Management Assistance Team shall file a written  
+ status report with the appropriate fiscal and policy committees of  
+ the Legislature, the Members of the Legislature that represent the  
+ qualifying *school* district, any advisory council of the school  
+ district, the Superintendent, the county superintendent of schools,  
+ and the Director of Finance. The reports shall indicate the progress  
+ that the *school* district is making in meeting the recommendations  
+ of the improvement plans developed pursuant to this section.

+ (e) If the County Office Fiscal Crisis and Management  
+ Assistance Team indicates in writing that it has insufficient  
+ resources to complete the comprehensive assessments,  
+ improvement plans, and progress reports required pursuant to this  
+ section, the ~~department~~ *county superintendent of schools* shall  
+ request proposals to complete these tasks, and subject to the  
+ approval of the Department of Finance, select an entity to complete  
+ the tasks assigned to the County Office Fiscal Crisis and  
+ Management Assistance Team pursuant to this section.

+ *SEC. 12. Section 41327.2 of the Education Code is amended  
+ to read:*

+ 41327.2. (a) The appointment of an administrator pursuant to  
+ Section 41326 does not remove any statutory rights, duties, or  
+ obligations from the county superintendent of schools. The county  
+ superintendent of schools retains the responsibility to superintend  
+ school districts under his or her jurisdiction.

+ (b) The county superintendent of schools shall submit reports  
+ to the Superintendent, *the president of the state board or his or  
+ her designee*, the appropriate fiscal and policy committees of the  
+ Legislature, and the Director of Finance subsequent to review by  
+ the county superintendent of schools of the school district's budget

+ and interim reports in accordance with subdivision (d) of, and  
 + paragraph (1) of subdivision (f) of, Section 42127, and paragraph  
 + (2) of subdivision (a) of, and subdivision (e) of, Section 42131.  
 + These reports shall document the fiscal and administrative status  
 + of the qualifying school district, particularly in regard to the  
 + implementation of fiscal and management recovery plans. Each  
 + report shall also include a determination of whether the revenue  
 + streams to the school district appear to be consistent with its  
 + expenditure plan, according to the most recent data available at  
 + the time of the report. These reports are required until six months  
 + after all rights, duties, and powers are returned to the school district  
 + pursuant to this article.

+ *SEC. 13. Chapter 6.5 (commencing with Section 42160) is*  
 + *added to Part 24 of Division 3 of Title 2 of the Education Code,*  
 + *to read:*

+ *CHAPTER 6.5. SCHOOL DISTRICTS IN FINANCIAL DISTRESS*

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

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

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

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

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

+ *(2) For the 2020–21 fiscal year, up to 50 percent of the school*  
 + *district’s projected operating deficit, as determined by the County*

**PROPOSED AMENDMENTS**

SB 874

— 34 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

- + *Office Fiscal Crisis and Management Assistance Team, with*
- + *concurrence with the Department of Finance.*
- + *(3) For the 2021–22 fiscal year, up to 25 percent of the school*
- + *district’s projected operating deficit, as determined by the County*
- + *Office Fiscal Crisis and Management Assistance Team, with*
- + *concurrence with the Department of Finance.*
- + *(c) Disbursement of funds specified in subdivision (b) shall be*
- + *contingent on the Oakland Unified School District’s completion*
- + *of activities specified in the prior year Budget Act to improve the*
- + *school district’s fiscal solvency. These activities may include, but*
- + *are not limited to, all of the following:*
- + *(1) Completion of comprehensive operational reviews that*
- + *compare the needs of the school district with similar school*
- + *districts and provide data and recommendations regarding changes*
- + *the school district can make to achieve fiscal sustainability.*
- + *(2) Adoption and implementation of necessary budgetary*
- + *solutions, including the consolidation of school sites.*
- + *(3) Completion and implementation of multiyear, fiscally solvent*
- + *budgets and budget plans.*
- + *(4) Qualification for positive certification pursuant to Article*
- + *3 (commencing with Section 42130) of Chapter 6.*
- + *(5) Sale or lease of surplus property.*
- + *(6) Growth and maintenance of budgetary reserves.*
- + *(7) Approval of school district budgets by the Alameda County*
- + *Office of Education.*
- + *(d) Funds described in subdivision (b) shall be allocated to*
- + *Oakland Unified School District upon the certification of the*
- + *County Office Fiscal Crisis and Management Assistance Team,*
- + *with concurrence from the Alameda County Office of Education,*
- + *to the Assembly Committee on Budget, Senate Committee on Budget*
- + *and Fiscal Review, and the Department of Finance that the*
- + *activities described in subdivision (c), as specified in the prior*
- + *year Budget Act, have been completed. Additionally, by March 1*
- + *of each year, through March 1, 2021, the County Office Fiscal*
- + *Crisis and Management Assistance Team, with concurrence from*
- + *the Alameda County Office of Education, shall report to the*
- + *Assembly Committee on Budget, Senate Committee on Budget and*
- + *Fiscal Review, and the Department of Finance the progress that*
- + *Oakland Unified School District has made to complete the activities*

+ described in subdivision (c), as specified in the prior year Budget Act.

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

+ 42161. (a) For the 2018–19 fiscal year, the Inglewood Unified School District shall do both of the following:

+ (1) Meet the requirements for qualified or positive certification for the school district’s second interim report pursuant to Article 3 (commencing with Section 42130) of Chapter 6.

+ (2) Complete comprehensive operational reviews that compare the needs of the school district with similar school districts and provide data and recommendations regarding changes the school district can make to achieve fiscal sustainability.

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

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

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

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

+ (c) Disbursement of funds specified in subdivision (b) shall be contingent on the Inglewood Unified School District’s completion of activities specified in the prior year Budget Act to improve the

**PROPOSED AMENDMENTS**

SB 874

— 36 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

- + school district's fiscal solvency. These activities may include, but
- + are not limited to, all of the following:
- + (1) Completion of comprehensive operational reviews that
- + compare the needs of the school district with similar school
- + districts and provide data and recommendations regarding changes
- + the school district can make to achieve fiscal sustainability.
- + (2) Adoption and implementation of necessary budgetary
- + solutions, including the consolidation of school sites.
- + (3) Completion and implementation of multiyear, fiscally solvent
- + budgets and budget plans.
- + (4) Qualification for positive certification pursuant to Article
- + 3 (commencing with Section 42130) of Chapter 6.
- + (5) Sale or lease of surplus property.
- + (6) Growth and maintenance of budgetary reserves.
- + (7) Approval of school district budgets by the Los Angeles
- + County Office of Education.
- + (d) Funds described in subdivision (b) shall be allocated to
- + Inglewood Unified School District upon the certification of the
- + County Office Fiscal Crisis and Management Assistance Team,
- + with concurrence from the Los Angeles County Office of Education,
- + to the Assembly Committee on Budget, Senate Committee on Budget
- + and Fiscal Review, and the Department of Finance that the
- + activities described in subdivision (c), as specified in the prior
- + year Budget Act, have been completed. Additionally, by March 1
- + of each year, through March 1, 2021, the County Office Fiscal
- + Crisis and Management Assistance Team, with concurrence from
- + the Los Angeles County Office of Education, shall report to the
- + Assembly Committee on Budget, Senate Committee on Budget and
- + Fiscal Review, and the Department of Finance the progress that
- + Inglewood Unified School District has made to complete the
- + activities described in subdivision (c), as specified in the prior
- + year Budget Act.
- + (e) The activities described in subdivision (c) shall be
- + determined in the annual Budget Act based on joint
- + recommendations from the County Office Fiscal Crisis and
- + Management Assistance Team and the Los Angeles County
- + Superintendent of Public Schools. These recommendations shall
- + be submitted to the Assembly Committee on Budget, Senate
- + Committee on Budget and Fiscal Review, and the Department of

Page 13

+ *Finance by March 1 of each fiscal year, through March 1, 2021,*  
+ *in conjunction with the certification described in subdivision (d).*

1 ~~SEC. 5.~~

+ *SEC. 14.* Section 44416 of the Education Code is amended to  
2 read:

3 44416. (a) For the 2018–19 fiscal year, the sum of fifty million  
4 dollars (\$50,000,000) is hereby appropriated from the General  
5 Fund to the commission to establish the Local Solutions Grant  
6 Program to provide one-time competitive grants to local  
7 educational agencies to develop and implement new, or expand  
8 existing, locally identified solutions that address a local need for  
9 special education teachers. This funding shall be available for  
10 encumbrance through June 30, 2023, and available for liquidation  
11 through June 30, 2028.

12 (b) (1) A grant shall be up to twenty thousand dollars (\$20,000)  
13 per teacher participant that the identified solution proposes to  
14 support, matched by that local educational agency or consortium  
15 on a dollar-for-dollar basis. Grant program funding may be used  
16 for local efforts to recruit, develop support systems for, and retain  
17 special education teachers that include, but are not limited to,  
18 teacher career pathways, signing bonuses for newly credentialed  
19 teachers who earn an education specialist credential, mentors for  
20 existing teachers, professional learning communities, service  
21 awards, teacher service scholarships, student debt payment, living  
22 stipends for newly credentialed teachers who earn an education  
23 specialist credential, or other solutions that address a local need  
24 for special education teachers.

25 (2) (A) A teacher participant who receives a teacher service  
26 scholarship, signing bonus, or student debt payment shall agree to  
27 teach at a school within the jurisdiction of the grant recipient and  
28 work as an education specialist serving a caseload of pupils who  
29 receive special education services in a special education setting  
30 for four years, and the teacher participant shall have five years to  
31 meet that obligation.

32 (B) A teacher participant who fails to complete the service  
33 obligation described in subparagraph (A) shall reimburse the  
34 sponsoring grant recipient the amount of grant funding received  
35 as a teacher service scholarship, signing bonus, or student debt  
36 payment. The amount to be reimbursed shall be adjusted  
37 proportionately to reflect the service provided if the teacher

**PROPOSED AMENDMENTS**

SB 874

— 38 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 13 38 participant taught at least one year, but less than the required four  
39 years, at the sponsoring grant recipient.

Page 14 1 (C) If a teacher participant is unable to complete a school year  
2 of teaching, that school year may still be counted toward the  
3 required four complete school years if any of the following occur:

4 (i) The teacher participant has completed at least one-half of  
5 the school year.

6 (ii) The employer deems the teacher participant to have fulfilled  
7 his or her contractual requirements for the school year for the  
8 purposes of salary increases, probationary or permanent status,  
9 and retirement.

10 (iii) The teacher participant was not able to teach due to the  
11 financial circumstances of the sponsoring grant recipient, including  
12 a decision to not reelect the employee for the next succeeding  
13 school year.

14 (iv) The teacher participant has a condition covered under the  
15 federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec.  
16 2061 et seq.) or similar state law.

17 (v) The teacher participant was called or ordered to active duty  
18 status for more than 30 days as a member of a reserve component  
19 of the Armed Forces of the United States.

20 (D) If the commission determines or is informed that a teacher  
21 participant who fails to complete the service obligation described  
22 in subparagraph (A), the commission shall confirm with the grant  
23 recipient the applicable grant amount to be recovered from the  
24 teacher participant and the grant recipient. The amount to be  
25 recovered shall be adjusted proportionately to reflect the service  
26 provided if the teacher participant taught at least one year, but less  
27 than four years, at the sponsoring grant recipient.

28 (E) Upon confirming the amount to be recovered from the grant  
29 recipient pursuant to subparagraph (D), the commission shall notify  
30 the grant recipient of the amount to be repaid within 60 days. The  
31 grant recipient shall have 60 days from the date of the notification  
32 to make the required repayment to the commission. If the grant  
33 recipient fails to make the required payment within 60 days, the  
34 commission shall notify the Controller and the grant recipient of  
35 the failure to repay the amount owed. The Controller shall deduct  
36 an amount equal to the amount owed to the commission from the  
37 grant recipient's next principal apportionment or apportionments  
38 of state funds, other than basic aid apportionments required by

Page 14 39 Section 6 of Article IX of the California Constitution. If the grant  
 40 recipient is a regional occupational center or a program operated  
 Page 15 1 by a joint powers authority that does not receive principal  
 2 apportionment or apportionments of state funds, or a consortia of  
 3 local educational agencies, the commission shall notify the  
 4 Controller of the local educational agency where the teacher  
 5 participant taught and the Controller shall deduct the amount owed  
 6 from the applicable local educational agency's next principal  
 7 apportionment or apportionments of state funds, other than basic  
 8 aid apportionments required by Section 6 of Article IX of the  
 9 California Constitution.

10 (F) An amount recovered by the commission or deducted by  
 11 the Controller pursuant to subparagraph (E) shall be deposited into  
 12 the Proposition 98 Reversion Account.

13 (G) Grant recipients may recover from a teacher participant  
 14 who fails to complete the service obligation described in  
 15 subparagraph (A) the amount of grant funding received as a teacher  
 16 service scholarship, signing bonus, or student debt payment. The  
 17 amount to be recovered shall be adjusted proportionately to reflect  
 18 the service provided if the teacher participant taught at least one  
 19 year, but less than four years, at the sponsoring grant recipient.

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

22 (d) A grant recipient shall provide a 100-percent match of grant  
 23 funding to support, complement, or enhance the local solution  
 24 identified in subdivision (h). The match shall be in the form of one  
 25 or both of the following:

26 (1) One dollar (\$1) for every one dollar (\$1) of grant funding  
 27 received.

28 (2) An in-kind match.

29 (e) An applicant may consist of one or more, or any  
 30 combination, of the following:

31 (1) A school district.

32 (2) A county office of education.

33 (3) A charter schools

34 (4) A regional occupational center or program operated by a  
 35 joint powers authority.

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

**PROPOSED AMENDMENTS**

SB 874

— 40 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 15 39 (g) A grant recipient shall not use funds from a Local Solutions  
40 Grant Program award to support teacher candidates participating

Page 16 1 in a program supported by an award from the Teacher Residency  
2 Grant Program established pursuant to Section 44415.

3 (h) When selecting grant recipients, the commission shall require  
4 applicants to demonstrate a local need for special education  
5 teachers and present a plan that proposes one or more solutions  
6 that address that local need.

7 (i) For purposes of administering the grant program pursuant  
8 to this section, the commission shall do all of the following:

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

11 (2) Require grant recipients to annually report the status and  
12 progress of the identified solution and to submit a final  
13 implementation report within five years of receiving a grant award  
14 that describes the outcomes and effectiveness of the identified  
15 solution.

16 (3) Allocate 90 percent of funding to each grant recipient at the  
17 time of the initial grant award and allocate the final 10 percent of  
18 grant funding upon receipt of the final implementation report. If  
19 the grantee fails to provide the final implementation report pursuant  
20 to paragraph (2), the grantee shall not receive the final 10 percent  
21 of the grant award.

22 (j) For purposes of making the computations required by Section  
23 8 of Article XVI of the California Constitution, the appropriation  
24 made by subdivision (a) shall be deemed to be "General Fund  
25 revenues appropriated for school districts," as defined in  
26 subdivision (c) of Section 41202, for the 2017-18 fiscal year, and  
27 included within the "total allocations to school districts and  
28 community college districts from General Fund proceeds of taxes  
29 appropriated pursuant to Article XIII B," as defined in subdivision  
30 (e) of Section 41202, for the 2017-18 fiscal year.

31 ~~SEC. 6.~~

+ SEC. 15. Section 46392 of the Education Code is amended to  
32 read:

33 46392. (a) If the average daily attendance of a school district,  
34 county office of education, or charter school during a fiscal year  
35 has been materially decreased during a fiscal year because of any  
36 of the following, the fact shall be established to the satisfaction of  
37 the Superintendent by affidavits of the members of the governing

**Amendment 8**

Page 16 38 board or body of the school district, county office of education, or  
 39 charter school and the county superintendent of schools:  
 40 (1) Fire.

Page 17 1 (2) Flood.  
 2 (3) Impassable roads.  
 3 (4) Epidemic.  
 4 (5) Earthquake.  
 5 (6) The imminence of a major safety hazard as determined by  
 6 the local law enforcement agency.  
 7 (7) A strike involving transportation services to pupils provided  
 8 by a nonschool entity.  
 9 (8) An order provided for in Section 41422.

10 (b) (1) In the event a state of emergency is declared by the  
 11 Governor in a county, a decrease in average daily attendance in  
 12 the county below the approximate total average daily attendance  
 13 that would have been credited to a school district, county office  
 14 of education, or charter school had the state of emergency not  
 15 occurred shall be deemed material. The Superintendent shall  
 16 determine the length of the period during which average daily  
 17 attendance has been reduced by the state of emergency.  
 18 (2) The period determined by the Superintendent shall not extend  
 19 into the next fiscal year following the declaration of the state of  
 20 emergency by the Governor, except upon a showing by a school  
 21 district, county office of education, or charter school, to the  
 22 satisfaction of the Superintendent, that extending the period into  
 23 the next fiscal year is essential to alleviate continued reductions  
 24 in average daily attendance attributable to the state of emergency.  
 25 (3) Notwithstanding any other law, the Superintendent shall  
 26 extend through the 2018–19 fiscal year the period during which it  
 27 is essential to alleviate continued reductions in average daily  
 28 attendance attributable to a state of emergency declared by the  
 29 Governor in October 2017, for a school district where no less than  
 30 5 percent of the residences within the school district or school  
 31 district facilities were destroyed by the qualifying emergency.

33 (c) The average daily attendance of the school district, county  
 34 office of education, or charter school for the fiscal year shall be  
 35 estimated by the Superintendent in a manner that credits to the  
 36 school district, county office of education, or charter school for  
 37 determining the apportionments to be made to the school district,  
 38 county office of education, or charter school from the State School

PROPOSED AMENDMENTS

SB 874

— 42 —

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

Page 17 39 Fund approximately the total average daily attendance that would  
40 have been credited to the school district, county office of education,

Page 18 1 or charter school had the emergency not occurred or had the order  
2 not been issued.

3 (d) This section applies to any average daily attendance that  
4 occurs during any part of a school year.

5 ~~SEC. 7.~~

+ SEC. 16. Section 47606.5 of the Education Code is amended  
6 to read:

7 47606.5. (a) On or before July 1, 2015, and each year  
8 thereafter, a charter school shall update the goals and annual actions  
9 to achieve those goals identified in the charter petition pursuant  
10 to subparagraph (A) of paragraph (5) of subdivision (b) of Section  
11 47605 or subparagraph (A) of paragraph (5) of subdivision (b) of  
12 Section 47605.6, as applicable, using the template for the local  
15 control and accountability plan and annual update to the local  
16 control and accountability plan adopted by the state board pursuant  
17 to Section ~~52064~~; 52064 and shall include all of the following:

+ (1) A review of the progress toward the goals included in the  
+ charter; an assessment of the effectiveness of the specific actions  
+ described in the charter toward achieving the goals, and a  
+ description of changes to the specific actions the charter school  
+ will make as a result of the review and assessment.

+ (2) A listing and description of the expenditures for the fiscal  
+ year implementing the specific actions included in the charter as  
+ a result of the reviews and assessment required by paragraph (1).

30 (b) For purposes of the review required by subdivision (a), a  
31 governing body of a charter school may consider qualitative  
32 information, including, but not limited to, findings that result from  
33 school quality reviews conducted pursuant to subdivision (b) of  
34 Section 52052 or any other reviews.

37 (c) To the extent practicable, data reported pursuant to this  
38 section shall be reported in a manner consistent with how  
39 information is reported on the California School Dashboard  
Page 19 1 maintained by the department pursuant to ~~subdivision (f)~~ of Section  
2 52064.5.

4 (d) The charter school shall consult with teachers, principals,  
5 administrators, other school personnel, parents, and pupils in  
6 developing the local control and accountability plan and annual  
7 update to the local control and accountability plan.

Amendment 9

Amendment 10

Amendment 11

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE  
Amendment 12

Page 19 8     ~~SEC. 8.~~  
+     SEC. 17. Section 52060 of the Education Code is amended to  
9 read:  
10     52060. (a) On or before July 1, 2014, the governing board of  
11 each school district shall adopt a local control and accountability  
12 plan using a template adopted by the state board.  
13     (b) A local control and accountability plan adopted by the  
14 governing board of a school district shall be effective for a period  
15 of three years, and shall be updated on or before July 1 of each  
16 year.  
17     (c) A local control and accountability plan adopted by the  
18 governing board of a school district shall include, for the school  
19 district and each school within the school district, all of the  
20 information specified in the template adopted by the state board  
21 pursuant to Section 52064.  
38     (d) All of the following are state priorities for purposes of a  
39 school district’s local control and accountability plan:  
Page 20 1     (1) The degree to which the teachers of the school district are  
2 appropriately assigned in accordance with Section 44258.9, and  
3 fully credentialed in the subject areas, and, for the pupils they are  
4 teaching, every pupil in the school district has sufficient access to  
5 the standards-aligned instructional materials as determined pursuant  
6 to Section 60119, and school facilities are maintained in good  
7 repair, as defined in subdivision (d) of Section 17002.  
8     (2) Implementation of the academic content and performance  
9 standards adopted by the state board, including how the programs  
10 and services will enable English learners to access the common  
11 core academic content standards adopted pursuant to Section  
12 60605.8 and the English language development standards adopted  
13 pursuant to former Section 60811.3, as that section read on June  
14 30, 2013, or Section 60811.4, for purposes of gaining academic  
15 content knowledge and English language proficiency.  
16     (3) Parental involvement, including efforts the school district  
17 makes to seek parent input in making decisions for the school  
18 district and each individual schoolsite, and including how the  
19 school district will promote parental participation in programs for  
20 unduplicated pupils and individuals with exceptional needs.  
21     (4) Pupil achievement, as measured by all of the following, as  
22 applicable:

**PROPOSED AMENDMENTS**

**SB 874**

— 44 —

**RN 18 18225 08**

**08/14/18 05:32 PM**

**SUBSTANTIVE**

Page 20 23 (A) Statewide assessments administered pursuant to Article 4  
24 (commencing with Section 60640) of Chapter 5 of Part 33 or any  
25 subsequent assessment, as certified by the state board.

26 (B) The percentage of pupils who have successfully completed  
27 courses that satisfy the requirements for entrance to the University  
28 of California and the California State University, or career technical  
29 education sequences or programs of study that align with state  
30 board-approved career technical education standards and  
31 frameworks, including, but not limited to, those described in  
32 subdivision (a) of Section 52302, subdivision (a) of Section  
33 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

34 (C) The percentage of English learner pupils who make progress  
35 toward English proficiency as measured by the English Language  
36 Proficiency Assessments for California or any subsequent  
37 assessment of English proficiency, as certified by the state board.

39 (D) The English learner reclassification rate.

Page 21 1 (E) The percentage of pupils who have passed an advanced  
2 placement examination with a score of 3 or higher.

3 (F) The percentage of pupils who demonstrate college  
4 preparedness pursuant to the Early Assessment Program, as  
5 described in Chapter 6 (commencing with Section 99300) of Part  
6 65 of Division 14 of Title 3, or any subsequent assessment of  
7 college preparedness.

8 (5) Pupil engagement, as measured by all of the following, as  
9 applicable:

10 (A) School attendance rates.

11 (B) Chronic absenteeism rates.

12 (C) Middle school dropout rates.

13 (D) High school dropout rates.

14 (E) High school graduation rates.

15 (6) School climate, as measured by all of the following, as  
16 applicable:

17 (A) Pupil suspension rates.

18 (B) Pupil expulsion rates.

19 (C) Other local measures, including surveys of pupils, parents,  
20 and teachers on the sense of safety and school connectedness.

21 (7) The extent to which pupils have access to, and are enrolled  
22 in, a broad course of study that includes all of the subject areas  
23 described in Section 51210 and subdivisions (a) to (i), inclusive,  
24 of Section 51220, as applicable, including the programs and

PROPOSED AMENDMENTS

Page 21 25 services developed and provided to unduplicated pupils and  
26 individuals with exceptional needs, and the programs and services  
27 that are provided to benefit these pupils as a result of the funding  
28 received pursuant to Section 42238.02, as implemented by Section  
29 42238.03.

30 (8) Pupil outcomes, if available, in the subject areas described  
31 in Section 51210 and subdivisions (a) to (i), inclusive, of Section  
32 51220, as applicable.

33 (e) For purposes of the descriptions required by subdivision (b)  
34 of Section 52064, the governing board of a school district may  
35 consider qualitative information, including, but not limited to,  
36 findings that result from school quality reviews conducted pursuant  
37 to subdivision (b) of Section 52052 or any other reviews.

38 (f) To the extent practicable, data reported in a local control and  
39 accountability plan shall be reported in a manner consistent with  
40 how information is reported on the California School Dashboard  
Page 22 1 maintained by the department pursuant to subdivision (f) of Section  
2 52064.5.

3 (g) The governing board of a school district shall consult with  
4 teachers, principals, administrators, other school personnel, local  
5 bargaining units of the school district, parents, and pupils in  
6 developing a local control and accountability plan.

7 (h) A school district may identify local priorities, goals in regard  
8 to the local priorities, and the method for measuring the school  
9 district’s progress toward achieving those goals.

10 ~~SEC. 9.~~

+ SEC. 18. Section 52061 of the Education Code is amended to  
11 read:

12 52061. On or before July 1, 2015, and each year thereafter, a  
13 school district shall update the local control and accountability  
14 plan. The annual update shall be developed using a template  
15 adopted by the state board pursuant to Section 52064 and shall  
16 include all of the information specified in the template.

38 ~~SEC. 10.~~

+ SEC. 19. Section 52064 of the Education Code is amended to  
39 read:

Page 23 1 52064. (a) On or before March 31, 2014, the state board shall  
2 adopt a template for a local control and accountability plan and an  
3 annual update to the local control and accountability plan for the  
4 following purposes:

Amendment 13

Amendment 14

Amendment 15

PROPOSED AMENDMENTS

SB 874

— 46 —

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

Page 23 5 (1) For use by school districts to meet the requirements of  
6 Sections 52060 to 52063, inclusive.

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

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

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

33 (1) A description of the annual goals, for all pupils and each  
34 subgroup of pupils identified pursuant to Section 52052, to be  
35 achieved for each of the state priorities identified in subparagraph  
36 (A) of paragraph (5) of subdivision (b) of Section 47605,  
37 subparagraph (A) of paragraph (5) of subdivision (b) of Section  
38 47605.6, subdivision (d) of Section 52060, or subdivision (d) of  
39 Section 52066, as applicable, and for any additional local priorities  
40 identified by the governing board of the school district, the county

Page 24 1 board of education, or in the charter school petition. For purposes  
2 of this article, a subgroup of pupils identified pursuant to Section  
3 52052 shall be a numerically significant pupil subgroup as specified  
4 in subdivision (a) of Section 52052.

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

12 (3) One or more summary tables listing and describing the  
13 ~~planned~~ *budgeted* expenditures for the ensuing fiscal year  
14 implementing each specific action included in the local control  
15 and accountability plan, including expenditures for the ensuing  
16 fiscal year that will serve unduplicated pupils, as defined in Section  
17 42238.02, and pupils redesignated as fluent English proficient.  
18 The summary table or tables shall include both of the following:

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

Amendment 16

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

Page 24 22 (B) The subtotals of expenditures for each specific action  
 23 included in the local control and accountability plan broken down  
 24 into the following categories:  
 25 (i) Funds apportioned under the local control funding formula  
 26 pursuant to Section 42238.02.  
 27 (ii) All other state funds.  
 28 (iii) All local funds.  
 29 (iv) All federal funds.  
 30 (4) One or more summary tables listing and describing the  
 31 specific actions and ~~planned~~ *budgeted* expenditures in paragraph  
 32 (3) that contribute to the demonstration that the school district,  
 33 county office of education, or charter school will increase or  
 34 improve services for unduplicated pupils in proportion to the  
 35 increase in funds apportioned on the basis of the number and  
 36 concentration of unduplicated pupils, consistent with regulations  
 37 adopted by the state board pursuant to Section 42238.07, grouped  
 + as follows:  
 38 (A) Specific actions and ~~planned~~ *budgeted* expenditures  
 39 provided to all pupils on a districtwide, countywide, or charterwide  
 + basis.  
 Page 25 1 (B) Specific actions and ~~planned~~ *budgeted* expenditures that  
 2 are targeted only to one or more unduplicated pupil subgroups.  
 3 For these specific actions, the description shall specify the  
 4 unduplicated pupil subgroup or subgroups that are targeted by each  
 5 specific action and, if not provided at all schools, the school or  
 6 schools where the specific action is provided.  
 7 (C) ~~For~~ *Only for* school districts and county offices of education  
 8 ~~only; that operate more than one schoolsite~~, specific actions and  
 9 ~~planned~~ *budgeted* expenditures provided to all pupils on a  
 10 schoolwide basis, but only at schools serving certain grade spans  
 11 or only at one or more schools. For these specific actions, the  
 12 description shall specify the school or schools at which the specific  
 + action is provided.  
 13 (5) An estimate of the funds to be apportioned in the ensuing  
 14 fiscal year on the basis of the number and concentration of  
 15 unduplicated pupils and calculation of the percent the school  
 16 district, county office of education, or charter school will increase  
 17 or improve services for unduplicated pupils in proportion to the  
 18 increase in funds apportioned on the basis of the number and

Amendment 17

Amendment 18

Amendment 19

Amendments 20 & 21  
Amendment 22

**PROPOSED AMENDMENTS**

SB 874

— 48 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 25 19 concentration of unduplicated pupils, consistent with regulations  
20 adopted by the state board pursuant to Section 42238.07.

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

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

38 (8) A plan summary that includes general information about the  
39 school district, county office of education, or charter school and  
40 highlights of the local control and accountability plan and annual

Page 26 1 update to the local control and accountability plan, including  
2 reflections on *annual* performance on the California School  
3 Dashboard authorized by subdivision (f) of *in* Section 52064.5 and  
4 other local data.

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

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

**Amendment 23**

**Amendment 24  
Amendment 25**

Page 26 20 (2) Except as provided in paragraph (3), the state board shall  
21 not require school districts, county offices of education, or charter  
22 schools to provide any information in addition to the information  
23 required pursuant to subdivision (b).

24 (3) The state board may ~~include~~ *require the inclusion of*  
25 *additional* information in the template ~~in addition to the~~  
26 ~~information required pursuant to subdivision (b)~~ in order to meet  
+ requirements of federal law.

27 (e) (1) The process of developing and annually updating the  
28 local control and accountability plan should support school  
29 districts, county offices of education, and charter schools in  
30 comprehensive strategic planning, accountability, and improvement  
31 across the state priorities and any locally identified priorities  
32 through meaningful engagement with local stakeholders.

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

Page 27 39 (3) The instructions developed by the state board pursuant to  
40 paragraph (1) of subdivision (d) shall specify that school districts,  
1 county offices of education, and charter schools should prioritize  
2 the focus of the ~~goals, specific actions~~ *actions*, and related  
3 expenditures included within the local control and accountability  
4 plan and annual update to the local control and accountability plan  
5 within one or more state priority. The instructions shall further  
6 specify that school districts, county offices of education, and  
7 charter schools should consider their performance on the state and  
+ ~~local indicators~~ *indicators, including their locally collected and*  
8 *reported data for the local indicators, that are included in the*  
9 California School Dashboard ~~authorized by subdivision (f) of in~~  
10 Section 52064.5 in determining whether and how to prioritize the  
+ ~~goals, specific actions~~ *actions*, and related expenditures included  
11 within the local control and accountability plan and annual update  
12 to the local control and accountability plan.

13 (4) The instructions developed by the state board pursuant to  
14 paragraph (1) of subdivision (d) shall specify that school districts,  
15 county offices of education, and charter schools that have a

Amendments 26 & 27

Amendment 28

Amendments 29 & 30

Amendment 31

Amendment 32

Amendments 33 & 34

**PROPOSED AMENDMENTS**

SB 874

— 50 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 27 16 numerically significant English learner pupil subgroup shall include  
17 specific actions in the local control and accountability plan related  
18 to, at a minimum, the language acquisition programs, as defined  
19 in Section 306, provided to pupils and professional development  
20 activities specific to English learners.

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

32 (2) Notwithstanding paragraph (1), the state board may adopt  
33 or revise the template in accordance with the requirements of the  
34 Bagley-Keene Open Meeting Act (Article 9 (commencing with  
35 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of  
36 the Government Code). When adopting the template pursuant to  
37 the requirements of the Bagley-Keene Open Meeting Act, the state  
38 board shall present the template at a regular meeting and may only  
39 take action to adopt the template at a subsequent regular meeting.

Page 28 1 This paragraph shall become inoperative on January 31, 2019.

3 (g) Notwithstanding subdivision (f), revisions of the template  
4 for the local control and accountability plan and annual update to  
5 the local control and accountability plan necessary to implement  
6 *Assembly Bill 1808 and* Senate Bill 874 of the 2017–18 Regular  
7 Session shall not be subject to the requirements of the  
8 Administrative Procedure Act (Chapter 3.5 (commencing with  
9 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
10 Code). The state board may make necessary revisions to the  
11 template in accordance with the requirements of the Bagley-Keene  
12 Open Meeting Act (Article 9 (commencing with Section 11120)  
13 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government  
+ Code).

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

**Amendment 35**

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

Page 28 20 (i) In developing the template, the state board shall take steps  
21 to minimize duplication of effort at the local level to the greatest  
22 extent possible. The adoption of a template or evaluation rubric  
23 by the state board shall not create a requirement for a governing  
24 board of a school district, a county board of education, or a  
25 governing body of a charter school to submit a local control and  
26 accountability plan to the state board, unless otherwise required  
27 by federal law. The Superintendent shall not require a local control  
28 and accountability plan to be submitted by a governing board of  
29 a school district or the governing body of a charter school to the  
30 state board. The state board may adopt a template or evaluation  
31 rubric that would authorize a school district or a charter school to  
32 submit to the state board only the sections of the local control and  
33 accountability plan required by federal law.

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

39 ~~SEC. 11.~~

+ SEC. 20. Section 52065 of the Education Code is amended to  
40 read:

Page 29 1 52065. (a) The superintendent of a school district shall post  
2 prominently on the homepage of the Internet Web site of the school  
3 district any local control and accountability plan approved by the  
4 governing board of the school district, and any updates or revisions  
5 to a local control and accountability plan approved by the  
6 governing board of the school district.

7 (b) A county superintendent of schools shall do all of the  
8 following:

9 (1) Post prominently on the homepage of the Internet Web site  
10 of the county office of education any local control and  
11 accountability plan approved by the county board of education,  
12 and any updates or revisions to a local control and accountability  
13 plan approved by the county board of education.

Amendment 36

Amendment 37

**PROPOSED AMENDMENTS**

SB 874

— 52 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 29 14 (2) Post all local control and accountability plans submitted by  
15 school districts, or links to those plans, on the Internet Web site  
16 of the county office of education.

17 (3) Transmit or otherwise make available to the Superintendent  
18 all local control and accountability plans submitted to the county  
19 superintendent of schools by school districts and the local control  
20 and accountability plan approved by the county board of education.

21 (c) The Superintendent shall post links to all local control and  
22 accountability plans approved by the governing boards of school  
23 districts and county boards of education on the Internet Web site  
24 of the department.

25 ~~SEC. 12.~~

+ SEC. 21. Section 52066 of the Education Code is amended to  
26 read:

27 52066. (a) On or before July 1, 2014, each county  
28 superintendent of schools shall develop, and present to the county  
29 board of education for adoption, a local control and accountability  
30 plan using a template adopted by the state board.

31 (b) A local control and accountability plan adopted by a county  
32 board of education shall be effective for a period of three years,  
33 and shall be updated on or before July 1 of each year.

34 (c) A local control and accountability plan adopted by a county  
35 board of education shall include, for each school or program  
36 operated by the county superintendent of schools, all of the  
37 information specified in the template adopted by the state board  
38 pursuant to Section 52064.

Page 30 13 (d) All of the following are state priorities for purposes of a  
14 county board of education's local control and accountability plan:

15 (1) The degree to which the teachers in the schools or programs  
16 operated by the county superintendent of schools are appropriately  
17 assigned in accordance with Section 44258.9 and fully credentialed  
18 in the subject areas, and, for the pupils they are teaching, every  
19 pupil in the schools or programs operated by the county  
20 superintendent of schools has sufficient access to the  
21 standards-aligned instructional materials as determined pursuant  
22 to Section 60119, and school facilities are maintained in good  
23 repair as specified in subdivision (d) of Section 17002.

24 (2) Implementation of the academic content and performance  
25 standards adopted by the state board, including how the programs  
26 and services will enable English learners to access the common  
27

**Amendment 38**

Page 30 28 core academic content standards adopted pursuant to Section  
29 60605.8 and the English language development standards adopted  
30 pursuant to Section 60811.3 for purposes of gaining academic  
31 content knowledge and English language proficiency.

32 (3) Parental involvement, including efforts the county  
33 superintendent of schools makes to seek parent input in making  
34 decisions for each individual schoolsite and program operated by  
35 a county superintendent of schools, and including how the county  
36 superintendent of schools will promote parental participation in  
37 programs for unduplicated pupils and individuals with exceptional  
38 needs.

39 (4) Pupil achievement, as measured by all of the following, as  
40 applicable:

Page 31 1 (A) Statewide assessments administered pursuant to Article 4  
2 (commencing with Section 60640) of Chapter 5 of Part 33 or any  
3 subsequent assessment, as certified by the state board.

4 (B) The percentage of pupils who have successfully completed  
5 courses that satisfy the requirements for entrance to the University  
6 of California and the California State University, or career technical  
7 education sequences or programs of study that align with state  
8 board-approved career technical education standards and  
9 frameworks, including, but not limited to, those described in  
10 subdivision (a) of Section 52302, subdivision (a) of Section  
11 52372.5, or paragraph (2) of subdivision (e) of Section 54692.

12 (C) The percentage of English learner pupils who make progress  
13 toward English proficiency as measured by the English Language  
14 Proficiency Assessments for California or any subsequent  
15 assessment of English proficiency, as certified by the state board.

17 (D) The English learner reclassification rate.

18 (E) The percentage of pupils who have passed an advanced  
19 placement examination with a score of 3 or higher.

20 (F) The percentage of pupils who demonstrate college  
21 preparedness pursuant to the Early Assessment Program, as  
22 described in Chapter 6 (commencing with Section 99300) of Part  
23 65 of Division 14 of Title 3, or any subsequent assessment of  
24 college preparedness.

25 (5) Pupil engagement, as measured by all of the following, as  
26 applicable:

27 (A) School attendance rates.

28 (B) Chronic absenteeism rates.

**PROPOSED AMENDMENTS**

SB 874

— 54 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

- Page 31 29 (C) Middle school dropout rates.
- 30 (D) High school dropout rates.
- 31 (E) High school graduation rates.
- 32 (6) School climate, as measured by all of the following, as
- 33 applicable:
- 34 (A) Pupil suspension rates.
- 35 (B) Pupil expulsion rates.
- 36 (C) Other local measures, including surveys of pupils, parents,
- 37 and teachers on the sense of safety and school connectedness.
- 38 (7) The extent to which pupils have access to, and are enrolled
- 39 in, a broad course of study that includes all of the subject areas
- 40 described in Section 51210 and subdivisions (a) to (i), inclusive,
- Page 32 1 of Section 51220, as applicable, including the programs and
- 2 services developed and provided to unduplicated pupils and
- 3 individuals with exceptional needs, and the program and services
- 4 that are provided to benefit these pupils as a result of the funding
- 5 received pursuant to Section 42238.02, as implemented by Section
- 6 42238.03.
- 7 (8) Pupil outcomes, if available, in the subject areas described
- 8 in Section 51210 and subdivisions (a) to (i), inclusive, of Section
- 9 51220, as applicable.
- 10 (9) How the county superintendent of schools will coordinate
- 11 instruction of expelled pupils pursuant to Section 48926.
- 12 (10) How the county superintendent of schools will coordinate
- 13 services for foster children, including, but not limited to, all of the
- 14 following:
- 15 (A) Working with the county child welfare agency to minimize
- 16 changes in school placement.
- 17 (B) Providing education-related information to the county child
- 18 welfare agency to assist the county child welfare agency in the
- 19 delivery of services to foster children, including, but not limited
- 20 to, educational status and progress information that is required to
- 21 be included in court reports.
- 22 (C) Responding to requests from the juvenile court for
- 23 information and working with the juvenile court to ensure the
- 24 delivery and coordination of necessary educational services.
- 25 (D) Establishing a mechanism for the efficient expeditious
- 26 transfer of health and education records and the health and
- 27 education passport.

**PROPOSED AMENDMENTS**

Page 32 28 (e) For purposes of the descriptions required by subdivision (b)  
29 of Section 52064, a county board of education may consider  
30 qualitative information, including, but not limited to, findings that  
31 result from school quality reviews conducted pursuant to  
32 subdivision (b) of Section 52052 or any other reviews.

33 (f) To the extent practicable, data reported in a local control and  
34 accountability plan shall be reported in a manner consistent with  
35 how information is reported on the California School Dashboard  
36 maintained by the department pursuant to ~~subdivision (f) of Section~~  
37 52064.5.

38 (g) The county superintendent of schools shall consult with  
39 teachers, principals, administrators, other school personnel, local  
Page 33 1 bargaining units of the county office of education, parents, and  
2 pupils in developing a local control and accountability plan.

3 (h) A county board of education may identify local priorities,  
4 goals in regard to the local priorities, and the method for measuring  
5 the county office of education’s progress toward achieving those  
6 goals.

7 (i) (1) Beginning with the 2018–19 fiscal year and in each fiscal  
8 year thereafter, a county superintendent of schools shall prepare  
9 a summary of how the county superintendent of schools plans to  
10 support school districts and schools within the county in  
11 implementing the provisions of this article and present the summary  
12 to the county board of education at the same public meeting  
13 required under paragraph (2) of subdivision (b) of Section 52068.  
14 The summary shall include, but is not necessarily limited to, all  
15 of the following:

16 (A) A description of how the county superintendent of schools  
17 will support the continuous improvement of all school districts  
18 within the county, including steps that the county superintendent  
19 of schools plans to take to collaborate with the California  
20 Collaborative for Educational Excellence, the department, the lead  
21 agencies specified in Sections 52073 and 52073.1, and other county  
22 superintendents of schools to support school districts and schools  
23 within the county in implementing the provisions of this article.

24 (B) A description of how the county superintendent of schools  
25 will assist each school district identified for technical assistance  
26 pursuant to subdivision (c) of Section 52071 in improving pupil  
27 outcomes, including, at a minimum, a clear identification of the  
28 activities being performed by the county office of education and

**Amendment 39**

**PROPOSED AMENDMENTS**

SB 874

— 56 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 33 29 the source of funding for those activities. This description shall  
30 include the actions the school district will take independent of the  
31 county superintendent of schools to improve pupil outcomes  
32 pursuant to paragraph (3) of subdivision (c) of Section 52071.

33 (C) One or more goals for each of the following:

34 (i) Completing the review of local control and accountability  
35 plans submitted by school districts pursuant to Section 52070.

36 (ii) Providing technical assistance to school districts pursuant  
37 to subdivisions (a) and (b) of Section 52071.

38 (iii) Providing any other support to school districts and schools  
39 within the county in implementing the provisions of this article.

Page 34 1 (D) One or more metrics to assess progress toward each goal  
2 identified in subparagraph (C).

3 (E) Specific actions and related expenditures to achieve each  
4 goal identified in subparagraph (C), to the extent this information  
5 is not provided pursuant to subparagraph (B). The specific actions  
6 shall not supersede the provisions of existing local collective  
7 bargaining agreements within the jurisdiction of the county  
8 superintendent of schools.

9 (2) Commencing with the 2019–20 fiscal year and in each fiscal  
10 year thereafter, the county superintendent of schools shall submit  
11 the summary described in this subdivision with its local control  
12 and accountability plan pursuant to subdivision (a) of Section  
13 52070.5.

14 (3) This subdivision shall not apply to a county superintendent  
15 of schools with jurisdiction over a single school district.

16 (4) On or before November 1 of each year, the department shall  
17 compile the information provided by county superintendents of  
18 schools pursuant to subparagraphs (A) and (B) of paragraph (1)  
19 into a single document and shall make this report available to the  
20 public on the department’s Internet Web site.

21 ~~SEC. 13.~~

+ SEC. 22. Section 52067 of the Education Code is amended to  
22 read:

23 52067. On or before July 1, 2015, and each year thereafter, a  
24 county board of education shall update the local control and  
25 accountability plan. The annual update shall be developed using  
26 a template adopted by the state board pursuant to Section 52064  
27 and shall include all of the information specified in the template.

**Amendment 40**

Page 34 28 SEC. 23. Section 52074 of the Education Code is amended to read:

+ 52074. (a) The California Collaborative for Educational Excellence is hereby established.

+ (b) The purpose of the California Collaborative for Educational Excellence is to advise and assist school districts, county superintendents of schools, and charter schools in achieving the goals set forth in a local control and accountability plan adopted pursuant to this article. The California Collaborative for Educational Excellence shall achieve this purpose by facilitating continuous improvement for local educational agencies within California’s system of public school support.

+ (c) The California Collaborative for Educational Excellence shall be governed by a board consisting of the following five members:

- + (1) The Superintendent or his or her designee.
- + (2) The president of the state board or his or her designee.
- + (3) A county superintendent of schools appointed by the Senate Committee on Rules.
- + (4) A teacher appointed by the Speaker of the Assembly.
- + (5) A superintendent of a school district appointed by the Governor.

+ (d) The governing board of the California Collaborative for Educational Excellence shall select, and direct the administrative agent provided for in subdivision (e) to hire, the executive director of the California Collaborative for Educational Excellence and provide policy and program direction.

+ (e) The department, in consultation with the executive director of the state board and with the approval of the Department of Finance, shall contract with a local educational agency, or consortium of local educational agencies, to serve as the administrative agent for the California Collaborative for Educational Excellence. The administrative agent shall operate all aspects of the California Collaborative for Educational Excellence in accordance with the terms of its contract or contracts with the State of California, applicable statutes, and the policy and program direction of the governing board of the California Collaborative for Educational Excellence. The Superintendent shall apportion funds appropriated for the California Collaborative for Educational Excellence to the administrative agent.

**PROPOSED AMENDMENTS**

SB 874

— 58 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ (f) Pursuant to the policy and program direction of the governing  
+ board of the California Collaborative for Educational Excellence,  
+ the administrative agent shall contract with individuals, local  
+ educational agencies, or organizations with the expertise,  
+ experience, and a record of success to carry out the purposes of  
+ this article. The areas of expertise, experience, and record of  
+ success shall include, but are not limited to, all of the following:

+ (1) State priorities as described in subdivision (d) of Section  
+ 52060, including the state and local indicators developed for the  
+ California School Dashboard pursuant to Section 52064.5.

+ (2) Improving the quality of teaching.

+ (3) Improving the quality of school district and schoolsite  
+ leadership.

+ (4) Successfully addressing the needs of special pupil  
+ populations, including, but not limited to, English learners, pupils  
+ eligible to receive a free or reduced-price meal, pupils in foster  
+ care, and individuals with exceptional needs.

+ (g) (1) The California Collaborative for Educational Excellence  
+ may accept a request or referral to advise and assist a school  
+ district, county superintendent of schools, or charter school  
+ pursuant to paragraph (2) or in ~~any~~ either of the following  
+ circumstances:

+ (1)

+ (A) If the county superintendent of schools of the county in  
+ which the school district or charter school is located determines,  
+ following the provision of technical assistance pursuant to Section  
+ 52071 or 47607.3 as applicable, and the geographic lead agency  
+ of that county identified pursuant to Section 52073 agrees, that  
+ the advice and assistance of the California Collaborative for  
+ Educational Excellence is necessary to help the school district or  
+ charter school accomplish the goals described in the local control  
+ and accountability plan adopted pursuant to this article.

+ (2)

+ (B) If the Superintendent determines that the advice and  
+ assistance of the California Collaborative for Educational  
+ Excellence is necessary to help the school district, county  
+ superintendent of schools, or charter school accomplish the goals  
+ set forth in the local control and accountability plan adopted  
+ pursuant to this article.

+ (2) (A) *If a school district receives an emergency apportionment*  
+ *pursuant to Article 2 (commencing with Section 41320) of Chapter*  
+ *3 of Part 24 of Division 3, the school district shall be deemed to*  
+ *have been referred to the California Collaborative for Educational*  
+ *Excellence.*

+ (B) *If the California Collaborative for Educational Excellence*  
+ *provides assistance to a school district referred pursuant to this*  
+ *paragraph, the California Collaborative for Educational*  
+ *Excellence shall conduct a systemic review of the school district*  
+ *to identify needs and strategies to improve pupil academic*  
+ *achievement, including, but not limited to, needs identified pursuant*  
+ *to Sections 52052, 52064.5, and 52071. Based on the results of*  
+ *the systemic review, the California Collaborative for Educational*  
+ *Excellence shall coordinate and facilitate the assistance provided*  
+ *to the school district by governmental agencies to provide coherent*  
+ *and effective support consistent with the purpose of the statewide*  
+ *system of support specified in Section 52059.5. The governmental*  
+ *agencies may include, among others, the department, the local*  
+ *county superintendent, the applicable geographic lead agency,*  
+ *and the County Office Fiscal Crisis and Management Assistance*  
+ *Team. It is the intent of the Legislature that no single governmental*  
+ *agency providing assistance in partnership with other*  
+ *governmental agencies bear the full cost of assistance.*

+ (3) *Outside of the processes described in paragraphs (1) and*  
+ *(2), a school district, county office of education, or charter school*  
+ *that requests the advice and assistance of the California*  
+ *Collaborative for Educational Excellence shall reimburse the*  
+ *California Collaborative for Educational Excellence for the cost*  
+ *of those services pursuant to authority provided in the annual*  
+ *Budget Act.*

+ (h) *To the extent authority is provided in the annual Budget*  
+ *Act, a school district at risk of qualifying for state intervention*  
+ *pursuant to subdivision (b) of Section 52072 shall have priority*  
+ *for direct technical assistance from the California Collaborative*  
+ *for Educational Excellence.*

+ (i) *In addition to the functions described in subdivision (g), the*  
+ *California Collaborative for Educational Excellence shall do both*  
+ *of the following:*

+ (1) *Facilitate professional development activities that increase*  
+ *the capacity of local educational agencies to improve pupil*

**PROPOSED AMENDMENTS**

SB 874

— 60 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

+ outcomes in alignment with state priorities pursuant to Section  
+ 52060 and to improve performance on the state and local indicators  
+ developed for the California School Dashboard pursuant to Section  
+ 52064.5. The California Collaborative for Educational Excellence  
+ shall provide professional development in partnership with state  
+ professional associations, nonprofit organizations, and public  
+ agencies. The governing board of the California Collaborative for  
+ Educational Excellence shall determine the extent of the training  
+ that is necessary to comply with this paragraph.

+ (2) Produce a professional development training calendar, to  
+ be posted on the California Collaborative for Educational  
+ Excellence’s Internet Web site, that publicizes all of the  
+ professional development activities offered pursuant to paragraph  
+ (1) at the local, regional, and state levels.

+ (j) The individuals with whom the administrative agent enters  
+ into employment contracts to carry out the purposes of this article  
+ shall be deemed employees of the administrative agent and eligible  
+ for participation in either the State Teachers’ Retirement System  
+ or the Public Employees’ Retirement System, as appropriate to  
+ the nature of the work to be performed by the employees.

+ (k) Receipt of any revenues not appropriated by the Legislature  
+ to the California Collaborative for Educational Excellence shall  
+ be subject to approval by the governing board of the California  
+ Collaborative for Educational Excellence. The governing board  
+ of the California Collaborative for Educational Excellence shall  
+ ensure that all activities, regardless of fund source, are aligned  
+ with the purpose of the California Collaborative for Educational  
+ Excellence, as described in subdivision (b).

Page 35 10 ~~SEC. 14.~~

+ ~~SEC. 24.~~ Section 60810 of the Education Code, as amended  
11 by Section 108 of Chapter 32 of the Statutes of 2018, is repealed.

Page 38 9 ~~SEC. 15.~~

+ ~~SEC. 25.~~ Section 66093.4 is added to the Education Code, to  
10 read:

11 66093.4. (a) It is the intent of the Legislature to affirm the  
12 ability of the University of California to provide services, benefits,  
13 and assistance to all students enrolled at the University of  
14 California.

15 (b) The University of California may provide services, benefits,  
16 and any other form of assistance aimed at furthering a student’s

**Amendment 42**

**Amendment 43**

Amendment 44

Page 38 17 educational success to all of its enrolled students who meet the  
18 eligibility requirements for any such program the University, or  
19 its campuses, establishes.

20 (c) The Legislature finds and declares that this section is a state  
21 law within the meaning of subdivision (d) of Section 1621 of Title  
22 8 of the United States Code.

23 ~~SEC. 16.~~

+ 24 SEC. 26. Section 78222 of the Education Code is amended to  
25 read:

26 78222. (a) (1) The Student Equity and Achievement Program  
27 is hereby established.

28 (2) It is the intent of the Legislature that funds for the Student  
29 Equity and Achievement Program support the California  
30 Community Colleges in advancing the systemwide goal to boost  
31 achievement for all students with an emphasis on eliminating  
32 achievement gaps for students from traditionally underrepresented  
33 groups by doing of all of the following:

34 (A) Implementing activities and practices pursuant to the  
35 California Community College Guided Pathways Grant Program.

36 (B) Ensuring students complete their educational goals and a  
37 defined course of study.

Page 39 1 (C) Providing quality curriculum, instruction, and support  
2 services to students who enter college deficient in English and  
3 mathematics to ensure these students complete a course of study  
4 in a timely manner.

5 (b) As a condition of the receipt of funds for purposes of this  
6 section, a district shall comply with all of the following:

7 (1) Maintain a student equity plan pursuant to Section 78220  
8 to ensure equal educational opportunities and to promote student  
9 success for all students, regardless of race, gender, age, disability,  
10 or economic circumstances.

11 (2) Provide student matriculation services pursuant to Section  
12 78212, including implementation of orientation, counseling and  
13 advising, referral to specialized student support services, and other  
14 education planning services needed to assist a student in making  
15 informed decisions about his or her educational goal and course  
16 of study and in developing an education plan. The Office of the  
17 Chancellor of the California Community Colleges shall establish  
18 guidelines on student matriculation services, including, but not  
19 limited to, the development of an education plan leading to a course

**PROPOSED AMENDMENTS**

SB 874

— 62 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 39 20 of study. Notwithstanding any other law, students who are  
21 exempted from matriculation services pursuant to Section 78215  
22 are not subject to the requirements of this paragraph.

23 (3) Adopt and implement placement policies consistent with  
24 the requirements of Section 78213.

25 (4) Provide all students with an education plan, which identifies  
26 courses, a sequence of courses, key progress milestones, and other  
27 requirements the student must complete to earn an associate degree,  
28 career technical education certificate, other community college  
29 certificate, or meet transfer requirements. Notwithstanding any  
30 other provision of law, students who are exempted from having  
31 an education plan under Section 78215 are not subject to the  
32 requirement of this paragraph.

34 (5) Provide a report to the chancellor’s office by January 1 of  
35 each year detailing how funding pursuant to this section was  
36 expended in the prior fiscal year and for what specific purposes.  
37 A district report shall also include an assessment of the progress  
38 in advancing the goals identified in paragraph (2) of subdivision  
39 (a).

Page 40 1 (c) (1) If the total amount of funds appropriated for purposes  
2 of this section is equal to or greater than the amount of funds  
3 appropriated in the 2017–18 fiscal year for the Student Success  
4 and Support Program pursuant to Section 78212, the student equity  
5 plans pursuant to Section 78221, and the Student Success for Basic  
6 Skills program pursuant to Section 88815, the chancellor shall  
7 allocate to each district an amount equal to or great than the amount  
8 allocated in the 2017–18 fiscal year.

9 (2) If the total amount of funds appropriated for purposes of  
10 this section is less than the amount of funds appropriated in the  
11 2017–18 fiscal year for the Student Success and Support Program  
12 pursuant to Section 78212, the student equity plans pursuant to  
13 Section 78221, and the Student Success for Basic Skills program  
14 pursuant to Section 88815, the chancellor shall allocate to each  
15 district the pro rata share of the amount appropriated based on the  
16 amount allocated to each district in the 2017–18 fiscal year.

17 (3) The Board of Governors of the California Community  
18 Colleges may require districts or colleges to provide a local fund  
19 match for funding appropriated for purposes of this section.

20 (4) The chancellor shall provide guidance to districts regarding  
21 eligible expenditures and activities and integrated planning to

Page 40 22 ensure funding for the Student Equity and Achievement Program  
23 is used to support the goal of eliminating disparities pursuant to  
24 paragraph (2) of subdivision (a). It is the intent of the Legislature  
25 that colleges prioritize funding for high-need and disadvantaged  
26 students, as those terms are defined in subdivision (c) of Section  
27 78221.

29 (5) (A) The chancellor may allocate up to 5 percent of the total  
30 funds appropriated for the purposes of this program for state  
31 administrative operations to carry out the intent of this section.

37 (B) Of the amount allocated pursuant to subparagraph (A), the  
38 chancellor shall allocate to a community college district no less  
39 than the amount that was provided to a district in the 2017–18  
40 fiscal year pursuant to paragraph (1) of subdivision (b) of Section  
Page 41 1 88815 to carry out faculty and staff development to improve  
2 curriculum, instruction, student services, and program practices  
3 in the areas of basic skills and English as a second language  
4 program.

5 (6) By April 1 of each year, the chancellor’s office shall submit  
6 a systemwide report to the Legislature and Department of Finance  
7 that provides a summary of the district reports referenced in  
8 paragraph (5) of subdivision (b). A report to the Legislature  
9 pursuant to this subparagraph shall be submitted in compliance  
10 with Section 9795 of the Government Code.

11 (d) (1) All districts receiving an allocation of funds pursuant  
12 to subdivision (c) shall comply with the requirements of Section  
13 78214. In meeting this requirement, the Student Success and  
14 Support Program referenced in Section 78214 shall instead mean  
15 the Student Equity and Achievement Program.

16 (2) For purposes of Section 87482.3, the Student Success and  
17 Support Program shall instead mean the Student Equity and  
18 Achievement Program.

+ SEC. 27. Section 84750.41 of the Education Code is amended  
+ to read:

+ 84750.41. (a) There is hereby established the Community  
+ College Student Success Funding Formula Oversight Committee  
+ for the purpose of continuously evaluating and reviewing the  
+ implementation of the student success funding formula established  
+ pursuant to Section 84750.4. ~~The committee shall consist of 15~~  
+ ~~members.~~

Amendment 45

+ (b) It is the intent of the Legislature that the membership, duties,  
+ and responsibilities of the oversight committee be further refined  
+ and determined through the legislative process, with final decisions  
+ made before the end of the 2018–19 Regular Session.

+ (c) At a minimum, one of the duties of the oversight committee  
+ shall be developing an implementation plan, including a timeline,  
+ for collecting data on the number of first-generation college  
+ students enrolled at community colleges for the purpose of  
+ including this information in the student success metrics by the  
+ 2022–23 fiscal year.

+ (b) (1) (A) The committee shall consist of 12 members, as  
+ follows:

+ (i) Four members shall be appointed by the Senate Committee  
+ on Rules and shall serve at the pleasure of the Senate Committee  
+ on Rules. At least one of these members shall be employed by a  
+ community college district in a classified position.

+ (ii) Four members shall be appointed by the Speaker of the  
+ Assembly and shall serve at the pleasure of the Speaker of the  
+ Assembly. At least one of these members shall be a faculty member  
+ from a community college district.

+ (iii) Four members shall be appointed by the Governor and  
+ shall serve a four-year term. At least one of these members shall  
+ be a community college administrator.

+ (B) In appointing members, the appointing authority shall make  
+ every effort to ensure both of the following:

+ (i) There is a geographic balance of representation on the  
+ committee as a whole, with members from the northern and  
+ southern and urban and rural areas of the state.

+ (ii) The membership reflects a diverse expertise in higher  
+ education, taking into consideration factors, including, but not  
+ limited to, socioeconomic background and professional experience,  
+ which may include experience working in, or serving,  
+ disadvantaged communities.

+ (C) For members with four-year terms, vacancies on the  
+ committee shall be filled by the applicable appointing authority  
+ for the unexpired portions of the terms in which they occur.

+ (2) The committee shall elect one of its members as chairperson,  
+ who shall preside at all meetings, and a vice chairperson who  
+ shall preside in absence of the chairperson.

+ (3) Members of the committee shall serve without compensation,  
+ but the chancellor's office may reimburse members for their actual  
+ and necessary traveling expenses while on official business. Each  
+ member shall also receive one hundred dollars (\$100) for each  
+ day he or she is attending to official business.

+ (4) Any action taken pursuant to this section to develop a report  
+ pursuant to subdivision (c) by the committee is exempt from the  
+ Administrative Procedure Act (Chapter 3.5 (commencing with  
+ Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
+ Code).

+ (5) All meetings of the committee shall be subject to Article 9  
+ (commencing with Section 11120) of Chapter 1 of Part 1 of  
+ Division 3 of Title 2 of the Government Code. The chancellor's  
+ office shall provide the committee with guidance and assistance,  
+ as necessary, to ensure the committee is in compliance with the  
+ requirements of this paragraph.

+ (6) (A) Notwithstanding Article 4.7 (commencing with Section  
+ 1125) of Chapter 1 of Division 4 of Title 1 of the Government  
+ Code, related to incompatible activities, Section 1099 of the  
+ Government Code, related to incompatible offices, or any other  
+ law, a member of the committee shall not be considered to hold  
+ an incompatible office or to be engaged in activities inconsistent  
+ or incompatible with his or her duties as a result of his or her  
+ employment or affiliation with the committee.

+ (B) Committee members shall not include any state legislator,  
+ member of the Board of Governors of the California Community  
+ Colleges, a trustee of a local governing board of a community  
+ college district, legislative staff, or staff from the Department of  
+ Finance.

+ (7) The committee shall arrive at a consensus as a condition of  
+ having a specified finding or recommendation included in the  
+ reports described in subdivision (c).

+ (c) (1) The committee shall review and make recommendations  
+ on the following aspects of the funding formula:

+ (A) The first priority of the committee shall be to review and  
+ make recommendations to the Legislature and the Department of  
+ Finance on or before January 1, 2020, on the following elements  
+ and their inclusion in the supplemental allocation of the funding  
+ formula including a proposed implementation plan.

PROPOSED AMENDMENTS

SB 874

— 66 —

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

- + (i) *First-generation college students, including a timeline for data collection and incorporation into the funding formula by no later than the 2022–23 fiscal year.*
- + (ii) *The definition of a low-income student in subdivision (e) of Section 84750.4, and whether to adjust the point system to better reflect low-income students in regions of the state with a high cost of living.*
- + (iii) *Incoming students' level of academic proficiency, which may include, but is not limited to, measures such as performance on a nationally recognized high school assessment, high school coursework, high school grades or grade point average, or achievement of a high school diploma.*
- + (B) *The other priority of the committee shall be to review and make recommendations to the Legislature and the Department of Finance on or before June 30, 2021, on the following elements and their inclusion in the applicable allocation of the funding formula, including an implementation plan:*
  - + (i) *Noncredit instruction and instructional service agreements, and whether these should be incorporated as part of the base and supplemental allocations of the funding formula.*
  - + (ii) *How district allocations could be adjusted if a recession were to occur.*
- + (2) *Nothing in this subdivision shall preclude the committee from submitting interim reports.*
- + (d) (1) *The chancellor's office shall issue a request for application to select the staff to support the work on the committee. Notwithstanding any other law, a representative from each of the Assembly, the Senate, and the Department of Finance shall jointly evaluate the submitted applications and select the application to staff the work on the committee. The chancellor's office shall execute and fund the contract with the selected applicant pursuant to the final selection.*
- + (2) *It is the intent of the Legislature that the chancellor's office will share data and information with the committee and the selected applicant related to the work of the committee.*
- + (e) *This section shall remain in effect only until January 1, 2022, and as of that date is repealed.*

Page 41 19 ~~SEC. 17.~~

+ SEC. 28. Section 17581.6 of the Government Code is amended  
20 to read:

Amendment 46

Page 41 21 17581.6. (a) Funding apportioned pursuant to this section shall  
22 constitute reimbursement pursuant to Section 6 of Article XIII B  
23 of the California Constitution for the performance of any state  
24 mandates included in the statutes and executive orders identified  
25 in subdivision (e).

26 (b) Any school district, county office of education, or charter  
27 school may elect to receive block grant funding pursuant to this  
28 section.

29 (c) (1) A school district, county office of education, or charter  
30 school that elects to receive block grant funding pursuant to this  
31 section in a given fiscal year shall submit a letter requesting  
32 funding to the Superintendent of Public Instruction on or before  
33 August 30 of that fiscal year.

34 (2) The Superintendent of Public Instruction shall, in the month  
35 of November of each year, apportion block grant funding  
36 appropriated pursuant to Item 6100-296-0001 of Section 2.00 of  
37 the annual Budget Act to all school districts, county offices of  
38 education, and charter schools that submitted letters requesting  
39 funding in that fiscal year according to the provisions of that item.

Page 42 1 (3) A school district or county office of education that receives  
2 block grant funding pursuant to this section shall not be eligible  
3 to submit claims to the Controller for reimbursement pursuant to  
4 Section 17560 for any costs of any state mandates included in the  
5 statutes and executive orders identified in subdivision (f) incurred  
6 in the same fiscal year during which the school district or county  
7 office of education received funding pursuant to this section.

9 (d) Commencing with the 2017–18 fiscal year, the per unit  
10 average daily attendance funding rates specified in the provisions  
11 of Item 6100-296-0001 of the annual Budget Act shall be adjusted  
12 annually by the percentage change in the annual average value of  
13 the Implicit Price Deflator for State and Local Government  
14 Purchases of Goods and Services for the United States, as published  
15 by the United States Department of Commerce for the 12-month  
16 period ending in the third quarter of the prior fiscal year. This  
17 percentage change shall be determined using the latest data  
18 available as of May 10 of the preceding fiscal year compared with  
19 the annual average value of the same deflator for the 12-month  
20 period ending in the third quarter of the second preceding fiscal  
21 year, using the latest data available as of May 10 of the preceding  
22 fiscal year, as reported by the Department of Finance.

**PROPOSED AMENDMENTS**

**SB 874**

— 68 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

- Page 42 23 (e) Block grant funding apportioned pursuant to this section is
- 24 subject to annual financial and compliance audits required by
- 25 Section 41020 of the Education Code.
- 26 (f) Block grant funding apportioned pursuant to this section is
- 27 specifically intended to fund the costs of the following programs
- 28 and activities:
- 29 (1) Academic Performance Index (01-TC-22; Chapter 3 of the
- 30 Statutes of 1999, First Extraordinary Session; and Chapter 695 of
- 31 the Statutes of 2000).
- 32 (2) Agency Fee Arrangements (00-TC-17 and 01-TC-14;
- 33 Chapter 893 of the Statutes of 2000 and Chapter 805 of the Statutes
- 34 of 2001).
- 35 (3) AIDS Instruction and AIDS Prevention Instruction (CSM
- 36 4422, 99-TC-07, and 00-TC-01; Chapter 818 of the Statutes of
- 37 1991; and Chapter 403 of the Statutes of 1998).
- 38 (4) California Assessment of Student Performance and Progress
- 39 (CAASPP) (14-TC-01 and 14-TC-04; Chapter 489 of the Statutes
- 40 of 2013; and Chapter 32 of the Statutes of 2014).
- Page 43 1 (5) California State Teachers' Retirement System (CalSTRS)
- 2 Service Credit (02-TC-19; Chapter 603 of the Statutes of 1994;
- 3 Chapters 383, 634, and 680 of the Statutes of 1996; Chapter 838
- 4 of the Statutes of 1997; Chapter 965 of the Statutes of 1998;
- 5 Chapter 939 of the Statutes of 1999; and Chapter 1021 of the
- 6 Statutes of 2000).
- 7 (6) Caregiver Affidavits (CSM 4497; Chapter 98 of the Statutes
- 8 of 1994).
- 9 (7) Charter Schools I, II, and III (CSM 4437, 99-TC-03, and
- 10 99-TC-14; Chapter 781 of the Statutes of 1992; Chapters 34 and
- 11 673 of the Statutes of 1998; Chapter 34 of the Statutes of 1998;
- 12 and Chapter 78 of the Statutes of 1999).
- 13 (8) Charter Schools IV (03-TC-03; Chapter 1058 of the Statutes
- 14 of 2002).
- 15 (9) Child Abuse and Neglect Reporting (01-TC-21; Chapters
- 16 640 and 1459 of the Statutes of 1987; Chapter 132 of the Statutes
- 17 of 1991; Chapter 459 of the Statutes of 1992; Chapter 311 of the
- 18 Statutes of 1998; Chapter 916 of the Statutes of 2000; and Chapters
- 19 133 and 754 of the Statutes of 2001).
- 20 (10) Collective Bargaining (CSM 4425; Chapter 961 of the
- 21 Statutes of 1975).

**PROPOSED AMENDMENTS**

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 43 22 (11) Comprehensive School Safety Plans (98-TC-01 and  
 23 99-TC-10; Chapter 736 of the Statutes of 1997; Chapter 996 of  
 24 the Statutes of 1999; and Chapter 828 of the Statutes of 2003).  
 25 (12) Consolidation of Annual Parent Notification/Schoolsite  
 26 Discipline Rules/Alternative Schools (CSM 4488, CSM 4461,  
 27 99-TC-09, 00-TC-12, 97-TC-24, CSM 4453, CSM 4474, CSM  
 28 4462; Chapter 448 of the Statutes of 1975; Chapter 965 of the  
 29 Statutes of 1977; Chapter 975 of the Statutes of 1980; Chapter 469  
 30 of the Statutes of 1981; Chapter 459 of the Statutes of 1985;  
 31 Chapters 87 and 97 of the Statutes of 1986; Chapter 1452 of the  
 32 Statutes of 1987; Chapters 65 and 1284 of the Statutes of 1988;  
 33 Chapter 213 of the Statutes of 1989; Chapters 10 and 403 of the  
 34 Statutes of 1990; Chapter 906 of the Statutes of 1992; Chapter  
 35 1296 of the Statutes of 1993; Chapter 929 of the Statutes of 1997;  
 36 Chapters 846 and 1031 of the Statutes of 1998; Chapter 1 of the  
 37 Statutes of 1999, First Extraordinary Session; Chapter 73 of the  
 38 Statutes of 2000; Chapter 650 of the Statutes of 2003; Chapter 895  
 39 of the Statutes of 2004; and Chapter 677 of the Statutes of 2005).

Page 44 1 (13) Consolidation of Law Enforcement Agency Notification  
 2 and Missing Children Reports (CSM 4505; Chapter 1117 of the  
 3 Statutes of 1989 and 01-TC-09; Chapter 249 of the Statutes of  
 4 1986; and Chapter 832 of the Statutes of 1999).  
 5 (14) Consolidation of Notification to Teachers: Pupils Subject  
 6 to Suspension or Expulsion I and II, and Pupil Discipline Records  
 7 (00-TC-10 and 00-TC-11; Chapter 345 of the Statutes of 2000).  
 8 (15) Consolidated Suspensions, Expulsions, and Expulsion  
 9 Appeals (96-358-03, 03A, 98-TC-22, 01-TC-18, 98-TC-23,  
 10 97-TC-09; Chapters 972 and 974 of the Statutes of 1995; Chapters  
 11 915, 937, and 1052 of the Statutes of 1996; Chapter 637 of the  
 12 Statutes of 1997; Chapter 489 of the Statutes of 1998; Chapter 332  
 13 of the Statutes of 1999; Chapter 147 of the Statutes of 2000; and  
 14 Chapter 116 of the Statutes of 2001) (CSM 4455; Chapter 1253  
 15 of the Statutes of 1975; Chapter 965 of the Statutes of 1977;  
 16 Chapter 668 of the Statutes of 1978; Chapter 318 of the Statutes  
 17 of 1982; Chapter 498 of the Statutes of 1983; Chapter 622 of the  
 18 Statutes of 1984; Chapter 942 of the Statutes of 1987; Chapter  
 19 1231 of the Statutes of 1990; Chapter 152 of the Statutes of 1992;  
 20 Chapters 1255, 1256, and 1257 of the Statutes of 1993; and Chapter  
 21 146 of the Statutes of 1994) (CSM 4456; Chapter 965 of the  
 22 Statutes of 1977; Chapter 668 of the Statutes of 1978; Chapter 73

**PROPOSED AMENDMENTS**

SB 874

— 70 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 44 23 of the Statutes of 1980; Chapter 498 of the Statutes of 1983;  
24 Chapter 856 of the Statutes of 1985; and Chapter 134 of the  
25 Statutes of 1987) (CSM 4463; Chapter 1253 of the Statutes of  
26 1975; Chapter 965 of the Statutes of 1977; Chapter 668 of the  
27 Statutes of 1978; and Chapter 498 of the Statutes of 1983).

28 (16) County Office of Education Fiscal Accountability Reporting  
29 (97-TC-20; Chapters 917 and 1452 of the Statutes of 1987;  
30 Chapters 1461 and 1462 of the Statutes of 1988; Chapter 1372 of  
31 the Statutes of 1990; Chapter 1213 of the Statutes of 1991; Chapter  
32 323 of the Statutes of 1992; Chapters 923 and 924 of the Statutes  
33 of 1993; Chapters 650 and 1002 of the Statutes of 1994; and  
34 Chapter 525 of the Statutes of 1995).

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

37 (18) Criminal Background Checks II (00-TC-05; Chapters 594  
38 and 840 of the Statutes of 1998; and Chapter 78 of the Statutes of  
39 1999).

Page 45 1 (19) Developer Fees (02-TC-42; Chapter 955 of the Statutes of  
2 1977; Chapter 282 of the Statutes of 1979; Chapter 1354 of the  
3 Statutes of 1980; Chapter 201 of the Statutes of 1981; Chapter 923  
4 of the Statutes of 1982; Chapter 1254 of the Statutes of 1983;  
5 Chapter 1062 of the Statutes of 1984; Chapter 1498 of the Statutes  
6 of 1985; Chapters 136 and 887 of the Statutes of 1986; and Chapter  
7 1228 of the Statutes of 1994).

8 (20) Differential Pay and Reemployment (99-TC-02; Chapter  
9 30 of the Statutes of 1998).

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

12 (22) Financial and Compliance Audits (CSM 4498 and CSM  
13 4498-A; Chapter 36 of the Statutes of 1977).

14 (23) Graduation Requirements (CSM 4181; Chapter 498 of the  
15 Statutes of 1983).

16 (24) Habitual Truants (CSM 4487 and CSM 4487-A; Chapter  
17 1184 of the Statutes of 1975).

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

20 (26) Immunization Records—Mumps, Rubella, and Hepatitis  
21 B (98-TC-05; 14-MR-04; Chapter 325 of the Statutes of 1978;  
22 Chapter 435 of the Statutes of 1979; Chapter 472 of the Statutes  
23 of 1982; Chapter 984 of the Statutes of 1991; Chapter 1300 of the

**PROPOSED AMENDMENTS**

Page 45 24 Statutes of 1992; Chapter 1172 of the Statutes of 1994; Chapters  
25 291 and 415 of the Statutes of 1995; Chapter 1023 of the Statutes  
26 of 1996; and Chapters 855 and 882 of the Statutes of 1997; and  
27 Chapter 434 of the Statutes of 2010).

28 (27) Immunization Records—Pertussis (11-TC-02; Chapter 434  
29 of the Statutes of 2010).

30 (28) Interdistrict Attendance Permits (CSM 4442; Chapters 172  
31 and 742 of the Statutes of 1986; Chapter 853 of the Statutes of  
32 1989; Chapter 10 of the Statutes of 1990; and Chapter 120 of the  
33 Statutes of 1992).

34 (29) Intradistrict Attendance (CSM 4454; Chapters 161 and 915  
35 of the Statutes of 1993).

36 (30) Juvenile Court Notices II (CSM 4475; Chapters 1011 and  
37 1423 of the Statutes of 1984; Chapter 1019 of the Statutes of 1994;  
38 and Chapter 71 of the Statutes of 1995).

Page 46 1 (31) Notification of Truancy (CSM 4133; Chapter 498 of the  
2 Statutes of 1983; Chapter 1023 of the Statutes of 1994; and Chapter  
3 19 of the Statutes of 1995).

4 (32) Parental Involvement Programs (03-TC-16; Chapter 1400  
5 of the Statutes of 1990; Chapters 864 and 1031 of the Statutes of  
6 1998; and Chapter 1037 of the Statutes of 2002).

7 (33) Physical Performance Tests (96-365-01; Chapter 975 of  
8 the Statutes of 1995).

9 (34) Prevailing Wage Rate (01-TC-28; Chapter 1249 of the  
10 Statutes of 1978).

11 (35) Public Contracts (02-TC-35; Chapter 1073 of the Statutes  
12 of 1985; Chapter 1408 of the Statutes of 1988; Chapter 330 of the  
13 Statutes of 1989; Chapter 1414 of the Statutes of 1990; Chapter  
14 321 of the Statutes of 1990; Chapter 799 of the Statutes of 1992;  
15 and Chapter 726 of the Statutes of 1994).

16 (36) Pupil Health Screenings (CSM 4440; Chapter 1208 of the  
17 Statutes of 1976; Chapter 373 of the Statutes of 1991; and Chapter  
18 750 of the Statutes of 1992).

19 (37) Pupil Promotion and Retention (98-TC-19; Chapter 100  
20 of the Statutes of 1981; Chapter 1388 of the Statutes of 1982;  
21 Chapter 498 of the Statutes of 1983; Chapter 1263 of the Statutes  
22 of 1990; and Chapters 742 and 743 of the Statutes of 1998).

23 (38) Pupil Safety Notices (02-TC-13; Chapter 498 of the Statutes  
24 of 1983; Chapter 482 of the Statutes of 1984; Chapter 948 of the  
25 Statutes of 1984; Chapter 196 of the Statutes of 1986; Chapter 332

**PROPOSED AMENDMENTS**

**SB 874**

— 72 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 46 26 of the Statutes of 1986; Chapter 445 of the Statutes of 1992;  
 27 Chapter 1317 of the Statutes of 1992; Chapter 589 of the Statutes  
 28 of 1993; Chapter 1172 of the Statutes of 1994; Chapter 1023 of  
 29 the Statutes of 1996; and Chapter 492 of the Statutes of 2000).  
 30 (39) Race to the Top (10-TC06; Chapters 2 and 3 of the Statutes  
 31 of 2009).  
 32 (40) School Accountability Report Cards (97-TC-21, 00-TC-09,  
 33 00-TC-13, and 02-TC-32; Chapter 918 of the Statutes of 1997;  
 34 Chapter 912 of the Statutes of 1997; Chapter 824 of the Statutes  
 35 of 1994; Chapter 1031 of the Statutes of 1993; Chapter 759 of the  
 36 Statutes of 1992; and Chapter 1463 of the Statutes of 1989).  
 37 (41) School District Fiscal Accountability Reporting (97-TC-19;  
 38 Chapter 100 of the Statutes of 1981; Chapter 185 of the Statutes  
 39 of 1985; Chapter 1150 of the Statutes of 1986; Chapters 917 and  
 40 1452 of the Statutes of 1987; Chapters 1461 and 1462 of the  
 Page 47 1 Statutes of 1988; Chapter 525 of the Statutes of 1990; Chapter  
 2 1213 of the Statutes of 1991; Chapter 323 of the Statutes of 1992;  
 3 Chapters 923 and 924 of the Statutes of 1993; Chapters 650 and  
 4 1002 of the Statutes of 1994; and Chapter 525 of the Statutes of  
 5 1995).  
 6 (42) School District Reorganization (98-TC-24; Chapter 1192  
 7 of the Statutes of 1980; and Chapter 1186 of the Statutes of 1994).  
 8 (43) Student Records (02-TC-34; Chapter 593 of the Statutes  
 9 of 1989; Chapter 561 of the Statutes of 1993; Chapter 311 of the  
 10 Statutes of 1998; and Chapter 67 of the Statutes of 2000).  
 11 (44) The Stull Act (98-TC-25; Chapter 498 of the Statutes of  
 12 1983; and Chapter 4 of the Statutes of 1999).  
 13 (45) Threats Against Peace Officers (CSM 96-365-02; Chapter  
 14 1249 of the Statutes of 1992; and Chapter 666 of the Statutes of  
 15 1995).  
 16 (46) Training for School Employee Mandated Reporters  
 17 (14-TC-02; Chapter 797 of the Statutes of 2014).  
 18 (47) Uniform Complaint Procedures (03-TC-02; Chapter 1117  
 19 of the Statutes of 1982; Chapter 1514 of the Statutes 1988; and  
 20 Chapter 914 of the Statutes of 1998).  
 21 (48) Williams Case Implementation I, II, and III (05-TC-04,  
 22 07-TC-06, and 08-TC-01; Chapters 900, 902, and 903 of the  
 23 Statutes of 2004; Chapter 118 of the Statutes of 2005; Chapter 704  
 24 of the Statutes of 2006; and Chapter 526 of the Statutes of 2007).

Page 47 25 (g) Notwithstanding Section 10231.5, on or before November  
26 1 of each fiscal year, the Superintendent of Public Instruction shall  
27 produce a report that indicates the total amount of block grant  
28 funding each school district, county office of education, and charter  
29 school received in that fiscal year pursuant to this section. The  
30 Superintendent of Public Instruction shall provide this report to  
31 the appropriate fiscal and policy committees of the Legislature,  
32 the Controller, the Department of Finance, and the Legislative  
33 Analyst's Office.

34 ~~SEC. 18.~~

+ SEC. 29. Section 17581.97 of the Government Code is amended  
35 to read:

36 17581.97. (a) (1) For the 2018–19 fiscal year, the sum of six  
37 hundred ninety-seven million seven hundred fifty-nine thousand  
38 dollars (\$697,759,000) is hereby appropriated from the General  
39 Fund to the Controller for transfer to Section A of the State School  
40 Fund for allocation by the State Department of Education to school  
Page 48 1 districts in the manner, and for the purposes, set forth in this  
2 section.

3 (2) For purposes of this section, a “school district” includes a  
4 county office of education and a charter school.

5 (b) The Superintendent of Public Instruction shall allocate the  
6 funds appropriated pursuant to paragraph (1) of subdivision (a) to  
7 school districts on the basis of an equal amount per unit of regular  
8 average daily attendance, as those average daily attendance  
9 numbers are reported at the time of the second principal  
10 apportionment for the 2017–18 fiscal year.

11 (c) (1) If a school district is required to repay claims disallowed  
12 under the School-Based Medi-Cal Administrative Activities  
14 program for the 2009–10 fiscal year to the 2015–16 fiscal year,  
15 inclusive, the Controller shall, upon notification from the  
16 Department of Finance, withhold the specified amounts owed by  
17 the applicable school district from the allocations made to those  
18 school districts pursuant subdivision (b).

19 (2) The Controller shall transfer the amounts withheld in  
20 paragraph (1) to the General Fund as reimbursement of the  
21 payments made by the state in the 2017–18 fiscal year and the  
22 2018–19 fiscal year to the federal Centers for Medicare and  
23 Medicaid Services on behalf of those school districts.

Amendment 47

**PROPOSED AMENDMENTS**

SB 874

— 74 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 48 24 (d) Allocations made pursuant subdivision (b), less any amount  
25 withheld pursuant to subdivision (c), shall first satisfy any  
26 outstanding claims pursuant to Section 6 of Article XIII B of the  
27 California Constitution for reimbursement of state-mandated local  
28 program costs for any fiscal year. Notwithstanding Section 12419.5  
29 and any amounts that are paid in satisfaction of outstanding claims  
30 for reimbursement of state-mandated local program costs, the  
31 Controller may audit any claim as allowed by law, and may recover  
32 any amount owed by school districts pursuant to an audit only by  
33 reducing amounts owed by the state to school districts for any  
34 other mandate claims. Under no circumstances shall a school  
35 district be required to remit funding back to the state to pay for  
36 disallowed costs identified by a Controller audit of claimed  
37 reimbursable state-mandated local program costs. The Controller  
38 shall not recover any amount owed by a school district pursuant  
39 to an audit of claimed reimbursable state-mandated local program  
40 costs by reducing any amount owed a school district for any

Page 49 1 purpose other than amounts owed for any other mandate claims.  
2 The Controller shall apply amounts received by each school district  
3 against any balances of unpaid claims for reimbursement of  
4 state-mandated local program costs and interest in chronological  
5 order beginning with the earliest claim. The Controller shall report  
6 to each school district the amounts of any claims and interest that  
7 are offset from funds provided pursuant to this section, and shall  
8 report a summary of the amounts offset for each mandate for each  
9 fiscal year to the Department of Finance and the fiscal committees  
10 of the Legislature.

11 (e) (1) The governing board of a school district may expend  
12 the one-time funds allocated pursuant to this section for any  
13 purpose.

14 (2) It is the intent of the Legislature that school districts shall  
15 prioritize the use of these one-time funds for professional  
16 development, induction for beginning teachers with a focus on  
17 relevant mentoring, instructional materials, technology  
18 infrastructure, employee benefits, and any other investments  
19 necessary to support implementation of the common core academic  
20 content standards in English language arts and mathematics, the  
21 implementation of English language development standards, and  
22 the implementation of the Next Generation Science standards.

Page 49 23 (f) For purposes of making the computations required by Section  
 24 8 of Article XVI of the California Constitution, one hundred three  
 25 million three thousand dollars (\$103,003,000) of the appropriations  
 26 made by subdivision (a) shall be deemed to be “General Fund  
 27 revenues appropriated for school districts,” as defined in  
 28 subdivision (c) of Section 41202 of the Education Code, for the  
 29 2016–17 fiscal year, and included within the “total allocations to  
 30 school districts and community college districts from General Fund  
 31 proceeds of taxes appropriated pursuant to Article XIII B,” as  
 32 defined in subdivision (e) of Section 41202 of the Education Code,  
 33 for the 2016–17 fiscal year.

34 (g) For purposes of making the computations required by Section  
 35 8 of Article XVI of the California Constitution, two hundred  
 36 ninety-four million seven hundred fifty-six thousand dollars  
 37 (\$294,756,000) of the appropriations made by subdivision (a) shall  
 38 be deemed to be “General Fund revenues appropriated for school  
 39 districts,” as defined in subdivision (c) of Section 41202 of the  
 40 Education Code, for the 2017–18 fiscal year, and included within  
 Page 50 1 the “total allocations to school districts and community college  
 2 districts from General Fund proceeds of taxes appropriated pursuant  
 3 to Article XIII B,” as defined in subdivision (e) of Section 41202  
 4 of the Education Code, for the 2017–18 fiscal year.

5 (h) For purposes of making the computations required by Section  
 6 8 of Article XVI of the California Constitution, three hundred  
 7 million dollars (\$300,000,000) of the appropriations made by  
 8 subdivision (a) shall be deemed to be “General Fund revenues  
 9 appropriated for school districts,” as defined in subdivision (c) of  
 10 Section 41202 of the Education Code, for the 2018–19 fiscal year,  
 11 and included within the “total allocations to school districts and  
 12 community college districts from General Fund proceeds of taxes  
 13 appropriated pursuant to Article XIII B,” as defined in subdivision  
 14 (e) of Section 41202 of the Education Code, for the 2018–19 fiscal  
 15 year.

16 ~~SEC. 19.~~

+ SEC. 30. Section 28160 of the Vehicle Code is amended to  
 17 read:

18 28160. (a) On or before January 1, 2018, the department shall  
 19 adopt regulations governing the specifications, installation, and  
 20 use of child safety alert systems.

Amendment 48

PROPOSED AMENDMENTS

SB 874

— 76 —

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

Page 50 21 (b) (1) (A) Except as provided in subparagraphs (B) and (C),  
22 on or before March 1, 2019, each schoolbus, school pupil activity  
23 bus, ~~except as provided school pupil activity buses described in~~  
24 paragraph (2), youth bus, and child care motor vehicle shall be  
25 equipped with an operational child safety alert system.

Amendment 49

27 (B) If a school district, county office of education, or charter  
28 school with an average daily attendance of 4,000 pupils or fewer,  
29 or a private school with 4,000 pupils or fewer in attendance, cannot  
30 meet the requirements of this section on or before March 1, 2019,  
31 the school district, county office of education, charter school, or  
32 private school shall submit to the department, on or before March  
33 1, 2019, documentation that demonstrates that it has, before March  
34 1, 2019, ordered or purchased the child safety alert system or child  
35 safety alert systems, and includes an estimate of repairs or  
36 installation, the total number of vehicles described in subparagraph  
37 (A) in the fleet and the number of vehicles described in  
38 subparagraph (A) that do not have an installed child safety alert  
39 system, the proposed date of installation, and the name of the  
40 vendor or individual who will install the child safety alert system

Page 51 1 or child safety alert systems. Upon providing this documentation,  
2 the school district, county office of education, charter school, or  
3 private school shall have an additional six months, not to extend  
4 beyond September 1, 2019, to meet the requirements of this section.

5 (C) Any entity other than a school district, county office of  
6 education, charter school, or private school that operates a  
7 schoolbus, school pupil activity bus, ~~except as provided school~~  
8 ~~pupil activity buses described in~~ paragraph (2), youth bus, or child  
9 care motor vehicle that is subject to the requirements of this section  
10 may submit documentation as specified in subparagraph (B) to the  
11 department. Upon providing this documentation, the entity shall  
12 have an additional six months, not to extend beyond September  
13 1, 2019, to meet the requirements of this section.

Amendment 50

14 (D) This section shall apply to all school districts, county offices  
15 of education, charter schools, and private schools, including those  
16 that began the 2018–19 school year before September 1, 2018.

17 (2) A school pupil activity bus is not required to be equipped  
18 with an operational child safety alert system if all of the following  
19 apply:

20 (A) The school pupil activity bus is not used exclusively to  
21 transport pupils.

Page 51 22 (B) When the school pupil activity bus is used to transport  
23 pupils, the pupils are accompanied by at least one adult chaperone  
24 selected by a school official. If an adult chaperone is not a school  
25 employee, the chaperone shall meet the requirements for a school  
26 volunteer established by the policies of the school district, county  
27 office of education, charter school, or private school.

28 (C) One adult chaperone has a list of every pupil and adult  
29 chaperone, including a school employee, who is on the school  
30 pupil activity bus at the time of departure.

31 (D) The driver has reviewed all safety and emergency  
32 procedures before the initial departure and the driver and adult  
33 chaperone have signed a form with the time and date  
34 acknowledging that the safety plan and procedures were reviewed.

35 (E) Immediately before departure from any location, the adult  
36 chaperone shall account for each pupil on the list of pupils, verify  
37 the number of pupils to the driver, and sign a form indicating that  
38 all pupils are present or accounted for.

39 (F) After pupils have exited a school pupil activity bus, and  
40 before driving away, the driver shall check all areas of the bus,  
Page 52 1 including, but not limited to, overhead compartments and  
2 bathrooms, to ensure that the bus is vacant.

3 (G) The driver shall sign a form with the time and date verifying  
4 that all required procedures have been followed.

5 (H) The information required to be recorded pursuant to  
6 subparagraphs (D), (E), and (G) may be recorded on a single form.  
7 These forms shall be retained by the school district, county office  
8 of education, charter school, or private school for a minimum of  
9 two years.

10 (c) The department shall consult with the State Department of  
11 Education to develop frequently asked questions related to the  
12 implementation of this section and of Section 1294 of Title 13 of  
13 the California Code of Regulations. The department shall also  
14 consult with, at a minimum, the California Association of School  
15 Transportation Officials when developing the frequently asked  
16 questions. The department and the State Department of Education  
17 shall each post the frequently asked questions on their respective  
18 Internet Web sites.

20 (d) A “child safety alert system” is a device located at the  
21 interior rear of a vehicle that requires the driver to either manually  
22 contact or scan the device before exiting the vehicle, thereby

**PROPOSED AMENDMENTS**

SB 874

— 78 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 52 23 prompting the driver to inspect the entirety of the interior of the  
24 vehicle before exiting.

26 (e) For purposes of this section, the following definitions apply:

27 (1) "Child care motor vehicle" means a vehicle designed, used,  
28 or maintained for more than eight persons, including the driver,  
29 that is used by a child care provider to transport children.

30 (2) "Child care provider" has the same meaning as provided for  
31 "day care center" in Section 1596.76 of the Health and Safety  
32 Code.

33 ~~SEC. 20.~~

+ SEC. 31. Section 77 of Chapter 15 of the Statutes of 2017 is  
34 amended to read:

35 SEC. 77. (a) For the 2017–18 fiscal year, the sum of four  
36 hundred thousand dollars (\$400,000) is hereby appropriated from  
37 the General Fund to the Superintendent of Public Instruction for  
38 support and development of the Local Control Accountability Plan  
39 Electronic Template system and the California School Dashboard  
40 mobile app.

**Amendment 51**

Page 53 1 (b) (1) For the purpose specified in subdivision (a), the State  
2 Department of Education, in collaboration with and subject to the  
3 approval of the executive director of the State Board of Education,  
4 shall enter into contracts with the San Joaquin County Office of  
5 Education. Of the amount appropriated, three hundred fifty  
6 thousand dollars (\$350,000) shall be used to host, maintain, and  
7 support the development of the Local Control Accountability Plan  
8 Electronic Template system. The remaining fifty thousand dollars  
9 (\$50,000) shall be available for encumbrance through the 2018–19  
10 fiscal year and used to support and develop the California School  
11 Dashboard mobile app.

12 (2) When performing these activities, the San Joaquin County  
13 Office of Education may enter into appropriate contracts for the  
14 provision of support and services, as necessary, and shall ensure  
15 alignment of the electronic template and mobile app with  
16 California's accountability system, including, but not limited to,  
17 the School Accountability Report Card and the California School  
18 Dashboard, accommodate state and local data availability, and  
19 reflect consistency with implementation of the local control funding  
20 formula.

21 (c) For purposes of making the computations required by Section  
22 8 of Article XVI of the California Constitution, the appropriation

Page 53 23 made by subdivision (a) shall be deemed to be “General Fund  
24 revenues appropriated for school districts,” as defined in  
25 subdivision (c) of Section 41202 of the Education Code, for the  
26 2017–18 fiscal year, and included within the “total allocations to  
27 school districts and community college districts from General Fund  
28 proceeds of taxes appropriated pursuant to Article XIII B,” as  
29 defined in subdivision (e) of Section 41202 of the Education Code,  
30 for the 2017–18 fiscal year.

+ SEC. 32. Section 131 of Chapter 32 of the Statutes of 2018 is  
+ amended to read:

+ SEC. 131. (a) For the 2018–19 fiscal year, the sum of fifteen  
+ million dollars (\$15,000,000) is hereby appropriated from the  
+ General Fund to the State Department of Education for allocation  
+ for grants pursuant to Section 8460 of the Education Code to be  
+ available for the 2018–19, 2019–20, and 2020–21 fiscal years.

+ (b) For purposes of making the computations required by Section  
+ 8 of Article XVI of the California Constitution, the appropriation  
+ made by subdivision (a) shall be deemed to be “General Fund  
+ revenues appropriated for school districts,” as defined in  
+ subdivision (c) of Section 41202 of the Education Code, for the  
+ ~~2017–18~~ 2016–17 fiscal year, and included within the “total  
+ allocations to school districts and community college districts from  
+ General Fund proceeds of taxes appropriated pursuant to Article  
+ XIII B,” as defined in subdivision (e) of Section 41202 of the  
+ Education Code, for the ~~2017–18~~ 2016–17 fiscal year.

+ SEC. 33. Section 133 of Chapter 32 of the Statutes of 2018 is  
+ amended to read:

+ SEC. 133. (a) The sum of fifty million dollars (\$50,000,000),  
+ is hereby appropriated to the Controller for transfer to Section A  
+ of the State School Fund for allocation by the State Department  
+ of Education for the Classified School Employee Summer  
+ Assistance Program.

+ (b) The Classified School Employee Summer Assistance  
+ Program shall provide a participating classified employee up to  
+ one dollar (\$1) for each one dollar (\$1) that the classified employee  
+ has elected to have withheld from his or her monthly paychecks  
+ pursuant to this section.

+ (c) For the 2019–20 school year, a local educational agency  
+ may elect to participate in the Classified School Employee Summer  
+ Assistance Program. A participating local educational agency shall

Amendment 52

+ notify classified employees by January 1, 2019, that the local  
+ educational agency has elected to participate in the Classified  
+ School Employee Summer Assistance Program for the next school  
+ year. Once a local educational agency elects to participate in the  
+ Classified School Employee Summer Assistance Program and  
+ notifies classified employees pursuant to this subdivision, the local  
+ educational agency is prohibited from reversing its decision to  
+ participate in the Classified School Employee Summer Assistance  
+ Program for the 2019–20 school year.

+ (d) (1) A classified employee that elects to participate in the  
+ Classified School Employee Summer Assistance Program shall  
+ notify the local educational agency, in writing, by March 1, 2019,  
+ on a form developed by the State Department of Education that  
+ he or she wishes to participate in the Classified School Employee  
+ Summer Assistance Program for the 2019–20 school year. The  
+ classified employee shall specify the amount to be withheld from  
+ his or her monthly paychecks during the 2019–20 school year and  
+ whether he or she chooses to have the amounts withheld paid out  
+ during the summer recess period in one or two payments. A  
+ participating classified employee may elect to have up to 10 percent  
+ of his or her monthly pay withheld during the school year.

+ (2) A classified employee shall be eligible to participate in the  
+ Classified School Employee Summer Assistance Program if the  
+ classified employee has been employed with the local educational  
+ agency for at least one year at the time the classified employee  
+ elects to participate in the Classified School Employee Summer  
+ Assistance Program.

+ (3) A classified employee shall be eligible to participate in the  
+ Classified School Employee Summer Assistance Program if the  
+ classified employee is employed by the local educational agency  
+ for fewer than 12 months per fiscal year.

+ (4) A classified employee shall not be eligible to participate in  
+ the Classified School Employee Summer Assistance Program if  
+ the classified employee’s regular annual pay received directly from  
+ the local educational agency is more than two times the full-time  
+ pay of a classified employee, paid at the state minimum wage for  
+ an entire school year, at the time of enrollment. For purposes of  
+ determining a classified employee’s regular annual pay received  
+ directly from the local educational agency, the employing local  
+ educational agency shall exclude any pay received by the classified

+ employee during the summer recess period of the previous fiscal  
+ year. For purposes of this section, “summer recess period” means  
+ the period that regular class sessions are not being held by a local  
+ educational agency during the months of June, July, and August  
+ of the 2020 calendar year. *August.*

+ (e) A local educational agency that elects to participate in the  
+ Classified School Employee Summer Assistance Program shall  
+ notify the State Department of Education in writing, by April 1,  
+ 2019, on a form developed by the State Department of Education  
+ that it has elected to participate in the Classified School Employee  
+ Summer Assistance Program. The local educational agency shall  
+ specify the number of classified employees that have elected to  
+ participate in the Classified School Employee Summer Assistance  
+ Program and the total estimated amount to be withheld from  
+ participating classified employee paychecks for the 2019–20 school  
+ year.

+ (f) The State Department of Education shall notify participating  
+ local educational agencies in writing, by May 1, 2019, of the  
+ estimated amount of state match funding that a participating  
+ classified employee can expect to receive as a result of participating  
+ in the Classified School Employee Summer Assistance Program.  
+ If the funding provided pursuant to subdivision (a) is insufficient  
+ to provide one dollar (\$1) for each one dollar (\$1) that has been  
+ withheld from participating classified employee monthly  
+ paychecks, the State Department of Education shall notify local  
+ educational agencies of the expected prorated amount of state  
+ match funds that a participating classified employee can expect to  
+ receive as result of participating in the Classified School Employee  
+ Summer Assistance Program.

+ (g) Participating local educational agencies shall notify  
+ participating classified employees by June 1, 2019, the amount of  
+ estimated state match funds that a participating classified employee  
+ can expect to receive as a result of participating in the Classified  
+ School Employee Summer Assistance Program. After receiving  
+ that notification, a classified employee may withdraw his or her  
+ election to participate in the Classified School Employee Summer  
+ Assistance Program or reduce the amount to be withheld from his  
+ or her paycheck pursuant to paragraph (1) of subdivision (d) by  
+ notifying his or her employing local educational agency no later  
+ than 30 days after the start of the school year.

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

SB 874

— 82 —

+ (h) The local educational agency shall deposit the amounts  
+ withheld from participating classified employee monthly paychecks  
+ in accordance with the choices made by each participating  
+ classified employee pursuant to subdivision (d) ~~in an account~~  
+ ~~within its general fund, to be known as the Classified School~~  
+ ~~Employee Summer Assistance Program Fund.~~ *a separate account.*

+ (i) A classified employee that separates from employment with  
+ a local educational agency during the 2019–20 school year may  
+ request from the local educational agency any pay withheld from  
+ his or her paycheck pursuant to this ~~section and deposited into the~~  
+ ~~Classified School Employee Summer Assistance Program Fund.~~  
+ *section.* However, the classified employee shall not be entitled to  
+ receive any state match funds provided pursuant this section.

+ (j) Participating local educational agencies shall request payment  
+ from the State Department of Education on or before July 31, 2020,  
+ on a form developed by the State Department of Education, for  
+ the amount of classified employee pay ~~that has been deposited in~~  
+ ~~the Classified School Employee Summer Assistance Program~~  
+ ~~Fund.~~ *withheld from the monthly paychecks of participating*  
+ *classified employees and placed in a separate account pursuant*  
+ *to subdivision (h).*

+ (k) The State Department of Education shall apportion funds to  
+ participating local educational agencies within 30 days of receiving  
+ a request for payment by the participating local educational agency  
+ pursuant to subdivision (j). The apportionment shall be determined  
+ for each local educational agency by the State Department of  
+ Education on the basis of the amount that has been ~~deposited into~~  
+ ~~the local educational agency's Classified School Employee~~  
+ ~~Summer Assistance Program Fund.~~ The apportionment received  
+ by local educational agencies shall be ~~deposited in the Classified~~  
+ ~~School Employee Summer Assistance Program Fund.~~ *withheld*  
+ *from the monthly paychecks of participating classified employees*  
+ *and placed in a separate account pursuant to subdivision (h).*

+ (l) If the total amount requested by participating local  
+ educational agencies exceeds the amount appropriated pursuant  
+ to subdivision (a), the State Department of Education shall prorate  
+ the amount apportioned to participating local educational agencies  
+ accordingly, consistent with the determination made pursuant to  
+ subdivision (f).

+ (m) The participating local educational agency shall pay  
+ participating classified employees ~~from the Classified School~~  
+ ~~Employee Summer Assistance Program Fund~~ the amounts withheld  
+ in accordance with the classified employee’s choices, plus the  
+ amount apportioned by the State Department of Education that is  
+ attributable to the amount withheld from that classified employee’s  
+ paychecks during the school year. This amount shall be paid to  
+ the participating classified employee during the summer recess  
+ period, in either one or two payments, in accordance with the  
+ classified employee’s option pursuant to subdivision (d).

+ (n) The state match funding received by participating classified  
+ employees pursuant to this section shall not be considered  
+ compensation for the purposes of determining retirement benefits  
+ for the California Public Employees’ Retirement System or the  
+ California State Teachers’ Retirement System.

+ (o) *For purposes of this section, “local educational agency”*  
+ *means a school district or county office of education.*

+ (o)

+ (p) For purposes of making the computations required by Section  
+ 8 of Article XVI of the California Constitution, the appropriation  
+ made by subdivision (a) shall be deemed to be “General Fund  
+ revenues appropriated for school districts,” as defined in  
+ subdivision (c) of Section 41202 of the Education Code, for the  
+ 2016–17 fiscal year, and included within the “total allocations to  
+ school districts and community college districts from General Fund  
+ proceeds of taxes appropriated pursuant to Article XIII B,” as  
+ defined in subdivision (e) of Section 41202 of the Education Code,  
+ for the 2016–17 fiscal year.

Page 53 31 ~~SEC. 21.~~

+ ~~SEC. 34.~~ Section 134 of Chapter 32 of the Statutes of 2018 is  
32 amended to read:

33 SEC. 134. (a) For the 2018–19 fiscal year, the sum of fifty  
34 million dollars (\$50,000,000) is hereby appropriated from the  
35 General Fund to the State Department of Education to establish  
36 the Classified School Employee Professional Development Block  
37 Grant Program. For purposes of the Classified School Employee  
38 Professional Development Block Grant Program, the State  
39 Department of Education shall:

Page 54 1 (1) Apportion forty-five million dollars (\$45,000,000) of the  
2 block grant funds to local educational agencies based on the

Amendment 53

**PROPOSED AMENDMENTS**

SB 874

— 84 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 54 3 number of classified school employees employed by the local  
4 educational agency in the immediately preceding fiscal year.  
5 (2) Provide the Office of the Chancellor of the California  
6 Community Colleges five million dollars (\$5,000,000) for  
7 professional development for classified community college  
8 employees pursuant to paragraph (2) of subdivision (b). The  
9 chancellor’s office shall apportion funding to community college  
10 districts based on the number of classified community college  
11 employees employed by the community college district in the  
12 immediately preceding fiscal year.

13 (b) (1) A local educational agency shall expend funds received  
14 pursuant to this section for any purpose described in Section 45391  
15 of the Education Code, with first priority being for professional  
16 development for the implementation of school safety plans, as set  
17 forth in Article 5 (commencing with Section 32280) of Chapter  
18 2.5 of Part 19 of Division 1 of Title 1 of the Education Code, if  
19 applicable.

20 (2) The Office of the Chancellor of the California Community  
21 Colleges shall provide community college districts with guidance  
22 regarding the expenditure of funds to support professional  
23 development for classified community college employees. This  
24 guidance shall include a requirement that a community college  
25 district consult with the exclusive representative of its classified  
26 staff in determining what professional development services or  
27 opportunities are provided to classified community college  
28 employees.

29 (c) For purposes of this section, the following terms have the  
30 following meanings:

31 (1) “Classified community college employee” means a person  
32 employed by a community college district in a classified position.

34 (2) “Classified school employee” means ~~a person employed on~~  
35 ~~a full-time or part-time basis as a classified school employee by a~~  
36 ~~local educational agency.~~ *full-time equivalent of classified staff,*  
+ *as reported in the California Basic Educational Data System.*

38 (3) “Local educational agency” means a school district, county  
39 office of education, or charter school.

Page 55 1 (d) (1) For purposes of making the computations required by  
2 Section 8 of Article XVI of the California Constitution, the amount  
3 described in paragraph (1) of subdivision (a) shall be deemed to  
4 be “General Fund revenues appropriated for school districts,” as

**Amendment 54**

PROPOSED AMENDMENTS

RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE

Page 55 5 defined in subdivision (c) of Section 41202 of the Education Code,  
6 for the 2017–18 fiscal year, and included within the “total  
7 allocations to school districts and community college districts from  
8 General Fund proceeds of taxes appropriated pursuant to Article  
9 XIII B,” as defined in subdivision (e) of Section 41202 of the  
10 Education Code, for the 2017–18 fiscal year.

11 (2) For purposes of making the computations required by Section  
12 8 of Article XVI of the California Constitution, the amount  
13 described in paragraph (2) of subdivision (a) shall be deemed to  
14 be “General Fund revenues appropriated for community college  
15 districts,” as defined in subdivision (d) of Section 41202 of the  
16 Education Code, for the 2017–18 fiscal year, and included within  
17 the “total allocations to school districts and community college  
18 districts from General Fund proceeds of taxes appropriated pursuant  
19 to Article XIII B,” as defined in subdivision (e) of Section 41202  
20 of the Education Code, for the 2017–18 fiscal year.

21 ~~SEC. 22.~~

22 + SEC. 35. (a) For the 2018–19 fiscal year, the sum of  
23 twenty-one million one hundred forty-six thousand dollars  
24 (\$21,146,000) is hereby appropriated from the General Fund to  
25 the California School Finance Authority established pursuant to  
26 Section 17172 of the Education Code. This appropriation shall be  
27 available to the California School Finance Authority to support  
28 programmatic costs for the Charter School Facility Grant Program  
29 established pursuant to Section 47614.5 of the Education Code  
30 attributable to the 2017–18 fiscal year.

31 (b) For purposes of making the computations required by Section  
32 8 of Article XVI of the California Constitution, the appropriation  
33 made by subdivision (a) shall be deemed to be “General Fund  
34 revenues appropriated for school districts,” as defined in  
35 subdivision (c) of Section 41202 of the Education Code, for the  
36 2017–18 fiscal year, and included within the “total allocations to  
37 school districts and community college districts from General Fund  
38 proceeds of taxes appropriated pursuant to Article XIII B,” as  
39 defined in subdivision (e) of Section 41202 of the Education Code,  
40 for the 2017–18 fiscal year.

Amendment 55

Page 56 1 ~~SEC. 23.~~

2 + SEC. 36. (a) For the 2018–19 fiscal year, the sum of two  
3 hundred thousand dollars (\$200,000) is hereby appropriated from  
the General Fund to the State Department of Education to support

Amendment 56

**PROPOSED AMENDMENTS**

SB 874

— 86 —

**RN 18 18225 08  
08/14/18 05:32 PM  
SUBSTANTIVE**

Page 56 4 updating the Local Control Accountability Plan Electronic  
5 Template system to reflect changes to the template for a local  
6 control and accountability plan and an annual update to the local  
7 control and accountability plan, as described in Section 52064 of  
8 the Education Code.

9 (b) (1) For the purposes specified in subdivision (a), the State  
10 Department of Education, in collaboration with, and subject to the  
11 approval of, the executive director of the State Board of Education,  
12 shall enter into contracts with the San Joaquin County Office of  
13 Education.

14 (2) When performing these activities, the San Joaquin County  
15 Office of Education may enter into appropriate contracts for the  
16 provision of support and services, as necessary.

17 (c) For purposes of making the computations required by Section  
18 8 of Article XVI of the California Constitution, the appropriation  
19 made by subdivision (a) shall be deemed to be "General Fund  
20 revenues appropriated for school districts," as defined in  
21 subdivision (c) of Section 41202 of the Education Code, for the  
22 2016–17 fiscal year, and included within the "total allocations to  
23 school districts and community college districts from General Fund  
24 proceeds of taxes appropriated pursuant to Article XIII B," as  
25 defined in subdivision (e) of Section 41202 of the Education Code,  
26 for the 2016–17 fiscal year.

+ SEC. 37. *With respect to Section 13 of this act, the Legislature  
+ finds and declares that a special statute is necessary and that a  
+ general statute cannot be made applicable within the meaning of  
+ Section 16 of Article IV of the California Constitution because of  
+ the financial distress faced by the Oakland Unified School District  
+ and the Inglewood Unified School District.*

**Amendment 57**

27 ~~SEC. 24.~~

**Amendment 58**

+ SEC. 38. If the Commission on State Mandates determines  
28 that this act contains costs mandated by the state, reimbursement  
29 to local agencies and school districts for those costs shall be made  
30 pursuant to Part 7 (commencing with Section 17500) of Division  
31 4 of Title 2 of the Government Code.

32 ~~SEC. 25.~~

**Amendment 59**

+ SEC. 39. This act is a bill providing for appropriations related  
33 to the Budget Bill within the meaning of subdivision (e) of Section  
34 12 of Article IV of the California Constitution, has been identified

**PROPOSED AMENDMENTS**

— 87 —

**SB 874**

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SUBSTANTIVE**

Page 56 35 as related to the budget in the Budget Bill, and shall take effect  
36 immediately.

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98