

**ASSEMBLY BILL**

**No. 2635**

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**Introduced by Assembly Members Weber, Gipson, and Burke**

February 15, 2018

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An act to amend Sections 2574 and 42238.02 of the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2635, as introduced, Weber. Education finance: local control funding formula: supplemental grants: lowest performing pupil subgroup or subgroups.

Existing law establishes a public school financing system that requires state funding for county superintendents of schools, school districts, and charter schools to be calculated pursuant to a local control funding formula, as specified. Under the local control funding formula, an important component is the number of “unduplicated pupils,” as defined to be pupils classified as English learners, as eligible for free or reduced-price meals, or as foster youth, for purposes of supplemental grants.

This bill would, commencing with the 2018–19 fiscal year, adjust the definition of “unduplicated pupils” to include pupils who are included in the lowest performing subgroup or subgroups, as defined, based on the most recently available mathematics or language arts results on the California Assessment of Student Performance and Progress, as specified. The bill would require the Superintendent of Public Instruction to annually identify the lowest performing pupil subgroup or subgroups. The bill would require that implementation of these provisions be contingent upon the appropriation of funds for these purposes in the annual Budget Act or other statute.

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

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

1 SECTION 1. Section 2574 of the Education Code is amended  
2 to read:  
3 2574. For the 2013–14 fiscal year and for each fiscal year  
4 thereafter, the Superintendent annually shall calculate a county  
5 local control funding formula for each county superintendent of  
6 schools as follows:  
7 (a) Compute a county office of education operations grant equal  
8 to the sum of each of the following amounts:  
9 (1) Six hundred fifty-five thousand nine hundred twenty dollars  
10 (\$655,920).  
11 (2) One hundred nine thousand three hundred twenty dollars  
12 (\$109,320) multiplied by the number of school districts for which  
13 the county superintendent of schools has jurisdiction pursuant to  
14 Section 1253.  
15 (3) (A) Seventy dollars (\$70) multiplied by the number of units  
16 of countywide average daily attendance, up to a maximum of  
17 30,000 units.  
18 (B) Sixty dollars (\$60) multiplied by the number of units of  
19 countywide average daily attendance for the portion of countywide  
20 average daily attendance, if any, above 30,000 units, up to a  
21 maximum of 60,000 units.  
22 (C) Fifty dollars (\$50) multiplied by the number of units of  
23 countywide average daily attendance for the portion of countywide  
24 average daily attendance, if any, above 60,000, up to a maximum  
25 of 140,000 units.  
26 (D) Forty dollars (\$40) multiplied by the number of units of  
27 countywide average daily attendance for the portion of countywide  
28 average daily attendance, if any, above 140,000 units.  
29 (E) For purposes of this section, countywide average daily  
30 attendance means the aggregate number of annual units of average  
31 daily attendance within the county attributable to all school districts  
32 for which the county superintendent of schools has jurisdiction  
33 pursuant to Section 1253, charter schools authorized by school  
34 districts for which the county superintendent of schools has

1 jurisdiction, and charter schools authorized by the county  
2 superintendent of schools.

3 (4) For the 2014–15 fiscal year and each fiscal year thereafter,  
4 adjust each of the rates provided in the prior year pursuant to  
5 paragraphs (1), (2), and (3) by the percentage change in the annual  
6 average value of the Implicit Price Deflator for State and Local  
7 Government Purchases of Goods and Services for the United States,  
8 as published by the United States Department of Commerce for  
9 the 12-month period ending in the third quarter of the prior fiscal  
10 year. This percentage change shall be determined using the latest  
11 data available as of May 10 of the preceding fiscal year compared  
12 with the annual average value of the same deflator for the 12-month  
13 period ending in the third quarter of the second preceding fiscal  
14 year, using the latest data available as of May 10 of the preceding  
15 fiscal year, as reported by the Department of Finance.

16 (b) Determine the enrollment percentage of unduplicated pupils  
17 pursuant to the following:

18 (1) (A) For the 2013–14 fiscal year, divide the enrollment of  
19 unduplicated pupils in all schools operated by a county  
20 superintendent of schools in the 2013–14 fiscal year by the total  
21 enrollment in those schools in the 2013–14 fiscal year.

22 (B) For the 2014–15 fiscal year, divide the sum of the enrollment  
23 of unduplicated pupils in all schools operated by a county  
24 superintendent of schools in the 2013–14 and 2014–15 fiscal years  
25 by the sum of the total enrollment in those schools in the 2013–14  
26 and 2014–15 fiscal years.

27 (C) For the 2015–16 fiscal year and each fiscal year thereafter,  
28 divide the sum of the enrollment of unduplicated pupils in all  
29 schools operated by a county superintendent of schools in the  
30 current fiscal year and the two prior fiscal years by the sum of the  
31 total enrollment in those schools in the current fiscal year and the  
32 two prior fiscal years.

33 (D) (i) For purposes of the quotients determined pursuant to  
34 subparagraphs (B) and (C), the Superintendent shall use a county  
35 superintendent of schools' enrollment of unduplicated pupils and  
36 total pupil enrollment in the 2014–15 fiscal year instead of the  
37 enrollment of unduplicated pupils and total pupil enrollment in  
38 the 2013–14 fiscal year if doing so would yield an overall greater  
39 percentage of unduplicated pupils.

1 (ii) It is the intent of the Legislature to review each county office  
2 of education's enrollment of unduplicated pupils for the 2013-14  
3 and 2014-15 fiscal years and provide one-time funding, if  
4 necessary, for a county office of education with higher enrollment  
5 of unduplicated pupils in the 2014-15 fiscal year as compared to  
6 the 2013-14 fiscal year.

7 (E) For purposes of determining the enrollment percentage of  
8 unduplicated pupils pursuant to this subdivision, enrollment in  
9 schools or classes established pursuant to Article 2.5 (commencing  
10 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title  
11 2 and the enrollment of pupils other than the pupils identified in  
12 clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4)  
13 of subdivision (c), shall be excluded from the calculation of the  
14 enrollment percentage of unduplicated pupils.

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

20 (2) (A) For purposes of this section, an "unduplicated pupil" is  
21 a pupil who is classified as an English learner, eligible for a free  
22 or reduced-price meal, or a foster youth. For purposes of this  
23 section, the definitions in Section 42238.01 of an English learner,  
24 a pupil eligible for a free or reduced-price meal, and foster youth  
25 shall apply. A pupil shall be counted only once for purposes of  
26 this section if any of the following apply:

27 ~~(A)~~

28 (i) The pupil is classified as an English learner and is eligible  
29 for a free or reduced-price meal.

30 ~~(B)~~

31 (ii) The pupil is classified as an English learner and is a foster  
32 youth.

33 ~~(C)~~

34 (iii) The pupil is eligible for a free or reduced-price meal and  
35 is classified as a foster youth.

36 ~~(D)~~

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

39 (v) *(I) Commencing with the 2018-19 fiscal year, the pupil is*  
40 *classified as a member of the lowest performing subgroup or*

1 *subgroups, as defined in paragraph (7) of subdivision (b) of Section*  
2 *42238.02, and the pupil is classified as an English learner, is*  
3 *eligible for a free or reduced-price meal, or is a foster youth.*  
4 *(II) The implementation of subclause (I) shall be contingent*  
5 *upon the appropriation of funds for its purpose in the annual*  
6 *Budget Act or other statute.*  
7 *(B) (i) Commencing with the 2018–19 fiscal year, “unduplicated*  
8 *pupil” shall also mean a pupil who is included in the lowest*  
9 *performing subgroup or subgroups, as identified pursuant to*  
10 *paragraph (7) of subdivision (b) of Section 42238.02.*  
11 *(ii) The implementation of clause (i) shall be contingent upon*  
12 *the appropriation of funds for its purpose in the annual Budget*  
13 *Act or other statute.*  
14 *(3) (A) (i) Under procedures and timeframes established by*  
15 *the Superintendent, commencing with the 2013–14 fiscal year, a*  
16 *county superintendent of schools annually shall report the*  
17 *enrollment of unduplicated pupils, pupils classified as English*  
18 *learners, pupils eligible for free and reduced-price meals, and foster*  
19 *youth in schools operated by the county superintendent of schools*  
20 *to the Superintendent using the California Longitudinal Pupil*  
21 *Achievement Data System.*  
22 *(ii) (I) Commencing with the 2018–19 fiscal year, a county*  
23 *superintendent of schools annually shall also report the enrollment*  
24 *of pupils in schools operated by the county superintendent of*  
25 *schools who are classified as members of the lowest performing*  
26 *subgroup or subgroups, as identified pursuant to paragraph (7)*  
27 *of subdivision (b) of Section 42238.02.*  
28 *(II) The implementation of subclause (I) shall be contingent*  
29 *upon the appropriation of funds for its purpose in the annual*  
30 *Budget Act or other statute.*  
31 *(B) The Superintendent shall make the calculations pursuant to*  
32 *this section using the data submitted through the California*  
33 *Longitudinal Pupil Achievement Data System.*  
34 *(C) The Controller shall include instructions, as appropriate, in*  
35 *the audit guide required by subdivision (a) of Section 14502.1, for*  
36 *determining if the data reported by a county superintendent of*  
37 *schools using the California Longitudinal Pupil Achievement Data*  
38 *System is consistent with pupil data records maintained by the*  
39 *county office of education.*

1 (c) Compute an alternative education grant equal to the sum of  
2 the following:

3 (1) (A) For the 2013–14 fiscal year, a base grant equal to the  
4 2012–13 per pupil undeficitated statewide average juvenile court  
5 school base revenue limit calculated pursuant to Article 3  
6 (commencing with Section ~~2550~~ 2550.3) of Chapter 12, as that  
7 article read on January 1, 2013. For purposes of this subparagraph,  
8 the 2012–13 statewide average juvenile court school base revenue  
9 limit shall be considered final as of the annual apportionment for  
10 the 2012–13 fiscal year, as calculated for purposes of the  
11 certification required on or before February 20, 2014, pursuant to  
12 Sections 41332 and 41339.

13 (B) Commencing with the 2013–14 fiscal year, the per pupil  
14 base grant shall be adjusted by the percentage change in the annual  
15 average value of the Implicit Price Deflator for State and Local  
16 Government Purchases of Goods and Services for the United States,  
17 as published by the United States Department of Commerce for  
18 the 12-month period ending in the third quarter of the prior fiscal  
19 year. This percentage change shall be determined using the latest  
20 data available as of May 10 of the preceding fiscal year compared  
21 with the annual average value of the same deflator for the 12-month  
22 period ending in the third quarter of the second preceding fiscal  
23 year, using the latest data available as of May 10 of the preceding  
24 fiscal year, as reported by the Department of Finance.

25 (2) A supplemental grant equal to 35 percent of the base grant  
26 described in paragraph (1) multiplied by the enrollment percentage  
27 calculated in subdivision (b). The supplemental grant shall be  
28 expended in accordance with the regulations adopted pursuant to  
29 Section 42238.07.

30 (3) (A) A concentration grant equal to 35 percent of the base  
31 grant described in paragraph (1) multiplied by the greater of either  
32 of the following:

33 (i) The enrollment percentage calculated in subdivision (b) less  
34 50 percent.

35 (ii) Zero.

36 (B) The concentration grant shall be expended in accordance  
37 with the regulations adopted pursuant to Section 42238.07.

38 (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the  
39 total number of units of average daily attendance for pupils  
40 attending schools operated by a county office of education,

1 excluding units of average daily attendance for pupils attending  
2 schools or classes established pursuant to Article 2.5 (commencing  
3 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title  
4 2, who are enrolled pursuant to any of the following:

5 (i) Probation-referred pursuant to Sections 300, 601, 602, and  
6 654 of the Welfare and Institutions Code.

7 (ii) On probation or parole and not in attendance in a school.

8 (iii) Expelled for any of the reasons specified in subdivision (a)  
9 or (c) of Section 48915.

10 (B) Multiply the number of units of average daily attendance  
11 for pupils attending schools or classes established pursuant to  
12 Article 2.5 (commencing with Section 48645) of Chapter 4 of Part  
13 27 of Division 4 of Title 2 by the sum of the base grant calculated  
14 pursuant to paragraph (1), a supplemental grant equal to 35 percent  
15 of the base grant calculated pursuant to paragraph (1), and a  
16 concentration grant equal to 17.5 percent of the base grant  
17 calculated pursuant to paragraph (1). Funds provided for the  
18 supplemental and concentration grants pursuant to this calculation  
19 shall be expended in accordance with the regulations adopted  
20 pursuant to Section 42238.07.

21 (C) Add the amounts calculated in subparagraphs (A) and (B).

22 (d) Add the amount calculated in subdivision (a) to the amount  
23 calculated in subparagraph (C) of paragraph (4) of subdivision (c).

24 (e) Add all of the following to the amount calculated in  
25 subdivision (d):

26 (1) The amount of funding a county superintendent of schools  
27 received for the 2012–13 fiscal year from funds allocated pursuant  
28 to the Targeted Instructional Improvement Block Grant program,  
29 as set forth in Article 6 (commencing with Section 41540) of  
30 Chapter 3.2 of Part 24 of Division 3 of Title 2, as that article read  
31 on January 1, 2013.

32 (2) (A) (i) The amount of funding a county superintendent of  
33 schools received for the 2012–13 fiscal year from funds allocated  
34 pursuant to the Home-to-School Transportation program, as set  
35 forth in former Article 2 (commencing with Section 39820) of  
36 Chapter 1 of Part 23.5 of Division 3 of Title 2, former Article 10  
37 (commencing with Section 41850) of Chapter 5 of Part 24 of  
38 Division 3 of Title 2, and the Small School District Transportation  
39 program, as set forth in former Article 4.5 (commencing with

1 Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as  
2 those articles read on January 1, 2013.

3 (ii) If a home-to-school transportation joint powers agency,  
4 established pursuant to Article 1 (commencing with Section 6500)  
5 of Chapter 5 of Division 7 of Title 1 of the Government Code for  
6 purposes of providing pupil transportation, received an  
7 apportionment directly from the Superintendent pursuant to Item  
8 6110-111-0001 of Section 2.00 of the Budget Act of 2012, as  
9 identified in clause (i) of subparagraph (A) of paragraph (2) of  
10 subdivision (a) of Section 2575, the joint powers agency may  
11 identify the member local educational agencies and transfer  
12 entitlement to that funding to any of those member local  
13 educational agencies by reporting to the Superintendent, on or  
14 before September 30, 2015, the reassignment of a specified amount  
15 of the joint powers agency's 2012-13 fiscal year entitlement to  
16 the member local educational agency. Commencing with the  
17 2015-16 fiscal year, the Superintendent shall add the reassigned  
18 amounts to the amounts calculated pursuant to this paragraph.

19 (B) On or before March 1, 2014, the Legislative Analyst's Office  
20 shall submit recommendations to the fiscal committees of both  
21 houses of the Legislature regarding revisions to the methods of  
22 funding pupil transportation that address historical funding  
23 inequities across county offices of education and school districts  
24 and improve incentives for local educational agencies to provide  
25 efficient and effective pupil transportation services.

26 (3) The difference determined by subtracting the amount  
27 calculated pursuant to paragraph (1) of subdivision (c) for pupils  
28 attending a school that is eligible for funding pursuant to paragraph  
29 (2) of subdivision (b) of Section 42285 from the amount of funding  
30 that is provided to eligible schools pursuant to Section 42284, if  
31 the difference is positive.

32 SEC. 2. Section 42238.02 of the Education Code is amended  
33 to read:

34 42238.02. (a) The amount computed pursuant to this section  
35 shall be known as the school district and charter school local  
36 control funding formula.

37 (b) (1) For purposes of this section "unduplicated pupil" means  
38 a pupil enrolled in a school district or a charter school who is either  
39 classified as an English learner, eligible for a free or reduced-price



1 meal, or is a foster youth. A pupil shall be counted only once for  
2 purposes of this section if any of the following apply:

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

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

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

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

11 (E) (i) *Commencing with the 2018–19 fiscal year, the pupil is*  
12 *classified as a member of the lowest performing subgroup or*  
13 *subgroups as defined in paragraph (7).*

14 (ii) *The implementation of clause (i) shall be contingent upon*  
15 *the appropriation of funds for its purpose in the annual Budget*  
16 *Act or other statute.*

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

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

32 (B) The Controller shall include the instructions necessary to  
33 enforce paragraph (2) in the audit guide required by Section  
34 14502.1. The instructions shall include, but are not necessarily  
35 limited to, procedures for determining if the English learner, foster  
36 youth, and free or reduced-price meal eligible pupil counts are  
37 consistent with the school district’s or charter school’s English  
38 learner, foster youth, and free or reduced-price meal eligible pupil  
39 records.

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

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

15 (A) For the 2013–14 fiscal year, divide the sum of unduplicated  
16 pupils for the 2013–14 fiscal year by the sum of the total pupil  
17 enrollment for the 2013–14 fiscal year.

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

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

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

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

38 (6) The data used to determine the percentage of unduplicated  
39 pupils shall be final once that data is no longer used in the current  
40 fiscal year calculation of the percentage of unduplicated pupils.

1 This paragraph does not apply to a change that is the result of an  
2 audit that has been appealed pursuant to Section 41344.

3 (7) (A) *Commencing with the 2018–19 fiscal year,*  
4 *“unduplicated pupil” shall also mean a pupil who is included in*  
5 *the lowest performing subgroup or subgroups, as defined in Section*  
6 *52052, based on the most recently available mathematics or*  
7 *language arts results on the California Assessment of Student*  
8 *Performance and Progress. For purposes of this paragraph, the*  
9 *Superintendent shall annually identify the lowest performing pupil*  
10 *subgroup or subgroups. For the 2018–19 fiscal year, the*  
11 *Superintendent shall use the 2017 assessment results.*

12 (B) *The identification of subgroups for purposes of this*  
13 *paragraph shall exclude both of the following:*

14 (i) *A subgroup already identified for supplemental funding in*  
15 *paragraph (1).*

16 (ii) *Any subgroup specifically receiving supplemental funding*  
17 *on a per-pupil basis through state or federal resources received*  
18 *from a source other than pursuant to this section.*

19 (C) *A subgroup identified in the 2018–19 fiscal year as a lowest*  
20 *performing subgroup shall continue to receive supplemental*  
21 *funding under this section until its performance meets or exceeds*  
22 *the highest performing subgroup of pupils in the state.*

23 (D) *The implementation of subparagraphs (A) to (C), inclusive,*  
24 *shall be contingent upon the appropriation of funds for its purpose*  
25 *in the annual Budget Act or other statute.*

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

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

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

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

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

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

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

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

15 (3) (A) The Superintendent shall compute an additional  
16 adjustment to the kindergarten and grades 1 to 3, inclusive, base  
17 grant as adjusted for inflation pursuant to paragraph (2) equal to  
18 10.4 percent. The additional grant shall be calculated by  
19 multiplying the kindergarten and grades 1 to 3, inclusive, base  
20 grant, as adjusted by paragraph (2), by 10.4 percent.

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

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

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

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

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

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

8 (C) School districts that have an average class enrollment for  
9 each schoolsite for kindergarten and grades 1 to 3, inclusive, of  
10 24 pupils or less for each schoolsite in the 2012–13 fiscal year,  
11 shall be exempt from the requirements of subparagraph (B) so long  
12 as the school district continues to maintain an average class  
13 enrollment for each schoolsite for kindergarten and grades 1 to 3,  
14 inclusive, of not more than 24 pupils, unless a collectively  
15 bargained alternative ratio is agreed to by the school district.

16 (D) Upon full implementation of the local control funding  
17 formula, as a condition of the receipt of funds in this paragraph,  
18 all school districts shall maintain an average class enrollment for  
19 each schoolsite for kindergarten and grades 1 to 3, inclusive, of  
20 not more than 24 pupils for each schoolsite in kindergarten and  
21 grades 1 to 3, inclusive, unless a collectively bargained alternative  
22 ratio is agreed to by the school district.

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

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

37 (4) The Superintendent shall compute an additional adjustment  
38 to the base grant for grades 9 to 12, inclusive, as adjusted for  
39 inflation pursuant to paragraph (2), equal to 2.6 percent. The  
40 additional grant shall be calculated by multiplying the base grant

1 for grades 9 to 12, inclusive, as adjusted by paragraph (2), by 2.6  
2 percent.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

25 (5) Fifty percent of the amount received pursuant to Section  
26 41603.

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

37 (7) The amount, if any, received pursuant to Sections 34177,  
38 34179.5, 34179.6, 34183, and 34188 of the Health and Safety  
39 Code.

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

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

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

12 (2) A school district that received funding on behalf of a locally  
13 funded charter school in the 2012–13 fiscal year pursuant to  
14 paragraph (2) of subdivision (b) of Section 42605, Section 42606,  
15 and subdivision (b) of Section 47634.1, as those sections read on  
16 January 1, 2013, or a school district that was required to pass  
17 through funding to a conversion charter school in the 2012–13  
18 fiscal year pursuant to paragraph (2) of subdivision (b) of Section  
19 42606, as that section read on January 1, 2013, may annually  
20 redirect for another purpose a percentage of the amount of the  
21 funding received on behalf of that charter school. The percentage  
22 of funding that may be redirected shall be determined pursuant to  
23 the following computation:

24 (A) (i) Determine the sum of the need fulfilled for that charter  
25 school pursuant to paragraph (3) of subdivision (b) of Section  
26 42238.03 in the then current fiscal year for the charter school.

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

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

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

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

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

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

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

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

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

O