

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**

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

February 18, 2022

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

LEGISLATIVE COUNSEL'S DIGEST

AB 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 undeficitated 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: schoolsite.*

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,*  
13 *“unduplicated pupil” shall also mean a pupil who is included in*  
14 *the lowest performing subgroup or subgroups, as defined in Section*  
15 *52052, based on the most recently available results of the*  
16 *California Assessment of Student Performance and Progress*  
17 *(CAASPP) Smarter Balanced Summative Assessments for English*  
18 *language arts (ELA) and mathematics. “Lowest performing*  
19 *subgroup” means the subgroup with the lowest percentage of*  
20 *pupils who scored in levels 3 and 4 on either the CAASPP Smarter*  
21 *Balanced Summative Assessments for ELA or for mathematics. In*  
22 *the event that the lowest performing subgroup in ELA is a different*  
23 *subgroup than the lowest performing subgroup in mathematics, a*  
24 *pupil belonging to either subgroup shall be considered an*  
25 *unduplicated pupil. For purposes of this paragraph, the*  
26 *Superintendent shall annually identify the lowest performing pupil*  
27 *subgroup or subgroups. For the 2023–24 fiscal year, the*  
28 *Superintendent shall use the 2019 assessment results.*

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

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

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

36 (C) *A subgroup identified in the 2023–24 fiscal year as a lowest*  
37 *performing subgroup shall continue to receive supplemental*  
38 *funding under this section until its performance meets or exceeds*  
39 *the highest performing subgroup of pupils in the state. “Highest*  
40 *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