

AMENDED IN SENATE AUGUST 26, 2022

AMENDED IN SENATE AUGUST 11, 2022

AMENDED IN SENATE AUGUST 1, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 2774

**Introduced by Assembly Member Akilah Weber
(Coauthor: Assembly Member Holden)**

February 18, 2022

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2774, as amended, Akilah 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 2023–24 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 and would authorize school districts and charter schools to review and revise their submitted data on pupils who are included in the lowest performing subgroup or subgroups, as provided. 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.

This bill would incorporate additional changes to Section 42238.02 of the Education Code proposed by AB 185 to be operative only if this bill and AB 185 are enacted and this bill is enacted last.

This bill would incorporate additional changes to Section 42238.02 of the Education Code proposed by SB 185 to be operative only if this bill and SB 185 are enacted and this bill is enacted last.

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.

1 (C) Fifty dollars (\$50) multiplied by the number of units of
2 countywide average daily attendance for the portion of countywide
3 average daily attendance, if any, above 60,000, up to a maximum
4 of 140,000 units.

5 (D) Forty dollars (\$40) multiplied by the number of units of
6 countywide average daily attendance for the portion of countywide
7 average daily attendance, if any, above 140,000 units.

8 (E) For purposes of this section, countywide average daily
9 attendance means the aggregate number of annual units of average
10 daily attendance within the county attributable to all school districts
11 for which the county superintendent of schools has jurisdiction
12 pursuant to Section 1253, charter schools authorized by school
13 districts for which the county superintendent of schools has
14 jurisdiction, and charter schools authorized by the county
15 superintendent of schools.

16 (4) For the 2014–15 fiscal year and each fiscal year thereafter,
17 adjust each of the rates provided in the prior year pursuant to
18 paragraphs (1), (2), and (3) by the percentage change in the annual
19 average value of the Implicit Price Deflator for State and Local
20 Government Purchases of Goods and Services for the United States,
21 as published by the United States Department of Commerce for
22 the 12-month period ending in the third quarter of the prior fiscal
23 year. This percentage change shall be determined using the latest
24 data available as of May 10 of the preceding fiscal year compared
25 with the annual average value of the same deflator for the 12-month
26 period ending in the third quarter of the second preceding fiscal
27 year, using the latest data available as of May 10 of the preceding
28 fiscal year, as reported by the Department of Finance.

29 (5) Commencing with the 2022–23 fiscal year, add one hundred
30 seventy-five thousand dollars (\$175,000) to the amount specified
31 in paragraph (2), as that rate was adjusted pursuant to paragraph
32 (4).

33 (6) Commencing with the 2022–23 fiscal year, add fourteen
34 dollars (\$14) to each of the amounts specified in subparagraphs
35 (A) to (D), inclusive, of paragraph (3), as those rates were adjusted
36 pursuant to paragraph (4).

37 (b) Determine the enrollment percentage of unduplicated pupils
38 pursuant to the following:

39 (1) (A) For the 2013–14 fiscal year, divide the enrollment of
40 unduplicated pupils in all schools operated by a county

1 superintendent of schools in the 2013–14 fiscal year by the total
2 enrollment in those schools in the 2013–14 fiscal year.

3 (B) For the 2014–15 fiscal year, divide the sum of the enrollment
4 of unduplicated pupils in all schools operated by a county
5 superintendent of schools in the 2013–14 and 2014–15 fiscal years
6 by the sum of the total enrollment in those schools in the 2013–14
7 and 2014–15 fiscal years.

8 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
9 divide the sum of the enrollment of unduplicated pupils in all
10 schools operated by a county superintendent of schools in the
11 current fiscal year and the two prior fiscal years by the sum of the
12 total enrollment in those schools in the current fiscal year and the
13 two prior fiscal years.

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

21 (ii) It is the intent of the Legislature to review each county office
22 of education's enrollment of unduplicated pupils for the 2013–14
23 and 2014–15 fiscal years and provide one-time funding, if
24 necessary, for a county office of education with higher enrollment
25 of unduplicated pupils in the 2014–15 fiscal year as compared to
26 the 2013–14 fiscal year.

27 (E) For purposes of determining the enrollment percentage of
28 unduplicated pupils pursuant to this subdivision, enrollment in
29 schools or classes established pursuant to Article 2.5 (commencing
30 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title
31 2 and the enrollment of pupils other than the pupils identified in
32 clauses (i) to (iii), inclusive, of subparagraph (A) of paragraph (4)
33 of subdivision (c), shall be excluded from the calculation of the
34 enrollment percentage of unduplicated pupils.

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

1 (2) (A) For purposes of this section, an “unduplicated pupil”
2 is a pupil who is classified as an English learner, eligible for a free
3 or reduced-price meal, or a foster youth. For purposes of this
4 section, the definitions in Section 42238.01 of an English learner,
5 a pupil eligible for a free or reduced-price meal, and foster youth
6 shall apply. A pupil shall be counted only once for purposes of
7 this section if any of the following apply:

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

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

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

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

16 (v) (I) Commencing with the 2023–24 fiscal year, the pupil is
17 classified as a member of the lowest performing subgroup or
18 subgroups, as defined in paragraph (7) of subdivision (b) of Section
19 42238.02, and the pupil is also described in any of clauses (i) to
20 (iv), inclusive.

21 (II) The implementation of subclause (I) shall be contingent
22 upon the appropriation of funds for its purpose in the annual Budget
23 Act or other statute.

24 (B) (i) Commencing with the 2023–24 fiscal year, “unduplicated
25 pupil” shall also mean a pupil who is included in the lowest
26 performing subgroup or subgroups, as identified pursuant to
27 paragraph (7) of subdivision (b) of Section 42238.02.

28 (ii) The implementation of clause (i) shall be contingent upon
29 the appropriation of funds for its purpose in the annual Budget Act
30 or other statute.

31 (3) (A) (i) Under procedures and timeframes established by
32 the Superintendent, commencing with the 2013–14 fiscal year, a
33 county superintendent of schools annually shall report the
34 enrollment of unduplicated pupils, pupils classified as English
35 learners, pupils eligible for free and reduced-price meals, and foster
36 youth in schools operated by the county superintendent of schools
37 to the Superintendent using the California Longitudinal Pupil
38 Achievement Data System.

39 (ii) (I) Commencing with the 2023–24 fiscal year, a county
40 superintendent of schools annually shall also report the enrollment

1 of pupils in schools operated by the county superintendent of
2 schools who are classified as members of the lowest performing
3 subgroup or subgroups, as identified pursuant to paragraph (7) of
4 subdivision (b) of Section 42238.02.

5 (II) The implementation of subclause (I) shall be contingent
6 upon the appropriation of funds for its purpose in the annual Budget
7 Act or other statute.

8 (B) The Superintendent shall make the calculations pursuant to
9 this section using the data submitted through the California
10 Longitudinal Pupil Achievement Data System.

11 (C) The Controller shall include instructions, as appropriate, in
12 the audit guide required by subdivision (a) of Section 14502.1, for
13 determining if the data reported by a county superintendent of
14 schools using the California Longitudinal Pupil Achievement Data
15 System is consistent with pupil data records maintained by the
16 county office of education.

17 (c) Compute an alternative education grant equal to the sum of
18 the following:

19 (1) (A) For the 2013–14 fiscal year, a base grant equal to the
20 2012–13 per pupil undeficit statewide average juvenile court
21 school base revenue limit calculated pursuant to Article 3
22 (commencing with Section 2550) of Chapter 12, as that article
23 read on January 1, 2013. For purposes of this subparagraph, the
24 2012–13 statewide average juvenile court school base revenue
25 limit shall be considered final as of the annual apportionment for
26 the 2012–13 fiscal year, as calculated for purposes of the
27 certification required on or before February 20, 2014, pursuant to
28 Sections 41332 and 41339.

29 (B) Commencing with the 2013–14 fiscal year, the per pupil
30 base grant shall be adjusted by the percentage change in the annual
31 average value of the Implicit Price Deflator for State and Local
32 Government Purchases of Goods and Services for the United States,
33 as published by the United States Department of Commerce for
34 the 12-month period ending in the third quarter of the prior fiscal
35 year. This percentage change shall be determined using the latest
36 data available as of May 10 of the preceding fiscal year compared
37 with the annual average value of the same deflator for the 12-month
38 period ending in the third quarter of the second preceding fiscal
39 year, using the latest data available as of May 10 of the preceding
40 fiscal year, as reported by the Department of Finance.

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

6 (3) (A) A concentration grant equal to 35 percent of the base
7 grant described in paragraph (1) multiplied by the greater of either
8 of the following:

9 (i) The enrollment percentage calculated in subdivision (b) less
10 50 percent.

11 (ii) Zero.

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

14 (4) (A) Multiply the sum of paragraphs (1), (2), and (3) by the
15 total number of units of average daily attendance for pupils
16 attending schools operated by a county office of education,
17 excluding units of average daily attendance for pupils attending
18 schools or classes established pursuant to Article 2.5 (commencing
19 with Section 48645) of Chapter 4 of Part 27 of Division 4 of Title
20 2, who are enrolled pursuant to any of the following:

21 (i) Probation-referred pursuant to Sections 300, 601, 602, and
22 654 of the Welfare and Institutions Code.

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

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

26 (B) Multiply the number of units of average daily attendance
27 for pupils attending schools or classes established pursuant to
28 Article 2.5 (commencing with Section 48645) of Chapter 4 of Part
29 27 of Division 4 of Title 2 by the sum of the base grant calculated
30 pursuant to paragraph (1), a supplemental grant equal to 35 percent
31 of the base grant calculated pursuant to paragraph (1), and a
32 concentration grant equal to 17.5 percent of the base grant
33 calculated pursuant to paragraph (1). Funds provided for the
34 supplemental and concentration grants pursuant to this calculation
35 shall be expended in accordance with the regulations adopted
36 pursuant to Section 42238.07.

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

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

1 (e) Add all of the following to the amount calculated in
2 subdivision (d):

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

9 (2) (A) The amount of funding a county superintendent of
10 schools received for the 2012–13 fiscal year from funds allocated
11 pursuant to the Home-to-School Transportation program, as set
12 forth in former Article 2 (commencing with Section 39820) of
13 Chapter 1 of Part 23.5 of Division 3 of Title 2, former Article 10
14 (commencing with Section 41850) of Chapter 5 of Part 24 of
15 Division 3 of Title 2, and the Small School District Transportation
16 program, as set forth in former Article 4.5 (commencing with
17 Section 42290) of Chapter 7 of Part 24 of Division 3 of Title 2, as
18 those articles read on January 1, 2013.

19 (B) If a home-to-school transportation joint powers agency,
20 established pursuant to Article 1 (commencing with Section 6500)
21 of Chapter 5 of Division 7 of Title 1 of the Government Code for
22 purposes of providing pupil transportation, received an
23 apportionment directly from the Superintendent pursuant to Item
24 6110-111-0001 of Section 2.00 of the Budget Act of 2012, as
25 identified in clause (i) of subparagraph (A) of paragraph (2) of
26 subdivision (a) of Section 2575, the joint powers agency may
27 identify the member local educational agencies and transfer
28 entitlement to that funding to any of those member local
29 educational agencies by reporting to the Superintendent, on or
30 before September 30, 2015, the reassignment of a specified amount
31 of the joint powers agency's 2012–13 fiscal year entitlement to
32 the member local educational agency. Commencing with the
33 2015–16 fiscal year, the Superintendent shall add the reassigned
34 amounts to the amounts calculated pursuant to this paragraph.

35 (C) Commencing in the 2023–24 fiscal year, the add-on amounts
36 referenced in subparagraphs (A) and (B) shall receive the annual
37 cost-of-living adjustment specified in subparagraph (B) of
38 paragraph (1) of subdivision (c).

39 SEC. 2. Section 42238.02 of the Education Code is amended
40 to read:

1 42238.02. (a) The amount computed pursuant to this section
2 shall be known as the school district and charter school local
3 control funding formula.

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

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

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

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

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

17 (E) (i) Commencing with the 2023–24 fiscal year, the pupil is
18 classified as a member of the lowest performing subgroup or
19 subgroups as defined in paragraph (7), and the pupil is also
20 described in any of subparagraphs (A) to (D), inclusive.

21 (ii) The implementation of clause (i) shall be contingent upon
22 the appropriation of funds for its purpose in the annual Budget Act
23 or other statute.

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

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

39 (B) The Controller shall include the instructions necessary to
40 enforce paragraph (2) in the audit guide required by Section

1 14502.1. The instructions shall include, but are not necessarily
2 limited to, procedures for determining if the English learner, foster
3 youth, and free or reduced-price meal eligible pupil counts are
4 consistent with the school district's or charter school's English
5 learner, foster youth, and free or reduced-price meal eligible pupil
6 records.

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

16 (B) (i) In addition, under the timeframes and procedures
17 established by the Superintendent, school districts and charter
18 schools may review and revise their submitted data on pupils who
19 are included in the lowest performing subgroup or subgroups
20 pursuant to paragraph (7).

21 (ii) The implementation of clause (i) shall be contingent upon
22 the appropriation of funds for its purpose in the annual Budget Act
23 or other statute.

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

29 (A) For the 2013–14 fiscal year, divide the sum of unduplicated
30 pupils for the 2013–14 fiscal year by the sum of the total pupil
31 enrollment for the 2013–14 fiscal year.

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

35 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
36 divide the sum of unduplicated pupils for the current fiscal year
37 and the two prior fiscal years by the sum of the total pupil
38 enrollment for the current fiscal year and the two prior fiscal years.

39 (D) (i) For purposes of the quotients determined pursuant to
40 subparagraphs (B) and (C), the Superintendent shall use a school

1 district's or charter school's enrollment of unduplicated pupils and
2 total pupil enrollment in the 2014–15 fiscal year instead of the
3 enrollment of unduplicated pupils and total pupil enrollment in
4 the 2013–14 fiscal year if doing so would yield an overall greater
5 percentage of unduplicated pupils.

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

12 (E) (i) Notwithstanding any other law, for purposes of
13 subparagraph (C), the unduplicated pupils and total pupil
14 enrollment in prior fiscal years shall be the following:

15 (I) For a transferred charter school, the counts shall be equal to
16 the counts reported for the original charter school.

17 (II) For an acquiring charter school, the counts shall be equal
18 to the counts reported for the original charter school. This subclause
19 shall become inoperative on July 1, 2025, unless its operation is
20 extended by the Legislature.

21 (III) For the restructured portions of a divided charter school,
22 the counts shall be zero.

23 (IV) For the remaining portion of a divided charter school, the
24 counts shall be equal to the counts reported for the original charter
25 school.

26 (ii) The definitions in Section 47654 apply for purposes of this
27 subparagraph.

28 (6) Notwithstanding subdivision (a) of Section 14002, the data
29 used to determine the percentage of unduplicated pupils shall be
30 final once that data is no longer used in the current fiscal year
31 calculation of the percentage of unduplicated pupils. This paragraph
32 does not apply to a change that is the result of an audit exception,
33 as described in paragraph (2) of subdivision (a) of Section 41341.

34 (7) (A) Commencing with the 2023–24 fiscal year,
35 “unduplicated pupil” shall also mean a pupil who is included in
36 the lowest performing subgroup or subgroups, as defined in Section
37 52052, based on the most recently available results of the California
38 Assessment of Student Performance and Progress (CAASPP)
39 Smarter Balanced Summative Assessments for English language
40 arts (ELA) and mathematics. “Lowest performing subgroup” means

1 the subgroup with the lowest percentage of pupils who scored in
2 levels 3 and 4 on either the CAASPP Smarter Balanced Summative
3 Assessments for ELA or for mathematics. In the event that the
4 lowest performing subgroup in ELA is a different subgroup than
5 the lowest performing subgroup in mathematics, a pupil belonging
6 to either subgroup shall be considered an unduplicated pupil. For
7 purposes of this paragraph, the Superintendent shall annually
8 identify the lowest performing pupil subgroup or subgroups. For
9 the 2023–24 fiscal year, the Superintendent shall use the 2019
10 assessment results.

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

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

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

18 (C) A subgroup identified in the 2023–24 fiscal year as a lowest
19 performing subgroup shall continue to receive supplemental
20 funding under this section until its performance meets or exceeds
21 the highest performing subgroup of pupils in the state. “Highest
22 performing subgroup” means the subgroup with the highest
23 percentage of pupils who scored in levels 3 and 4 on either the
24 CAASPP Smarter Balanced Summative Assessments for ELA or
25 for mathematics. In the event that the highest performing subgroup
26 in ELA is a different subgroup than the highest performing
27 subgroup in mathematics, for purposes of this section, the subgroup
28 identified in the 2023–24 fiscal year as a lowest performing
29 subgroup shall be compared to the highest performing subgroup
30 in each specific subject area.

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

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

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

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

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

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

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

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

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

22 (3) (A) The Superintendent shall compute an additional
23 adjustment to the kindergarten and grades 1 to 3, inclusive, base
24 grant as adjusted pursuant to paragraphs (2) and (5) equal to 10.4
25 percent. The additional grant shall be calculated by multiplying
26 the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted
27 by paragraphs (2) and (5), by 10.4 percent.

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

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

1 (ii) Determine a school district's proportion of total need
2 pursuant to paragraph (2) of subdivision (b) of Section 42238.03.
3 (iii) Determine the percentage of the need calculated in clause
4 (ii) that is met by funding provided to the school district pursuant
5 to paragraph (3) of subdivision (b) of Section 42238.03.

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

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

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

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

28 (ii) Notwithstanding clause (i), a school district shall maintain
29 an average transitional kindergarten class enrollment of not more
30 than 24 pupils for each schoolsite consistent with the requirements
31 of paragraph (1) of subdivision (g) of Section 48000.

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

36 (F) The Controller shall include the instructions necessary to
37 enforce this paragraph in the audit guide required by Section
38 14502.1. The instructions shall include, but are not necessarily
39 limited to, procedures for determining if the average class
40 enrollment for each schoolsite for kindergarten and grades 1 to 3,

1 inclusive, exceeds 24 pupils, or an alternative average class
2 enrollment for each schoolsite pursuant to a collectively bargained
3 alternative ratio. The procedures for determining average class
4 enrollment for each schoolsite shall include criteria for employing
5 sampling.

6 (4) The Superintendent shall compute an additional adjustment
7 to the base grant for grades 9 to 12, inclusive, as adjusted pursuant
8 to paragraphs (2) and (5), equal to 2.6 percent. The additional grant
9 shall be calculated by multiplying the base grant for grades 9 to
10 12, inclusive, as adjusted by paragraphs (2) and (5) by 2.6 percent.

11 (5) For the 2022–23 fiscal year, the Superintendent shall increase
12 the base grants for kindergarten and grades 1 to 12, inclusive, by
13 6.28 percent. This adjustment shall be calculated by multiplying
14 the grade span-adjusted base grants calculated pursuant to
15 paragraph (2) for the 2021–22 fiscal year by 6.28 percent. The
16 adjustment shall be included in grade span-adjusted base grants
17 amounts for purposes of the adjustment pursuant to paragraph (2)
18 commencing with the 2023–24 fiscal year.

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

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

1 calculated by multiplying the base grants as specified in
2 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
3 (d), as adjusted by paragraphs (2) to (5), inclusive, of subdivision
4 (d), by 50 percent and by the percentage of unduplicated pupils
5 calculated pursuant to paragraph (5) of subdivision (b) in excess
6 of 55 percent of the total enrollment in that school district or charter
7 school.

8 (B) Commencing with the 2021–22 fiscal year, the concentration
9 grant add-on referenced in subparagraph (A) shall instead be equal
10 to 65 percent of the base grants as specified in subparagraphs (A)
11 to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted
12 by paragraphs (2) to (5), inclusive, of subdivision (d), for each
13 school district's or charter school's percentage of unduplicated
14 pupils calculated pursuant to paragraph (5) of subdivision (b) in
15 excess of 55 percent of the school district's or charter school's
16 total enrollment. The concentration grant shall be calculated by
17 multiplying the base grants as specified in subparagraphs (A) to
18 (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by
19 paragraphs (2) to (5), inclusive, of subdivision (d), by 65 percent
20 and by the percentage of unduplicated pupils calculated pursuant
21 to paragraph (5) of subdivision (b) in excess of 55 percent of the
22 total enrollment in that school district or charter school.

23 (2) (A) For a charter school physically located in only one
24 school district, the percentage of unduplicated pupils calculated
25 pursuant to paragraph (5) of subdivision (b) in excess of 55 percent
26 used to calculate concentration grants shall not exceed the
27 percentage of unduplicated pupils calculated pursuant to paragraph
28 (5) of subdivision (b) in excess of 55 percent of the school district
29 in which the charter school is physically located. For a charter
30 school physically located in more than one school district, the
31 charter school's percentage of unduplicated pupils calculated
32 pursuant to paragraph (5) of subdivision (b) in excess of 55 percent
33 used to calculate concentration grants shall not exceed that of the
34 school district with the highest percentage of unduplicated pupils
35 calculated pursuant to paragraph (5) of subdivision (b) in excess
36 of 55 percent of the school districts in which the charter school
37 has a school facility. The concentration grant shall be expended
38 in accordance with the regulations adopted pursuant to Section
39 42238.07.

1 (B) For purposes of this paragraph and subparagraph (A) of
2 paragraph (1) of subdivision (f) of Section 42238.03, a charter
3 school shall report its physical location to the department under
4 timeframes established by the department. For a charter school
5 authorized by a school district, the department shall include the
6 authorizing school district in the department's determination of
7 physical location. For a charter school authorized on appeal
8 pursuant to subdivision (k) of Section 47605, the department shall
9 include the school district that initially denied the petition in the
10 department's determination of physical location. Notwithstanding
11 subdivision (a) of Section 14002, the reported physical location
12 of the charter school shall be considered final as of the second
13 principal apportionment for that fiscal year, and, for purposes of
14 this paragraph, the percentage of unduplicated pupils of the school
15 district associated with the charter school pursuant to subparagraph
16 (A) shall be considered final as of the second principal
17 apportionment for that fiscal year.

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

31 (2) Notwithstanding Section 42238.05, commencing with the
32 2022–23 fiscal year, the Superintendent shall compute an add-on
33 to the total sum of a school district's or charter school's base,
34 supplemental, and concentration grants equal to two thousand eight
35 hundred thirteen dollars (\$2,813) multiplied by the then current
36 fiscal year's second principal apportionment period average daily
37 attendance in transitional kindergarten. Commencing with the
38 2023–24 fiscal year, the add-on computed pursuant to this
39 paragraph shall be adjusted by the percentage change applied
40 pursuant to paragraph (2) of subdivision (d). It is the intent of the

1 Legislature that the costs to meet the requirements of paragraph
2 (2) of subdivision (g) of Section 48000 be supported by the add-on
3 computed pursuant to this paragraph.

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

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

38 (3) Commencing in the 2023–24 fiscal year, the add-on amounts
39 referenced in paragraphs (1) and (2) shall receive the annual

1 cost-of-living adjustment specified in paragraph (2) of subdivision
2 (d).

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

6 (A) For school districts, the average daily attendance of the
7 school district in the corresponding grade level ranges computed
8 pursuant to Section 42238.05, excluding the average daily
9 attendance computed pursuant to paragraph (2) of subdivision (a)
10 of Section 42238.05 for purposes of the computation specified in
11 subdivision (d).

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

14 (2) The amount computed pursuant to Article 4 (commencing
15 with Section 42280) shall be added to the amount computed
16 pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as
17 multiplied by subparagraph (A) or (B) of paragraph (1), as
18 appropriate.

19 (j) The Superintendent shall adjust the sum of each school
20 district's or charter school's amount determined in subdivisions
21 (g) to (i), inclusive, pursuant to the calculation specified in Section
22 42238.03, less the sum of the following:

23 (1) (A) For school districts, the property tax revenue received
24 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
25 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
26 Revenue and Taxation Code.

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

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

32 (3) The amount, if any, received pursuant to Chapter 3
33 (commencing with Section 16140) of Part 1 of Division 4 of Title
34 2 of the Government Code.

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

36 (5) Fifty percent of the amount received pursuant to Section
37 41603.

38 (6) The amount, if any, received pursuant to the Community
39 Redevelopment Law (Part 1 (commencing with Section 33000)
40 of Division 24 of the Health and Safety Code), less any amount

1 received pursuant to Section 33401 or 33676 of the Health and
2 Safety Code that is used for land acquisition, facility construction,
3 reconstruction, or remodeling, or deferred maintenance and that
4 is not an amount received pursuant to Section 33492.15, or
5 paragraph (4) of subdivision (a) of Section 33607.5, or Section
6 33607.7 of the Health and Safety Code that is allocated exclusively
7 for educational facilities.

8 (7) The amount, if any, received pursuant to Sections 34177,
9 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
10 Code.

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

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

16 (l) (1) This section does not authorize a school district that
17 receives funding on behalf of a charter school pursuant to Section
18 47651 to redirect this funding for another purpose unless otherwise
19 authorized in law pursuant to paragraph (2) or pursuant to an
20 agreement between the charter school and its chartering authority.

21 (2) A school district that received funding on behalf of a locally
22 funded charter school in the 2012–13 fiscal year pursuant to
23 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
24 and subdivision (b) of Section 47634.1, as those sections read on
25 January 1, 2013, or a school district that was required to pass
26 through funding to a conversion charter school in the 2012–13
27 fiscal year pursuant to paragraph (2) of subdivision (b) of Section
28 42606, as that section read on January 1, 2013, may annually
29 redirect for another purpose a percentage of the amount of the
30 funding received on behalf of that charter school. The percentage
31 of funding that may be redirected shall be determined pursuant to
32 the following computation:

33 (A) (i) Determine the sum of the need fulfilled for that charter
34 school pursuant to paragraph (3) of subdivision (b) of Section
35 42238.03 in the then current fiscal year for the charter school.

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

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

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

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

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

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

27 (m) Any calculations in law that are used for purposes of
28 determining if a local educational agency is an excess tax school
29 entity or basic aid school district, including, but not limited to, this
30 section and Sections 41544, 42238.03, 47632, 47660, 47663,
31 48310, and 48359.5, and Section 95 of the Revenue and Taxation
32 Code, shall exclude the revenue received pursuant to subparagraph
33 (B) of paragraph (3) of subdivision (e) of Section 36 of Article
34 XIII of the California Constitution.

35 (n) The funds apportioned pursuant to this section and Section
36 42238.03 shall be available to implement the activities required
37 pursuant to Article 4.5 (commencing with Section 52059.5) of
38 Chapter 6.1 of Part 28 of Division 4.

39 (o) A school district that does not receive an apportionment of
40 state funds pursuant to this section, as implemented pursuant to

1 Section 42238.03, excluding funds apportioned pursuant to the
2 requirements of subparagraph (A) of paragraph (2) of subdivision
3 (e) of Section 42238.03, shall be considered a “basic aid school
4 district” or an “excess tax entity.”

5 *SEC. 2.1. Section 42238.02 of the Education Code is amended
6 to read:*

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

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

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

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

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

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

23 (E) (i) *Commencing with the 2023–24 fiscal year, the pupil is
24 classified as a member of the lowest performing subgroup or
25 subgroups as defined in paragraph (7), and the pupil is also
26 described in any of subparagraphs (A) to (D), inclusive.*

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

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

36 (3) (A) Commencing with the 2013–14 fiscal year, a county
37 office of education shall review and validate certified aggregate
38 English learner, foster youth, and free or reduced-price meal
39 eligible pupil data for school districts and charter schools under
40 its jurisdiction to ensure the data is reported accurately. The

1 Superintendent shall provide each county office of education with
2 appropriate access to school district and charter school data reports
3 in the California Longitudinal Pupil Achievement Data System
4 for purposes of ensuring data reporting accuracy.

5 (B) The Controller shall include the instructions necessary to
6 enforce paragraph (2) in the audit guide required by Section
7 14502.1. The instructions shall include, but are not necessarily
8 limited to, procedures for determining if the English learner, foster
9 youth, and free or reduced-price meal eligible pupil counts are
10 consistent with the school district's or charter school's English
11 learner, foster youth, and free or reduced-price meal eligible pupil
12 records.

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

22 (B) (i) *In addition, under the timeframes and procedures
23 established by the Superintendent, school districts and charter
24 schools may review and revise their submitted data on pupils who
25 are included in the lowest performing subgroup or subgroups
26 pursuant to paragraph (7).*

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

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

35 (A) For the 2013–14 fiscal year, divide the sum of unduplicated
36 pupils for the 2013–14 fiscal year by the sum of the total pupil
37 enrollment for the 2013–14 fiscal year.

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

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

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

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

18 (E) (i) Notwithstanding any other law, for purposes of
19 subparagraph (C), the unduplicated pupils and total pupil
20 enrollment in prior fiscal years shall be the following:

21 (I) For a transferred charter school, the counts shall be equal to
22 the counts reported for the original charter school.

23 (II) For an acquiring charter school, the counts shall be equal
24 to the counts reported for the original charter school. This subclause
25 shall become inoperative on July 1, 2025, unless its operation is
26 extended by the Legislature.

27 (III) For the restructured portions of a divided charter school,
28 the counts shall be zero.

29 (IV) For the remaining portion of a divided charter school, the
30 counts shall be equal to the counts reported for the original charter
31 school.

32 (ii) The definitions in Section 47654 apply for purposes of this
33 subparagraph.

34 (6) Notwithstanding subdivision (a) of Section 14002, the data
35 used to determine the percentage of unduplicated pupils shall be
36 final once that data is no longer used in the current fiscal year
37 calculation of the percentage of unduplicated pupils. This paragraph
38 does not apply to a change that is the result of an audit exception,
39 as described in paragraph (2) of subdivision (a) of Section 41341.

1 (7) (A) Commencing with the 2023–24 fiscal year,
2 “unduplicated pupil” shall also mean a pupil who is included in
3 the lowest performing subgroup or subgroups, as defined in Section
4 52052, based on the most recently available results of the
5 California Assessment of Student Performance and Progress
6 (CAASPP) Smarter Balanced Summative Assessments for English
7 language arts (ELA) and mathematics. “Lowest performing
8 subgroup” means the subgroup with the lowest percentage of
9 pupils who scored in levels 3 and 4 on either the CAASPP Smarter
10 Balanced Summative Assessments for ELA or for mathematics. In
11 the event that the lowest performing subgroup in ELA is a different
12 subgroup than the lowest performing subgroup in mathematics, a
13 pupil belonging to either subgroup shall be considered an
14 unduplicated pupil. For purposes of this paragraph, the
15 Superintendent shall annually identify the lowest performing pupil
16 subgroup or subgroups. For the 2023–24 fiscal year, the
17 Superintendent shall use the 2019 assessment results.

18 (B) The identification of subgroups for purposes of this
19 paragraph shall exclude both of the following:

20 (i) A subgroup already identified for supplemental funding in
21 paragraph (1).

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

25 (C) A subgroup identified in the 2023–24 fiscal year as a lowest
26 performing subgroup shall continue to receive supplemental
27 funding under this section until its performance meets or exceeds
28 the highest performing subgroup of pupils in the state. “Highest
29 performing subgroup” means the subgroup with the highest
30 percentage of pupils who scored in levels 3 and 4 on either the
31 CAASPP Smarter Balanced Summative Assessments for ELA or
32 for mathematics. In the event that the highest performing subgroup
33 in ELA is a different subgroup than the highest performing
34 subgroup in mathematics, for purposes of this section, the subgroup
35 identified in the 2023–24 fiscal year as a lowest performing
36 subgroup shall be compared to the highest performing subgroup
37 in each specific subject area.

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

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

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

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

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

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

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

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

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

29 (3) (A) The Superintendent shall compute an additional
30 adjustment to the kindergarten and grades 1 to 3, inclusive, base
31 grant as adjusted pursuant to paragraphs (2) and (5) equal to 10.4
32 percent. The additional grant shall be calculated by multiplying
33 the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted
34 by paragraphs (2) and (5), by 10.4 percent.

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

1 schoolsite in those grades is agreed to by the school district,
2 pursuant to the following calculation:

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

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

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

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

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

20 (C) School districts that have an average class enrollment for
21 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
22 24 pupils or less for each schoolsite in the 2012–13 fiscal year,
23 shall be exempt from the requirements of subparagraph (B) so long
24 as the school district continues to maintain an average class
25 enrollment for each schoolsite for kindergarten and grades 1 to 3,
26 inclusive, of not more than 24 pupils, unless a collectively
27 bargained alternative ratio is agreed to by the school district.

28 (D) (i) Upon full implementation of the local control funding
29 formula, as a condition of the receipt of funds in this paragraph,
30 all school districts shall maintain an average class enrollment for
31 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
32 not more than 24 pupils for each schoolsite in kindergarten and
33 grades 1 to 3, inclusive, unless a collectively bargained alternative
34 ratio is agreed to by the school district.

35 (ii) Notwithstanding clause (i), *for purposes of meeting the*
36 *requirements of paragraph (1) of subdivision (g) of Section 48000,*
37 *a school district shall maintain an average transitional kindergarten*
38 *class enrollment of not more than 24 pupils for each schoolsite*
39 ~~*consistent with the requirements of paragraph (1) of subdivision*~~
40 ~~*(g) of Section 48000.*~~ *schoolsites.*

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

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

15 (4) The Superintendent shall compute an additional adjustment
16 to the base grant for grades 9 to 12, inclusive, as adjusted pursuant
17 to paragraphs (2) and (5), equal to 2.6 percent. The additional grant
18 shall be calculated by multiplying the base grant for grades 9 to
19 12, inclusive, as adjusted by paragraphs (2) and (5) by 2.6 percent.

20 (5) For the 2022–23 fiscal year, the Superintendent shall increase
21 the base grants for kindergarten and grades 1 to 12, inclusive, by
22 6.28 6.7 percent. This adjustment shall be calculated by multiplying
23 the grade span-adjusted base grants calculated pursuant to
24 paragraph (2) for the 2021–22 fiscal year by 6.28 6.7 percent. The
25 adjustment shall be included in grade span-adjusted base grants
26 amounts for purposes of the adjustment pursuant to paragraph (2)
27 commencing with the 2023–24 fiscal year.

28 (e) The Superintendent shall compute a supplemental grant
29 add-on equal to 20 percent of the base grants as specified in
30 subparagraphs (A) to (D), inclusive, of paragraph (1) of subdivision
31 (d), as adjusted by paragraphs (2) to (5), inclusive, of subdivision
32 (d), for each school district's or charter school's percentage of
33 unduplicated pupils calculated pursuant to paragraph (5) of
34 subdivision (b). The supplemental grant shall be calculated by
35 multiplying the base grants as specified in subparagraphs (A) to
36 (D), inclusive, of paragraph (1), as adjusted by paragraphs (2) to
37 (5), inclusive, of subdivision (d), by 20 percent and by the
38 percentage of unduplicated pupils calculated pursuant to paragraph
39 (5) of subdivision (b) in that school district or charter school. The

1 supplemental grant shall be expended in accordance with the
2 regulations adopted pursuant to Section 42238.07.

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

18 (B) Commencing with the 2021–22 fiscal year, the concentration
19 grant add-on referenced in subparagraph (A) shall instead be equal
20 to 65 percent of the base grants as specified in subparagraphs (A)
21 to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted
22 by paragraphs (2) to (5), inclusive, of subdivision (d), for each
23 school district's or charter school's percentage of unduplicated
24 pupils calculated pursuant to paragraph (5) of subdivision (b) in
25 excess of 55 percent of the school district's or charter school's
26 total enrollment. The concentration grant shall be calculated by
27 multiplying the base grants as specified in subparagraphs (A) to
28 (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by
29 paragraphs (2) to (5), inclusive, of subdivision (d), by 65 percent
30 and by the percentage of unduplicated pupils calculated pursuant
31 to paragraph (5) of subdivision (b) in excess of 55 percent of the
32 total enrollment in that school district or charter school.

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

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

10 (B) For purposes of this paragraph and subparagraph (A) of
11 paragraph (1) of subdivision (f) of Section 42238.03, a charter
12 school shall report its physical location to the department under
13 timeframes established by the department. For a charter school
14 authorized by a school district, the department shall include the
15 authorizing school district in the department's determination of
16 physical location. For a charter school authorized on appeal
17 pursuant to subdivision (k) of Section 47605, the department shall
18 include the school district that initially denied the petition in the
19 department's determination of physical location. Notwithstanding
20 subdivision (a) of Section 14002, the reported physical location
21 of the charter school shall be considered final as of the second
22 principal apportionment for that fiscal year, and, for purposes of
23 this paragraph, the percentage of unduplicated pupils of the school
24 district associated with the charter school pursuant to subparagraph
25 (A) shall be considered final as of the second principal
26 apportionment for that fiscal year.

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

1 (2) Notwithstanding Section 42238.05, commencing with the
2 2022–23 fiscal year, the Superintendent shall compute an add-on
3 to the total sum of a school district’s or charter school’s base,
4 supplemental, and concentration grants equal to two thousand eight
5 hundred thirteen dollars (\$2,813) multiplied by the then current
6 fiscal year’s second principal apportionment period average daily
7 attendance in transitional kindergarten. Commencing with the
8 2023–24 fiscal year, the add-on computed pursuant to this
9 paragraph shall be adjusted by the percentage change applied
10 pursuant to paragraph (2) of subdivision (d). It is the intent of the
11 Legislature that the costs to meet the requirements of paragraph
12 (2) of subdivision (g) of Section 48000 be supported by the add-on
13 computed pursuant to this paragraph.

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

30 (2) If a home-to-school transportation joint powers agency,
31 established pursuant to Article 1 (commencing with Section 6500)
32 of Chapter 5 of Division 7 of Title 1 of the Government Code for
33 purposes of providing pupil transportation, received an
34 apportionment directly from the Superintendent from any of the
35 funding sources specified in paragraph (1) for the 2012–13 fiscal
36 year, the joint powers agency may identify the member local
37 educational agencies and transfer entitlement to that funding to
38 any of those member local educational agencies by reporting to
39 the Superintendent, on or before September 30, 2015, the
40 reassignment of a specified amount of the joint powers agency’s

1 2012–13 fiscal year entitlement to the member local educational
2 agency. Commencing with the 2015–16 fiscal year, the
3 Superintendent shall compute an add-on to the total sum of a school
4 district’s or charter school’s base, supplemental, and concentration
5 grants equal to the amount of the entitlement to funding transferred
6 by the joint powers agency to the member school district or charter
7 school.

8 (3) Commencing in the 2023–24 fiscal year, the add-on amounts
9 referenced in paragraphs (1) and (2) shall receive the annual
10 cost-of-living adjustment specified in paragraph (2) of subdivision
11 (d).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (l) (1) This section does not authorize a school district that
26 receives funding on behalf of a charter school pursuant to Section
27 47651 to redirect this funding for another purpose unless otherwise
28 authorized in law pursuant to paragraph (2) or pursuant to an
29 agreement between the charter school and its chartering authority.

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

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

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

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

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

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

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

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

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

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

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

5 (n) The funds apportioned pursuant to this section and Section
6 42238.03 shall be available to implement the activities required
7 pursuant to Article 4.5 (commencing with Section 52059.5) of
8 Chapter 6.1 of Part 28 of Division 4.

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

15 *SEC. 2.2 Section 42238.02 of the Education Code is amended
16 to read:*

17 42238.02. (a) The amount computed pursuant to this section
18 shall be known as the school district and charter school local
19 control funding formula.

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

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

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

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

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

33 (E) (i) *Commencing with the 2023–24 fiscal year, the pupil is
34 classified as a member of the lowest performing subgroup or
35 subgroups as defined in paragraph (7), and the pupil is also
36 described in any of subparagraphs (A) to (D), inclusive.*

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

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

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

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

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

33 (B) (i) *In addition, under the timeframes and procedures
34 established by the Superintendent, school districts and charter
35 schools may review and revise their submitted data on pupils who
36 are included in the lowest performing subgroup or subgroups
37 pursuant to paragraph (7).*

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

1 (5) The Superintendent shall annually compute the percentage
2 of unduplicated pupils for each school district and charter school
3 by dividing the enrollment of unduplicated pupils in a school
4 district or charter school by the total enrollment in that school
5 district or charter school pursuant to all of the following:

6 (A) For the 2013–14 fiscal year, divide the sum of unduplicated
7 pupils for the 2013–14 fiscal year by the sum of the total pupil
8 enrollment for the 2013–14 fiscal year.

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

12 (C) For the 2015–16 fiscal year and each fiscal year thereafter,
13 divide the sum of unduplicated pupils for the current fiscal year
14 and the two prior fiscal years by the sum of the total pupil
15 enrollment for the current fiscal year and the two prior fiscal years.

16 (D) (i) For purposes of the quotients determined pursuant to
17 subparagraphs (B) and (C), the Superintendent shall use a school
18 district's or charter school's enrollment of unduplicated pupils and
19 total pupil enrollment in the 2014–15 fiscal year instead of the
20 enrollment of unduplicated pupils and total pupil enrollment in
21 the 2013–14 fiscal year if doing so would yield an overall greater
22 percentage of unduplicated pupils.

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

29 (E) (i) Notwithstanding any other law, for purposes of
30 subparagraph (C), the unduplicated pupils and total pupil
31 enrollment in prior fiscal years shall be the following:

32 (I) For a transferred charter school, the counts shall be equal to
33 the counts reported for the original charter school.

34 (II) For an acquiring charter school, the counts shall be equal
35 to the counts reported for the original charter school. This subclause
36 shall become inoperative on July 1, 2025, unless its operation is
37 extended by the Legislature.

38 (III) For the restructured portions of a divided charter school,
39 the counts shall be zero.

1 (IV) For the remaining portion of a divided charter school, the
2 counts shall be equal to the counts reported for the original charter
3 school.

4 (ii) The definitions in Section 47654 apply for purposes of this
5 subparagraph.

6 (6) Notwithstanding subdivision (a) of Section 14002, the data
7 used to determine the percentage of unduplicated pupils shall be
8 final once that data is no longer used in the current fiscal year
9 calculation of the percentage of unduplicated pupils. This paragraph
10 does not apply to a change that is the result of an audit exception,
11 as described in paragraph (2) of subdivision (a) of Section 41341.

12 (7) (A) *Commencing with the 2023–24 fiscal year, “unduplicated pupil” shall also mean a pupil who is included in the lowest performing subgroup or subgroups, as defined in Section 52052, based on the most recently available results of the California Assessment of Student Performance and Progress (CAASPP) Smarter Balanced Summative Assessments for English language arts (ELA) and mathematics. “Lowest performing subgroup” means the subgroup with the lowest percentage of pupils who scored in levels 3 and 4 on either the CAASPP Smarter Balanced Summative Assessments for ELA or for mathematics. In the event that the lowest performing subgroup in ELA is a different subgroup than the lowest performing subgroup in mathematics, a pupil belonging to either subgroup shall be considered an unduplicated pupil. For purposes of this paragraph, the Superintendent shall annually identify the lowest performing pupil subgroup or subgroups. For the 2023–24 fiscal year, the Superintendent shall use the 2019 assessment results.*

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

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

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

36 (C) *A subgroup identified in the 2023–24 fiscal year as a lowest performing subgroup shall continue to receive supplemental funding under this section until its performance meets or exceeds the highest performing subgroup of pupils in the state. “Highest performing subgroup” means the subgroup with the highest*

1 percentage of pupils who scored in levels 3 and 4 on either the
2 CAASPP Smarter Balanced Summative Assessments for ELA or
3 for mathematics. In the event that the highest performing subgroup
4 in ELA is a different subgroup than the highest performing
5 subgroup in mathematics, for purposes of this section, the subgroup
6 identified in the 2023–24 fiscal year as a lowest performing
7 subgroup shall be compared to the highest performing subgroup
8 in each specific subject area.

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

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

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

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

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

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

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

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

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

1 (3) (A) The Superintendent shall compute an additional
2 adjustment to the kindergarten and grades 1 to 3, inclusive, base
3 grant as adjusted pursuant to paragraphs (2) and (5) equal to 10.4
4 percent. The additional grant shall be calculated by multiplying
5 the kindergarten and grades 1 to 3, inclusive, base grant, as adjusted
6 by paragraphs (2) and (5), by 10.4 percent.

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

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

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

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

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

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

32 (C) School districts that have an average class enrollment for
33 each schoolsite for kindergarten and grades 1 to 3, inclusive, of
34 24 pupils or less for each schoolsite in the 2012–13 fiscal year,
35 shall be exempt from the requirements of subparagraph (B) so long
36 as the school district continues to maintain an average class
37 enrollment for each schoolsite for kindergarten and grades 1 to 3,
38 inclusive, of not more than 24 pupils, unless a collectively
39 bargained alternative ratio is agreed to by the school district.

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

8 (ii) Notwithstanding clause (i), *for purposes of meeting the*
9 *requirements of paragraph (1) of subdivision (g) of Section 48000,*
10 a school district shall maintain an average transitional kindergarten
11 class enrollment of not more than 24 pupils for each schoolsite
12 ~~consistent with the requirements of paragraph (1) of subdivision~~
13 ~~(g) of Section 48000.~~ *schoolsites.*

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

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

28 (4) The Superintendent shall compute an additional adjustment
29 to the base grant for grades 9 to 12, inclusive, as adjusted pursuant
30 to paragraphs (2) and (5), equal to 2.6 percent. The additional grant
31 shall be calculated by multiplying the base grant for grades 9 to
32 12, inclusive, as adjusted by paragraphs (2) and (5) by 2.6 percent.

33 (5) For the 2022–23 fiscal year, the Superintendent shall increase
34 the base grants for kindergarten and grades 1 to 12, inclusive, by
35 ~~6.28~~ 6.7 percent. This adjustment shall be calculated by multiplying
36 the grade span-adjusted base grants calculated pursuant to
37 paragraph (2) for the 2021–22 fiscal year by ~~6.28~~ 6.7 percent. The
38 adjustment shall be included in grade span-adjusted base grants
39 amounts for purposes of the adjustment pursuant to paragraph (2)
40 commencing with the 2023–24 fiscal year.

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

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

30 (B) Commencing with the 2021–22 fiscal year, the concentration
31 grant add-on referenced in subparagraph (A) shall instead be equal
32 to 65 percent of the base grants as specified in subparagraphs (A)
33 to (D), inclusive, of paragraph (1) of subdivision (d), as adjusted
34 by paragraphs (2) to (5), inclusive, of subdivision (d), for each
35 school district's or charter school's percentage of unduplicated
36 pupils calculated pursuant to paragraph (5) of subdivision (b) in
37 excess of 55 percent of the school district's or charter school's
38 total enrollment. The concentration grant shall be calculated by
39 multiplying the base grants as specified in subparagraphs (A) to
40 (D), inclusive, of paragraph (1) of subdivision (d), as adjusted by

1 paragraphs (2) to (5), inclusive, of subdivision (d), by 65 percent
2 and by the percentage of unduplicated pupils calculated pursuant
3 to paragraph (5) of subdivision (b) in excess of 55 percent of the
4 total enrollment in that school district or charter school.

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

22 (B) For purposes of this paragraph and subparagraph (A) of
23 paragraph (1) of subdivision (f) of Section 42238.03, a charter
24 school shall report its physical location to the department under
25 timeframes established by the department. For a charter school
26 authorized by a school district, the department shall include the
27 authorizing school district in the department's determination of
28 physical location. For a charter school authorized on appeal
29 pursuant to subdivision (k) of Section 47605, the department shall
30 include the school district that initially denied the petition in the
31 department's determination of physical location. Notwithstanding
32 subdivision (a) of Section 14002, the reported physical location
33 of the charter school shall be considered final as of the second
34 principal apportionment for that fiscal year, and, for purposes of
35 this paragraph, the percentage of unduplicated pupils of the school
36 district associated with the charter school pursuant to subparagraph
37 (A) shall be considered final as of the second principal
38 apportionment for that fiscal year.

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

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

12 (2) Notwithstanding Section 42238.05, commencing with the
13 2022–23 fiscal year, the Superintendent shall compute an add-on
14 to the total sum of a school district's or charter school's base,
15 supplemental, and concentration grants equal to two thousand eight
16 hundred thirteen dollars (\$2,813) multiplied by the then current
17 fiscal year's second principal apportionment period average daily
18 attendance in transitional kindergarten. Commencing with the
19 2023–24 fiscal year, the add-on computed pursuant to this
20 paragraph shall be adjusted by the percentage change applied
21 pursuant to paragraph (2) of subdivision (d). It is the intent of the
22 Legislature that the costs to meet the requirements of paragraph
23 (2) of subdivision (g) of Section 48000 be supported by the add-on
24 computed pursuant to this paragraph.

25 (h) (1) 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 Home-to-School Transportation program, as set forth in
30 former Article 2 (commencing with Section 39820) of Chapter 1
31 of Part 23.5, former Article 10 (commencing with Section 41850)
32 of Chapter 5, and the Small School District Transportation
33 program, as set forth in former Article 4.5 (commencing with
34 Section 42290), as those articles read on January 1, 2013, for the
35 2012–13 fiscal year. A school district or charter school shall not
36 receive a total funding amount from this add-on greater than the
37 total amount received by the school district or charter school for
38 those programs in the 2012–13 fiscal year. The amount computed
39 pursuant to this subdivision shall reflect the reduction specified in
40 paragraph (2) of subdivision (a) of Section 42238.03.

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

19 (3) Commencing in the 2023–24 fiscal year, the add-on amounts
20 referenced in paragraphs (1) and (2) shall receive the annual
21 cost-of-living adjustment specified in paragraph (2) of subdivision
22 (d).

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

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

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

34 (2) The amount computed pursuant to Article 4 (commencing
35 with Section 42280) shall be added to the amount computed
36 pursuant to paragraphs (1) to (4), inclusive, of subdivision (d), as
37 multiplied by subparagraph (A) or (B) of paragraph (1), as
38 appropriate.

39 (j) The Superintendent shall adjust the sum of each school
40 district's or charter school's amount determined in subdivisions

1 (g) to (i), inclusive, pursuant to the calculation specified in Section
2 42238.03, less the sum of the following:

3 (1) (A) For school districts, the property tax revenue received
4 pursuant to Chapter 3.5 (commencing with Section 75) and Chapter
5 6 (commencing with Section 95) of Part 0.5 of Division 1 of the
6 Revenue and Taxation Code.

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

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

12 (3) The amount, if any, received pursuant to Chapter 3
13 (commencing with Section 16140) of Part 1 of Division 4 of Title
14 2 of the Government Code.

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

16 (5) Fifty percent of the amount received pursuant to Section
17 41603.

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

28 (7) The amount, if any, received pursuant to Sections 34177,
29 34179.5, 34179.6, 34183, and 34188 of the Health and Safety
30 Code.

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

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

36 (l) (1) This section does not authorize a school district that
37 receives funding on behalf of a charter school pursuant to Section
38 47651 to redirect this funding for another purpose unless otherwise
39 authorized in law pursuant to paragraph (2) or pursuant to an
40 agreement between the charter school and its chartering authority.

1 (2) A school district that received funding on behalf of a locally
2 funded charter school in the 2012–13 fiscal year pursuant to
3 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
4 and subdivision (b) of Section 47634.1, as those sections read on
5 January 1, 2013, or a school district that was required to pass
6 through funding to a conversion charter school in the 2012–13
7 fiscal year pursuant to paragraph (2) of subdivision (b) of Section
8 42606, as that section read on January 1, 2013, may annually
9 redirect for another purpose a percentage of the amount of the
10 funding received on behalf of that charter school. The percentage
11 of funding that may be redirected shall be determined pursuant to
12 the following computation:

13 (A) (i) Determine the sum of the need fulfilled for that charter
14 school pursuant to paragraph (3) of subdivision (b) of Section
15 42238.03 in the then current fiscal year for the charter school.

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

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

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

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

35 (C) The maximum amount that may be redirected shall be the
36 lesser of the amount of funding the school district received on
37 behalf of the charter school in the 2012–13 fiscal year pursuant to
38 paragraph (2) of subdivision (b) of Section 42605, Section 42606,
39 and subdivision (b) of Section 47634.1, as those sections read on

1 January 1, 2013, or the amount computed pursuant to subparagraph
2 (B).

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

8 (m) Any calculations in law that are used for purposes of
9 determining if a local educational agency is an excess tax school
10 entity or basic aid school district, including, but not limited to, this
11 section and Sections 41544, 42238.03, 47632, 47660, 47663,
12 48310, and 48359.5, and Section 95 of the Revenue and Taxation
13 Code, shall exclude the revenue received pursuant to subparagraph
14 (B) of paragraph (3) of subdivision (e) of Section 36 of Article
15 XIII of the California Constitution.

16 (n) The funds apportioned pursuant to this section and Section
17 42238.03 shall be available to implement the activities required
18 pursuant to Article 4.5 (commencing with Section 52059.5) of
19 Chapter 6.1 of Part 28 of Division 4.

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

26 *SEC. 3. Section 2.1 of this bill incorporates amendments to
27 Section 42238.02 of the Education Code proposed by this bill and
28 Assembly Bill 185. That section shall only become operative if (1)
29 both bills are enacted and become effective on or before January
30 1, 2023, (2) each bill amends Section 42238.02 of the Education
31 Code, and (3) this bill is enacted after Assembly Bill 185, in which
32 case Section 42238.02 of the Education Code, as amended by
33 Assembly Bill 185, shall remain operative only until the operative
34 date of this bill, at which time Section 2.1 of this bill shall become
35 operative, and Sections 2 and 2.2 of this bill shall not become
36 operative.*

37 *SEC. 4. Section 2.2 of this bill incorporates amendments to
38 Section 42238.02 of the Education Code proposed by this bill and
39 Senate Bill 185. That section shall only become operative if (1)
40 both bills are enacted and become effective on or before January*

1 *1, 2023, (2) each bill amends Section 42238.02 of the Education*
2 *Code, and (3) this bill is enacted after Senate Bill 185, in which*
3 *case Section 42238.02 of the Education Code, as amended by*
4 *Senate Bill 185, shall remain operative only until the operative*
5 *date of this bill, at which time Section 2.2 of this bill shall become*
6 *operative, and Sections 2 and 2.1 of this bill shall not become*
7 *operative.*

O