

November 17, 2005

VIA MESSENGER

Office of the Attorney General
1300 "I" Street
Sacramento, CA 95814
Attention: Tricia Knight, Initiative Coordinator

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: *The Classroom Learning and Accountability Act (Version 3)*

Dear Ms. Knight:

Pursuant to Elections Code section 9002, I request that the Attorney General prepare a title and summary of version 3 of a measure entitled "The Classroom Learning and Accountability Act." The text of the measure, a check for \$200.00, and the address at which I am registered to vote is enclosed. Please return a filed stamped copy of the initiative in the enclosed self-addressed envelope.

Please direct all correspondence and inquiries regarding this measure to:

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Sincerely,

John D. Adkisson

Section 1: Title.

This measure shall be known and may be cited as the Classroom Learning and Accountability Act.

Section 2: Findings and Declaration of Purpose

The People of the State of California find and declare that:

1. California students are falling behind, ranking among the bottom six states in reading and math. In the nation's five biggest states, only California students score below average on every national assessment of educational progress.
2. Independent research indicates that California's poor student achievement is caused, in part, by inadequate resources for public education, including low funding levels, high class sizes, inadequate facilities, and students with relatively greater needs. Education funding in California is chronically below the national average, even though California students are expected to meet some of the highest academic standards in the country.
3. California's economic and social prosperity depend on a well-educated workforce capable of competing in a global economy.
4. In order to improve student achievement, new investment is needed to reduce class sizes, provide textbooks and other instructional materials, improve campus safety, and provide facilities for high-quality public charter schools with greater parental and community involvement.
5. A parcel assessment for public schools will raise needed funds for student achievement while protecting property owners against runaway taxes—especially seniors with fixed incomes. Parcel assessments have been approved by voters in dozens of California communities, and they are consistent with Proposition 13 of 1978.
6. New funding for public education must come with safeguards against waste and mismanagement. The entirety of the Classroom Learning and Accountability Fund will be subject to oversight and annual independent audits. Annual audits will ensure that every penny goes into classrooms and student learning, where it is needed most.
7. The Legislature is expressly prohibited from using money from the Fund to supplant other funding or redirect money to other, less critical needs. This act specifies that the Fund shall not be used to pay administrative overhead. Misuse of funds will result in criminal penalties, loss of credentials, and/or fines.
8. Money from the Fund will be used to collect information that will evaluate the effectiveness of specific educational programs and investments. Schools, researchers, and other agencies will be better able to analyze the link between specific investments and the impact on student achievement.

9. This act pays for itself. The Fund will improve education without affecting any State services or programs currently supported by the State General Fund.

Therefore, the People of the State of California hereby adopt the Classroom Learning and Accountability Act.

Section 3: Section 6.2 is added to Article IX of the Constitution of the State of California to read as follows:

SECTION 6.2. (a) The Classroom Learning and Accountability Fund is hereby created in the State Treasury to be held in trust for the purposes set forth below and is continuously appropriated for the support of kindergarten through twelfth grade educational programs.

(b) Classroom Learning and Accountability Funds shall not be used to pay for administrative overhead and shall be used for the following educational purposes only:

(1) \$185 million to reduce class sizes in grades kindergarten through 12, inclusive.

(2) \$100 million for textbooks and other instructional materials approved by the State Board of Education as consistent with the State curriculum frameworks and academically rigorous content standards.

(3) \$100 million to enhance the safety and security of students, teachers, and school staff through school community policing, gang-risk intervention, afterschool and intersession student support and development, and school community violence prevention.

(4) \$85 million for Academic Success facility grants to any qualifying school district which has not received funding from the proceeds of a State general obligation bond for school construction or modernization. A school district receiving an Academic Success facility grant shall not be eligible for funding from the proceeds of a State general obligation bond for school construction or modernization unless the law authorizing the bond and approved by a vote of the people expressly provides such eligibility.

(5) \$10 million for an integrated longitudinal teacher and student achievement data system that provides a better means of evaluating the efficiency and effectiveness of educational programs and investments.

(c) The amounts deposited in the Classroom Learning and Accountability Fund shall be used exclusively for the purposes set forth in this section. All moneys in the Classroom Learning and Accountability Fund shall be used to supplement and not supplant federal, State, or local funds used for educational programs. The Legislature shall set penalties, including loss of credentials and/or fines, for school districts, county offices of education, public charter schools, and any administrator that misuse funds appropriated and allocated pursuant to this section.

(d) Funds appropriated pursuant to paragraphs (1) through (3), inclusive, of subdivision (b) shall be apportioned directly to school districts, county offices of education, and public charter schools on a per-student basis. Using variables and data that are objective, measurable, and auditable, the Legislature shall weight the per-student allocation to account for differential student-level costs associated with achieving State and federal achievement standards based on disabilities, English proficiency, or socioeconomic status.

(e) The allocation of funds in subdivision (b) shall be adjusted annually on a proportional basis to reflect actual revenues received and interest earned.

(f) None of the provisions of this section shall alter or affect any right to equal protection provided by this Constitution.

Section 4: Section 21.5 is added to Article XIII A of the Constitution of the State of California to read as follows:

SECTION 21.5 (a) Except as provided for in subdivision (b), an assessment of fifty dollars (\$50) shall be levied on each real property parcel that is not otherwise exempt from property taxation pursuant to this Article. The assessment shall be collected annually at the same time and in the same manner as the ad valorem property tax.

(b) An assessment of five dollars (\$5) shall be levied on each real property parcel that is not otherwise exempt from property taxation pursuant to this Article, whose owner (i) resides on the parcel, (ii) is eligible for the homeowner's exemption under subdivision (k) of Section 3 of Article XIII, and (iii) is either a person 65 years of age or older, or is a severely and permanently disabled person as that term is defined by the Revenue and Taxation Code. The assessment shall be collected annually at the same time and in the same manner as the ad valorem property tax.

(c) For purposes of this section, "parcel" means any unit of real property in the State that receives a separate tax bill for ad valorem property taxes. All property that is otherwise exempt from or on which is levied no ad valorem property taxes in any year shall also be exempt from the parcel tax levied by this section in such year.

(d) Each fiscal year, the revenue generated by the assessments described in this section shall be calculated and transferred as follows:

(1) No more than two tenths of one percent shall be appropriated to counties for the purpose of defraying the costs incurred in implementing this section.

(2) The amount necessary to offset any decrease in State personal and corporate income tax revenues caused by increased deductions taken as a result of the assessments described by this section shall be transferred to the State General Fund.

(3) After the transfer of the amounts calculated in paragraphs (d)(1) and (2) above, the remainder, including any interest earned thereon, shall be transferred to the Classroom Learning and Accountability Fund established in Section 6.2 of Article IX.

Section 5: Section 14 is added to Article XIII B of the Constitution of the State of California to read as follows:

SECTION 14. (a) "Appropriations subject to limitation" of each entity of government shall not include appropriations of revenue from the Classroom Learning and Accountability Fund established in Section 6.2 of Article IX. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the Classroom Learning and Accountability Fund.

(b) For purposes of this article, "proceeds of taxes" shall not include the revenues derived from the taxes imposed pursuant to Section 21.5 of Article XIII A, but shall include those revenues described in paragraph (d)(2) of Section 21.5 of Article XIII A.

Section 6: Section 8.3 is hereby added to Article XVI of the Constitution of the State of California to read as follows:

SECTION 8.3 (a) With the exception of the revenue described in paragraph (d)(2) of Section 21.5 of Article XIII A of the California Constitution, revenues derived from the taxes imposed by Section 21.5 of Article XIII A shall not be deemed to be “General Fund revenues which may be appropriated pursuant to Article XIII B” as that phrase is used in paragraph (1) of subdivision (b) of Section 8 nor shall they be considered in the determination of “per capita General Fund revenues” as that term is used in paragraph (3) of subdivision (b) and in subdivision (e) of Section 8.

(b) Funds appropriated pursuant to Section 6.2 of Article IX shall not be deemed to be part of “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as that phrase is used in paragraphs (2) and (3) of subdivision (b) of Section 8.

Section 7: Section 14003 is added to the Education Code to read as follows:

SECTION 14003. No moneys distributed from the Classroom Learning and Accountability Fund shall be included in calculating and apportioning funds as provided in Sections 2558, 42238, or 56836.08. Nor shall moneys distributed from the Classroom Learning and Accountability Fund be included in a school district’s expenditures pursuant to Section 33128. With the exception of funds for Academic Success facility grants described in Section 52057.1, the Controller shall distribute the revenues in the Classroom Learning and Accountability Fund at least twice during the fiscal year

Section 8: Section 41020.4 is added to the Education Code to read as follows:

SECTION 41020.4. Each fiscal year, every school district shall provide for an annual independent audit of the moneys received from the Classroom Learning and Accountability Fund. The audit may be prepared as part of any annual audit already required, but it shall show how moneys received from the Classroom Learning and Accountability Fund were spent by category and program. The audit shall be reviewed by the applicable county superintendent of schools and the Superintendent of Public Instruction who shall, along with the school district, post the audit reports on their web sites.

Section 9: Section 52057.1 is added to the Education Code to read as follows:

SECTION 52057.1. (a) It is the intent of this section that facility grants for school districts be directed towards all eligible schools, including charter schools. Therefore, funds for Academic Success facility grants appropriated pursuant to paragraph (4) of subdivision (b) of Section 6.2 of Article IX of the California Constitution shall be apportioned directly to qualifying school districts as defined by this section.

(b) For purposes of this section, the following definitions shall apply:

(1) A “qualifying school district” is an academically successful eligible charter school or a school district with one or more academically successful schools other than eligible charter schools. Neither a school district that is formed pursuant to Chapters 3 or 4 of Part 21

(commencing with Section 35500), and whose former districts received funding from the proceeds of a State general obligation bond for school construction or modernization, nor a county office of education is a “qualifying school district.”

(2) An “academically successful school” is a school ranked in deciles 6 to 10, inclusive, on the Academic Performance Index when compared to similar schools as reported for the prior academic year by the State Board of Education.

(3) An “eligible charter school” is a charter school operated and governed by or as a nonprofit public benefit corporation, formed and organized pursuant to the applicable nonprofit public benefit corporation law, where the majority of the certificated teachers at the school are employees of the nonprofit corporation

(c) Academic Success facility grants shall be distributed to qualifying school districts at the time of the second principal apportionment in the form of general purpose funding. Subject to subdivision (d), Academic Success facility grants shall be five hundred dollars (\$500) per student and shall be awarded on a per student basis for each student enrolled in an academically successful school. Provided, however, that students in academically successful eligible charter schools shall not be counted in calculating the amount of any Academic Success facility grant that is distributed to a school district.

(d) Notwithstanding subdivision (c), if at the time of the second principal apportionment there are insufficient moneys in that portion of the Classroom Learning and Accountability Fund described by paragraph (4) of subdivision (6) of Section 6.2 of Article IX of the California Constitution to provide for the per-pupil allocation specified in subdivision (c), the per-pupil allocation shall be adjusted on a proportional basis to ensure that all qualifying school districts receive an Academic Success facility grant in an equal amount per student.

(e) Any moneys remaining in that portion of the Classroom Learning and Accountability Fund described by paragraph (4) of subdivision (b) of Section 6.2 of Article IX of the California Constitution after apportionment of funds for Academic Success facility grants as required by this section, shall remain in the Classroom Learning and Accountability Fund and shall be available for distribution to qualifying school districts in the following year.

Section 10: Section 60901 is added to the Education Code to read as follows:

SECTION 60901. Each school district shall participate in the collection and reporting of data necessary for the creation and maintenance of the State’s integrated longitudinal teacher and student data system as defined by the Legislature and described in paragraph (5) of subdivision (b) of Section 6.2 of Article IX of the California Constitution.

Section 11: Section 13340 of the Government Code is amended to read as follows:

SECTION 13340. (a) Except as provided in subdivision (b), on and after July 1, 2006, no moneys in any fund that, by any statute other than a Budget Act, are continuously appropriated without regard to fiscal years, may be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

(b) Subdivision (a) does not apply to any of the following:

(1) The scheduled disbursement of any local sales and use tax proceeds to an entity of local government pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code.

(2) The scheduled disbursement of any transactions and use tax proceeds to an entity of local government pursuant to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code.

(3) The scheduled disbursement of any funds by a State or local agency or department that issues bonds and administers related programs for which funds are continuously appropriated as of June 30, 2006.

(4) Moneys that are deposited in proprietary or fiduciary funds of the California State University and that are continuously appropriated without regard to fiscal years.

(5) The scheduled disbursement of any motor vehicle license fee revenues to an entity of local government pursuant to the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code).

(6) Moneys that are deposited in the Classroom Learning and Accountability Fund.

Section 12: Severability

The provisions of this measure are severable. If any provision of this measure or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Section 13: Amendment

This Act shall be broadly construed to accomplish its purposes. Any of the statutory provisions of this Act may be amended by a bill that complies with the single subject rule expressed in Section 9 of Article IV of the California Constitution, and that is passed by a two-thirds vote of the Legislature and signed by the Governor, so long as such amendments are consistent with and further the intent of this Act.

Section 14: Effective Date

This Initiative shall go into effect on July 1, 2007.