An act to add Article 3.5 (commencing with Section 51727) to Chapter 5 of Part 28 of Division 4 of Title 2 of the Education Code, and to amend Section 8880.4.5 of the Government Code, relating to education finance, and making an appropriation therefor.

LEGISLATIVE COUNSEL’S DIGEST


(1) The California State Lottery Act of 1984, enacted by initiative, authorizes a California State Lottery and provides for its operation and administration by the California State Lottery Commission and the Director of the California State Lottery, with certain limitations. The act requires revenues of the state lottery to be allocated so as to maximize the amount of funding allocated to public education, and requires that not less than a designated percentage of the total annual revenues from the sale of state lottery tickets or shares be returned to the public in the form of prizes and net revenues to benefit public education, and that no more than a designated percentage of those revenues be used for expenses of the lottery. The act establishes the State Lottery Fund, a continuously appropriated fund for carrying out the purposes of the act.

A provision of the California State Lottery Act requires, to ensure continued growth in lottery net revenues allocated to public education, the commission to require that the net lottery revenues allocated to public schools are at least as much as were allocated on average in the
prior 5 fiscal years, and increased in proportion to any upward increases in lottery net revenues.

This bill would change the act to require that the net lottery revenues allocated pursuant to this provision be at least as much as were allocated on average in the prior 5 fiscal years, or at least as much as were allocated for the 2018–19 fiscal year, whichever amount is greater.

(2) Existing law establishes the State Board of Education for, among other things, the adoption of rules and regulations not inconsistent with the laws of this state for its own government, for the government of its appointees and employees, and for the government of the day and evening elementary schools, the day and evening secondary schools, and the technical and vocational schools of the state, and for the determination of all questions of policy within its powers.

This bill would enact the Computer Occupations and Developing Education (CODE) Act, pursuant to which the State Board of Education would administer a grant program promoting the teaching of computer science courses in the public secondary schools. The bill would authorize the State Board of Education to adopt forms, standards, and procedures for the solicitation and evaluation of grant applications from local educational agencies, as defined. Under the bill, the grants allocated by the state board to local educational agencies would be used for purposes including, but not necessarily limited to, obtaining resources for the offering of computer science courses and related teacher professional development, as specified. The bill would authorize these grants to be made for the 2020–21, 2021–22, and 2022–23 school years.

The bill would require the transfer of between $50,000,000 and $100,000,000 from the State Lottery Fund to the State Board of Education for purposes of the grant program established by the bill. By requiring this transfer, the bill would change the purposes for which the funds of a continuously appropriated fund may be appropriated, and thereby would make an appropriation.

The bill would require local educational agencies receiving grants under the bill to submit reports to the State Board of Education as prescribed, and would require the state board to submit a written report to the Legislature and the Governor that would include the state board’s findings and recommendations relating to the grant program and additional information as specified.

(3) The California State Lottery Act of 1984, an initiative measure, specifies that none of its provisions may be changed except to further
its purpose by a bill passed by a \(\frac{2}{3}\) vote of each house of the Legislature and signed by the Governor.

This bill would declare that its provisions further the purposes of the act.


_The people of the State of California do enact as follows:_

1. **SECTION 1.** (a) The Legislature finds and declares all of the following:
   1. It is critical that all pupils learn computing skills so that they are not just consumers of technology but also understand how technology works.
   2. Most high schools in California currently do not offer computer science courses.
   3. The inequitable access to computer science courses across California is exceedingly pronounced.
   4. Pupils attending high schools with high percentages of low-income and underrepresented pupils of color are far less likely to have access to computer science courses.
   5. The average salary for computing jobs in California is nearly double the average salary in the state.

(b) Therefore, it is the intent of the Legislature to do all of the following:
   1. Provide access to all pupils in the state to computer science courses.
   2. Provide sufficient funding for implementation of computer science courses.
   3. Encourage local educational agencies to adopt a computer science high school graduation requirement to ensure pupil proficiency.

2. **SEC. 2.** Article 3.5 (commencing with Section 51727) is added to Chapter 5 of Part 28 of Division 4 of Title 2 of the Education Code, to read:
Article 3.5. Computer Occupations and Developing Education

(CODE) Act

51727. (a) This article shall be known, and may be cited, as the Computer Occupations and Developing Education (CODE) Act.

(b) The state board shall administer a grant program promoting the teaching of computer science courses in the public secondary schools of this state. Grants allocated by the state board pursuant to this article may be used for purposes including, but not necessarily limited to, obtaining resources for the offering of computer science courses and related teacher professional development. Computer science courses funded under this program shall comply, to the extent practicable, with computer science content standards recommended by the Instructional Quality Commission and adopted by the state board.

(c) The state board shall adopt forms, standards, and procedures for the solicitation and evaluation of applications from local educational agencies for the grants awarded under this article.

(d) The state board is authorized to award grants under this article for use by recipient local educational agencies for the 2020–21, 2021–22, and 2022–23 school years, or any combination of those school years as designated by the state board.

(e) As used in this article, “local educational agencies” includes school districts, county offices of education, and charter schools.

51727.3. (a) On or before August 31 of any school year, each local educational agency that received a grant under this article for the preceding school year shall submit a written report to the state board specifying the courses and other activities that were funded by the grant. This report shall include, but not be limited to, the number of pupils, faculty, and staff of the local educational agency that participated in these courses and activities.

(b) On or before September 30, 2023, the state board shall submit a written report to the Legislature and the Governor that includes the state board’s findings and recommendations relating to the grant program established by this article. This report shall also include, but not be limited to, a complete listing of grant recipients and the amounts of the grants received by those recipients, and a summary of the information provided by the grant recipients in their reports submitted pursuant to subdivision (a).
This report shall comply with Section 9795 of the Government Code.

SEC. 3. Section 8880.4.5 of the Government Code is amended to read:

8880.4.5. (a) Following the end of each full fiscal year, the commission shall calculate and report to the Controller and to the Legislature the amount of total net revenues allocated to the benefit of public education from the California State Lottery Education Fund for that fiscal year.

(b) To ensure increases in lottery net revenues allocated to public education, if in any one of the first five full fiscal years after the enactment of the act adding this section, the Controller determines that both of the events described in paragraphs (1) and (2) of subdivision (c) occur, then the Controller shall notify the Legislature and the Governor, and post that notification on the Controller’s Internet Web site, and on January 1 of the following year, both of the following shall occur:

(1) The amendments made to Sections 8880.4, 8880.63, and 8880.64 by the act adding this section shall become inoperative.

(2) Sections 8880.4, 8880.63, and 8880.64, as they existed prior to before the effective date of the act adding this section shall become operative.

(c) No later than December 31 following each of the first five fiscal years in which the amendments made by the act adding this section are in effect, the Controller shall report to the Legislature whether either of the following occurred in the prior fiscal year:

(1) The total net revenues allocated to the benefit of public education from the California State Lottery Education Fund are less than the total net revenues allocated to the benefit of public education in the last full fiscal year prior to before the enactment of the act adding this section.

(2) The annual average of total net revenues allocated to the benefit of public education from the California State Lottery Education Fund after the enactment of the act adding this section is less than the total net revenues allocated to the benefit of public education in the last full fiscal year prior to before the enactment of the act adding this section, adjusted for an annual growth rate of 1.8 percent or the actual growth rate of lottery revenues since enactment of the act adding this section, whichever is greater.
(d) If the conditions specified in subdivision (c) do not occur, then in subsequent fiscal years, to ensure continued growth in lottery net revenues allocated to public education, the commission, when setting the percentage required in sub paragraph (A) of paragraph (2) of subdivision (a) of Section 8880.4, shall ensure that net revenues allocated to public schools are at least as much as were allocated on average in the prior five fiscal years, or at least as much as were allocated for the 2018–19 fiscal year, whichever amount is greater, and increased in proportion to any upward increases in lottery net revenues.

(e) At the end of the first five full fiscal years following enactment of the act adding this section, the Controller shall convene a lottery review group to consist of the Controller, the Superintendent of Public Instruction, and the chairperson of the commission. The review group shall report to the Legislature, no later than March 31 following the final fiscal year, on whether the amendments made by the act adding this section have furthered the purposes of the California State Lottery Act of 1984 as intended.

(f) This section shall become inoperative on April 1 of the year following notification from the Controller to the Legislature and the Governor that the events described in paragraphs (1) and (2) of subdivision (c) have occurred, and as of the following January 1 is repealed, unless a later enacted statute, that is enacted before January 1 of that following year, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Notwithstanding any other law, from the 2020–21 fiscal year to the 2022–23 fiscal year, inclusive, moneys shall be transferred from the State Lottery Fund to the State Board of Education in accordance with all of the following:

(a) The State Board of Education shall certify that the moneys are to be used to award grants to local educational agencies under the Computer Occupations and Developing Education (CODE) Act (Article 3.5 (commencing with Section 51727) of Chapter 5 of Part 28 of Division 4 of Title 2 of the Education Code).

(b) The total amount transferred to the State Board of Education under this section shall be at least fifty million dollars ($50,000,000), but shall not exceed one hundred million dollars ($100,000,000).
(c) The moneys transferred to the State Board of Education under this section shall come from moneys in the State Lottery Fund that would otherwise be allocated to local educational agencies providing instruction in kindergarten and any of grades 1 to 12, inclusive.

(d) Any moneys transferred to the State Board of Education under this section that have not been encumbered by July 1, 2023, shall be returned to the State Lottery Fund on that date.

SEC. 5. The Legislature finds and declares that this act furthers the purposes of the California State Lottery Act of 1984, enacted by Proposition 37 at the November 6, 1984, general election.