

pursuant to Article XIII B and allocated local proceeds of taxes shall equal the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in per capita General Fund revenues.

(B) In addition, an amount equal to one-half of one percent times the prior year total allocations to school districts and community colleges from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment.

(C) This paragraph (3) shall be operative only in a fiscal year in which the percentage growth in California per capita personal income in a fiscal year is greater than the percentage growth in per capita General Fund revenues plus one half of one percent.

(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one-half percent of General Fund revenues, the amount in excess of one and one-half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) or (3) of subdivision (b) in the subsequent fiscal year.

(d) In any fiscal year in which school districts and community college districts are allocated funding pursuant to paragraph (3) of subdivision (b) or pursuant to subdivision (h), they shall be entitled to a maintenance factor, equal to the difference between (1) the amount of General Fund moneys which would have been appropriated pursuant to paragraph (2) of subdivision (b) if that paragraph had been operative or the amount of General Fund moneys which would have been appropriated pursuant to subdivision (b) had subdivision (b) not been suspended, and (2) the amount of General Fund moneys

actually appropriated to school districts and community college districts in that fiscal year.

(e) The maintenance factor for school districts and community college districts determined pursuant to subdivision (d) shall be adjusted annually for changes in enrollment, and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B, until it has been allocated in full. The maintenance factor shall be allocated in a manner determined by the Legislature in each fiscal year in which the percentage growth in per capita General Fund revenues exceeds the percentage growth in California per capita personal income. The maintenance factor shall be reduced each year by the amount allocated by the Legislature in that fiscal year. The minimum maintenance factor amount to be allocated in a fiscal year shall be equal to the product of General Fund revenues from proceeds of taxes and one-half of the difference between the percentage growth in per capita General Fund revenues from proceeds of taxes and in California per capita personal income, not to exceed the total dollar amount of the maintenance factor.

(f) For purposes of this section, "changes in enrollment" shall be measured by the percentage change in average daily attendance. However, in any fiscal year, there shall be no adjustment for decreases in enrollment between the prior fiscal year and the current fiscal year unless there have been decreases in enrollment between the second prior fiscal year and the prior fiscal year and between the third prior fiscal year and the second prior fiscal year.

*(g) For purposes of this section, the transfers or allocations of sales tax revenues and revenues attributable to or derived from the fund established by the Vehicle License Fee Law (or its successor fund or account, or replacement or backfill funds or accounts therefor, howsoever designated), which transfers or allocations are required by the Local Government Property Tax Protection Act to the credit of each county's School Assistance Fund for Education, shall be deemed to constitute allocated local proceeds of taxes, and shall not be considered to be State General Fund revenues.*

(h) Subparagraph (B) of paragraph (3) of subdivision (b) may be suspended for one year only when made part of or included within any bill enacted pursuant to Section 12 of Article IV. All other provisions of subdivision (b) may be suspended for one year by the enactment of an urgency statute pursuant to Section 8 of Article IV, provided that the urgency statute may not be made part of or included within any bill enacted pursuant to Section 12 of Article IV.

**SECTION 10. Amendment of Section 29530 of Government Code.**

Section 29530 of the Government Code is amended to read in its entirety as follows:

29530. (a) If the board of supervisors so agrees by contract with the State Board of Equalization, the board of supervisors shall establish a local transportation fund in the county treasury and shall deposit in the fund all revenues transmitted to the county by the State Board of Equalization under Section 7204 of the Revenue and Taxation Code, which are derived from that portion of the taxes imposed by the county at a rate in excess of ~~1 percent, and on and after July 1, 2004, until the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply,~~ at a rate in excess of one-half of 1 percent, pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of that code, less an allocation of the cost of the services of the State Board of Equalization in administering the sales and use tax ordinance related to the rate in excess of ~~1 percent, and on and after July 1, 2004, until the rate modifications in subdivision (a) of Section 7203.1 of the Revenue and Taxation Code cease to apply,~~ to the rate in excess of one-half of 1 percent, and of the Director of Transportation and the Controller in administering the responsibilities assigned to him or her in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code.

(b) Any interest or other income earned by investment or otherwise of the local transportation fund shall accrue to and be a part of the fund.

**SECTION 11. Addition of Chapter 6.3 to Government Code.** Chapter

6.3 (commencing with Section 30020) is added to Division 3 of Title 3 of the Government Code, to read in its entirety as follows:

*Chapter 6.3 School Assistance Fund for Education (SAFE)*

*30020. In accordance with Section 36 of Article XIII of the California Constitution, a School Assistance Fund for Education is hereby created in each county.*

*30021. The county auditor shall allocate moneys in the county's School Assistance Fund for Education according to this chapter.*

*30022. Moneys in the county's School Assistance Fund for Education may only be allocated for the purposes specified in this chapter.*

*30023. The county auditor shall calculate and allocate moneys for the county's School Assistance Fund for Education and the Educational Revenue Augmentation Fund, and shall determine the order in which these calculations and allocations are made. Any excess moneys remaining after these calculations and allocations will be returned to each city, city and county, county, and special district in proportion to their contribution to the said funds. The intent of requiring each county auditor to determine the order in which these calculations and allocations are made is to ensure that all cities, city and counties, counties, and special districts that were previously receiving funds pursuant to Section 97.2, subdivision (d)(4)(B)(i) of the Revenue and Taxation Code and Section 97.3, subdivision (d)(4)(B)(i) of the Revenue and Taxation Code are not adversely impacted by the establishment of the county's School Assistance Fund for Education. This section shall also apply to any city, city and county, county, or special district that, after the effective date of this section, becomes eligible to receive funds pursuant to Section 97.2, subdivision (d)(4)(B)(i) of the Revenue and Taxation Code and Section 97.3, subdivision (d)(4)(B)(i) of the Revenue and Taxation Code.*

*30024. Each county's School Assistance Fund for Education shall consist of the following moneys:*

*(a) (1) All revenues that are derived from or attributable to the fund established by the Vehicle License Fee Law, or its successor, replacement or backfill fund or account, howsoever designated, other than fees on trailer coaches and mobilehomes, over and above the costs of collection and any refunds authorized by law, shall be transferred and allocated by the Controller to each*