

AMENDED IN ASSEMBLY APRIL 22, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 980**

---

---

**Introduced by Assembly Member Swanson**

February 27, 2009

---

---

An act to add Section 41320.4 to the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 980, as amended, Swanson. Emergency apportionments: repayment: charter schools.

Existing law authorizes the governing board of an insolvent school district to request an emergency apportionment through the Superintendent of Public Instruction subject to specified requirements and repayment provisions, including a requirement that the district repay the loan amount with interest. Existing law requires the Superintendent to assume all of the legal rights, duties, and powers of the governing board of a qualifying school district, as defined, that receives an emergency apportionment. Existing law requires the Superintendent, in consultation with the county superintendent of schools, to appoint an administrator to act on behalf of the Superintendent in exercising the authority assumed from the school district.

This bill would require a charter school located within the geographic boundaries of a school district that is repaying an emergency apportionment ~~and for which an administrator appointed by the Superintendent is exercising the authority of the governing board,~~ to pay a prorated amount of the annual payment made by the district on the apportionment. The bill would require the Superintendent to deduct the prorated amount, to be calculated based upon the ratio of pupil

enrollment, as prescribed, from the general purpose entitlement funding calculated for the charter school and apply the amount deducted to the outstanding balance of the applicable emergency apportionment.

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. The Legislature finds and declares all of the  
2 following:

3 (a) As a direct result of declining enrollment, school districts  
4 that receive emergency apportionments and for which  
5 administrators are appointed to exercise the authority of their  
6 governing boards face increasing difficulty in repaying their  
7 emergency loans and returning to financial stability.

8 (b) Although charter schools receive public funding and are  
9 responsible for the education of pupils who reside in school districts  
10 that receive emergency apportionments, they do not contribute to  
11 the repayment of those loans.

12 (c) The situations described in subdivisions (a) and (b)  
13 inadvertently exacerbate declining enrollment, worsen the fiscal  
14 issues faced by affected school districts, and create inequality in  
15 the distribution of public resources between school districts and  
16 charter schools.

17 SEC. 2. Section 41320.4 is added to the Education Code, to  
18 read:

19 41320.4. (a) A charter school located within the geographic  
20 boundaries of a school district that is repaying an emergency  
21 apportionment pursuant to this article ~~and for which an~~  
22 ~~administrator appointed by the Superintendent is exercising the~~  
23 ~~authority of the governing board,~~ shall pay a prorated amount of  
24 the annual payment made by the district on the apportionment.

25 (b) The prorated amount for each charter school for purposes  
26 of this section shall be determined by dividing the annual payment  
27 made by the school district on the apportionment by *the sum of*  
28 ~~the total number of pupils enrolled in the school district, plus all~~  
29 ~~of the~~ *and the total number of* pupils who reside within the  
30 jurisdiction of the school district and who are enrolled in charter  
31 schools that are located within the geographic boundaries of the  
32 school district, and multiplying that quotient by the number of

1 pupils who reside within the jurisdiction of the school district and  
2 who are enrolled in the charter school.  
3 (c) The Superintendent shall deduct the prorated amount  
4 determined for each charter school pursuant to this section from  
5 the amount of general purpose entitlement funding calculated for  
6 the charter school pursuant to Section 47633 and apply the amount  
7 deducted to the outstanding balance of the applicable emergency  
8 apportionment.

O