

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: March 24, 2008
POSITION: Neutral, note concerns
SPONSOR: California Association of Regional Occupational Centers/Programs

BILL NUMBER: SB 1197
AUTHOR: E. Alquist

BILL SUMMARY: Regional Occupational Centers: JPA Funding

This bill would allow Regional Occupational Centers and Programs (ROC/P's) operating under a joint powers agreement (JPA) structure, to receive one direct funding allocation (based on ADA from each district at the district's ROC/P revenue limit) from the County Office of Education (COE) in which the JPA is operated, rather than providing separate funding allocations to each respective school district participating in the JPA, as is done under current law.

FISCAL SUMMARY

This bill would likely result in unquantifiable, but relatively minor, local administrative savings from potentially more efficient distribution of funds between JPA's and the school districts that formed the JPA. However, as currently drafted, this bill could result in higher Proposition 98 General Fund expenditures than current law provides.

COMMENTS

Finance is neutral, but notes the following concerns:

- The perceived problem of inefficiency and uncertainty created by the partnering school districts' allocation practices to ROC/P JPA's appears to be a local issue and should be resolved by the partner districts involved in each JPA.
However, if there is a desire to resolve this issue statutorily, we note the current language of the bill is unclear and could have an adverse fiscal impact on the state.
Beyond these concerns, the intent of the proposed changes could streamline the process of funding ROC/P's operating as JPA's.

As mentioned above, current law provides separate funding allocations to each school district participating in an ROC/P JPA, based upon the ADA generated by each participating school district, and funded at the specific ROC/P revenue limit for each respective district. The sponsor of this bill, the California Association of Regional Occupational Centers/Programs (CAROC), indicates that the current funding structure adds a needless layer of administration to the process of funding ROC/P JPA's.

Analyst/Principal Date Program Budget Manager Date
(0340) T. Todd Jeannie Oropeza

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

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ROCP's provide high school students 16 years of age and older and adult students, with valuable career and technical education so students can: (1) enter the workforce with skills and competencies to be successful; (2) pursue advanced training in postsecondary educational institutions; or (3) upgrade existing skills and knowledge. Students receive training at a variety of venues from regular classrooms on high school campuses to actual business and industry facilities, such as automotive dealerships and hospitals. In most ROCP's, courses are offered during the regular school day throughout the school year, in the late afternoon and evening, and sometimes during the summer.

As this bill is currently drafted, it appears as though the ROC/P JPA would have the ability to arbitrarily claim particular levels of ADA associated with each of the participating school districts. We note this because the bill fails to specify that the JPA may only be paid (by the COE) an amount that is equal to not only the ROC/P revenue limit for each participating school district, but also based on the ADA generated specifically by students from those participating districts. Without additional language to clarify this, an ROC/P JPA could game the system and claim more ADA from one of the participating school districts that has a higher ROC/P revenue limit, at a potentially significant Proposition 98 General Fund cost. While we do not think that this is the intent of the legislation, additional language could be added to prevent this possibility from occurring as follows:

"52321. (a) (1) A regional occupational center or program established and maintained by school districts or joint powers agencies pursuant to Section 52301 shall receive in annual operating funds directly from the county office of education in which it is located an amount per unit of average daily attendance equal to the revenue limit received by each of the participating school districts for each unit of average daily attendance generated in the regional occupational center or program by each participating school district."

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)								
	(Dollars in Thousands)								
	SO LA CO RV	PROP 98	FC	2007-2008 FC	2008-2009 FC	2009-2010	FC	Fund Code	
6110/Dept of Educ	LA	Yes		-----	See Fiscal Summary	-----		0001	
6110/Dept of Educ	SO	No		-----	See Fiscal Summary	-----		0001	

