

*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.*

*(c) Notwithstanding Section 16, revenues derived from the taxes imposed on taxable property in a redevelopment project pursuant to subdivision (b) of Section 1 of Article XIII A shall not be used for any purpose other than those set forth in Section 8.6.*

**Section 9. Section 8.6 is added to Article XVI of the California Constitution to read:**

*Sec. 8.6 (a). During each fiscal year, from the revenues generated by the additional ad valorem property tax imposed pursuant to subdivision (b) of Section 1 of Article XIII A, the Controller shall calculate and transfer to the State General Fund the amount necessary to offset the decrease in State personal and corporate income tax revenues caused by increased deductions taken as a result of the additional ad valorem property tax imposed pursuant to paragraph (1) of subdivision (b) of Section 1 of Article XIII A.*

*(b) The Controller shall allocate the revenues remaining after the distribution made pursuant to subdivision (a) as follows:*

*(1) Ten percent for aid to businesses as set forth in law;*

*(2) The remainder, including any interest earned thereon, to the Improving Classroom Education Fund for allocation and distribution as set forth in Sections 5.5 and 5.6 of Article IX*

**Section 10. Section 14 is hereby added to Article XIII B of the Constitution to read:**

*Sec. 14 (a). For purposes of this article, "proceeds of taxes" shall not include the revenues derived from the taxes imposed pursuant to subdivision (b) of Section 1 of Article XIII A.*

*(b) For purposes of this article, "appropriations subject to limitation" of each entity of government shall not include appropriations of revenues derived from the taxes imposed pursuant to subdivision (b) of Section 1 of Article XIII A.*

*(c) The duty to collect the tax imposed by subdivision (b) of Section 1 of Article XIII A shall not be considered a new program or higher level of service mandated by the State for purposes of this article.*

**Section 11. Chapter 1.5 is hereby added to Part 9 of Division 1 of Title 1 of the Education Code, to read as follows:**

## CHAPTER 1.5 THE IMPROVING CLASSROOM EDUCATION ACT

### ARTICLE 1. GENERAL PROVISIONS

*Sec. 14100. For purposes of this Chapter and Sections 5.5 and 5.6 of Article IX of the California Constitution, the following shall apply:*

*(a) "School districts" shall include county offices of education and any programs or schools operated under the supervision of a county office of education.*

*(b) "Teacher" means a non-management certificated or teacher permit employee of a school district or county office of education.*

*(c) "Enrollment" in the K-12 educational program includes pupils enrolled in a charter school all of whose teachers hold a Commission on Teacher Credentialing certificate, permit, or other document equivalent to that which a teacher in other public schools would be required to hold.*

*Sec. 14101. Each school district shall prepare and file with the State Superintendent of Public Instruction an annual audit of the funds received from the Improving Classroom Education Fund. The audit may be prepared separately or as part of any annual audit required by the State, but it shall show how the funds were spent by category and program. School districts shall post the audit reports required pursuant to this Section on their Internet web sites. If a district does not maintain an Internet web site, it shall forward its audit to the State Superintendent of Public Instruction, who shall post it on the State Superintendent's web site.*

*Sec. 14102. The Superintendent of Public Instruction shall not include funds distributed pursuant to this chapter in calculating and apportioning funds as provided in Sections 2558, 42238, or 56836.08, nor shall such revenues be included in a school district's expenditures for purposes of calculating the district's required reserve for economic uncertainties pursuant to Section 33128.*

### ARTICLE 2. VOLUNTARY UNIVERSAL PRESCHOOL

*Sec. 14110. (a) By July 1, 2011, every elementary and unified school district shall provide a program of free, voluntary preschool to all children in their districts one year prior to kindergarten, provided, however, that districts may join together to meet their obligation under this Section. A high school district may provide a voluntary preschool program for children of its own pupils.*

*(b) For purposes of the Improving Classroom Education Act, "one year prior to kindergarten" means access to a program that commences one year prior to the date a child is eligible to attend kindergarten.*

**Sec. 14111.** For purposes of Section 5.6 of Article IX of the California Constitution, a program of free, voluntary preschool for children one year prior to kindergarten shall include all of the following:

- (a) Classes of no more than 20 children taught by at least one teacher holding a teaching credential or permit issued by the State Commission on Teacher Credentialing;
- (b) A minimum of 180 instructional minutes per day for 175 days each year;
- (c) A curriculum that is age and developmentally appropriate and aligned with statewide academic standards for elementary education.

**Sec. 14112.** (a) School districts shall have a transition period of five years from July 1, 2005 to implement the requirements of this Section. The transition period may be extended for up to two years as provided in subdivision (f).

(b) During the transition period, districts may use funds from the universal preschool portion of the Improving Classroom Education Fund for any of the purposes identified in subdivision (c) of Section 5.5 of Article IX of the California Constitution, as well as for workforce recruitment and certification, provided, however, that districts shall only use transition funding to further the implementation of a program of free, voluntary preschool.

(c) During the transition period, the State Controller shall allocate and distribute the amounts available to school districts from the universal preschool portion of the Improving Classroom Education Fund as follows:

(1) By July 15 of each year during the transition period the State Controller shall determine the projected amount that will be transferred during that fiscal year into the portion of the Improving Classroom Education Fund dedicated to universal preschool pursuant to Section 5.5 of Article IX.

(2) The Controller shall determine the statewide per pupil amount available to school districts for every child enrolled in a universal preschool program during each fiscal year by dividing seventy percent (70%) of the statewide kindergarten enrollment for the prior school year into the amount determined pursuant to paragraph (1).

(3) By the tenth day of each month during the school year, school districts shall report to the Controller their average enrollment for the previous month in preschool programs that meet the requirements of Section 14111, including programs that meet the requirements of Section 14114.

(4) At least twice during the school year, the Controller shall determine a school district's average preschool enrollment using the figures submitted pursuant to paragraph (3) and multiply that by the statewide per pupil amount determined pursuant to paragraph (2). The resulting amount shall be apportioned and distributed to the school districts in at least two payments during the fiscal year for support of voluntary universal preschool programs, provided, however, that by September 10, 2005 the Controller shall distribute to school districts