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RE: *SSC's Sacramento Weekly Update*

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The Legislature has less than two weeks to wrap up its business on bills for the 2015-16 legislative session. Last Friday, August 12, 2016, was the last day for fiscal committees to report bills to the floors of the Assembly and Senate. Today, August 19, is the last day for the Legislature to amend bills on the floor; however, there is always room for rule waivers and thus opportunities for new or otherwise stalled legislation to emerge at the last minute. We'll be paying close attention to what happens during these final two weeks.

AB 2835—Employee Orientation Bill

Assembly Bill (AB) 2835 (Cooper, D-Elk Grove), requires all local and state public employers to provide in-person new employee orientations during the workday, which would include a 30-minute session for union representatives to make a presentation to employees. The Department of Finance (DOF) estimates that these requirements would cost \$280 million annually.

Last week the Senate Appropriations Committee approved the bill with amendments to provide local agency employers a degree of flexibility in implementing the new mandate. However, the provisions of concern to employers remain, including the requirements to provide:

- All newly hired employees an orientation within two months from the date of hire, which must occur during the regular workday, with the requirement that all new employees attend in person;
- Bargaining unit representatives a 30-minute presentation window within the beginning of the orientation to discuss union-related information, including the benefits of union membership; and
- Bargaining units with the name, job title, department, work location, telephone number, and home address of all newly hired employees within 30 days of the date of hire.

Over the summer, labor and management representatives met to discuss a possible compromise on AB 2835, but these amendments could not remedy the legal, logistical, fiscal, and administrative issues that would be imposed on

public employers if AB 2835 is approved by the Legislature and signed into law.

Proposition 55—Tax Extension

A new poll released by U.C. Berkeley’s Institute of Governmental Studies (IGS) shows broad support for Proposition 55, the measure to extend the temporary income tax rates enacted through Proposition 30. The ballot initiative, however, does not extend the ¼ cent sales tax, which is set to expire at the end of 2016.

ISG released the poll results on August 16, 2016, which found that 65.3% of the respondents supported the tax extension, while 34.7% opposed it. While it is not surprising that Democrats support the tax extension—78% support to 22% opposed—even a majority of Republicans supported it—54.7% support to 45.3% opposed.

The poll framed the tax extension question in several ways to determine whether support would fall off if more information were provided about the condition of the current year budget. Even when those surveyed were informed that “the state has a healthy budget surplus” respondents supported Proposition 55 by 62.7% versus 37.3% opposed.

State Revenues

Finally, the DOF reports that state General Fund revenues for the first month of the 2016-17 fiscal year fell short of the budget forecast by \$330 million, or 5%. Coupled with the shortfall for the prior fiscal year, which saw revenues miss the mark by \$706 million at June 30, 2016, the state is now \$1.036 billion below the May Revision forecast.

The DOF’s *Finance Bulletin* noted that personal income tax collections came in \$278 million below forecast for July, or 6%. Similarly, the corporation tax fell short by \$57 million, while the sales and use tax slightly outperformed the forecast by 1.5% or \$22 million. All other revenues came in a net \$16 million below the forecast level.

Last year at this time, state revenues were ahead of the forecast by almost \$800 million.

Ron Bennett
Nancy LaCasse

Note: Holding bills on the Suspense Files in the Assembly and Senate Appropriations Committees is the bloodless way to kill a bill—no votes and no fingerprints.

Key Education Bills Still Alive – And Some That Aren't

By EdSource Staff
EdSource
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The Legislature has less than three weeks to act on important remaining education bills. Many of the major education bills that were introduced at the start of the year, such as teacher evaluation reforms, either have died or, like more money for college preparatory courses, been incorporated into next year's state budget. Of a dozen noteworthy bills still alive when the Legislature went on vacation in July, several were killed without explanation by the Assembly and Senate Appropriations committees in a crush of activity last week. Here's a status report on nine of the survivors and three of the deceased.

Ban on for-profit virtual charter schools

AB 1084, by Assemblywoman Susan Bonilla, R-Concord, would ban for-profit companies from operating online charter schools. In an effort to also ban for-profit online companies from setting up nonprofit affiliates, the bill also would prevent a nonprofit online charter school from contracting with a for-profit entity that provides instructional services.

Why it's important: There are only a half-dozen for-profit online charters in the state; the apparent target of the bill is K12, Inc., the largest operator of online schools in the state, serving 15,000 students through California Virtual Academies, a chain of nonprofit schools that K12 created and controlled as the sole-source provider of curriculum. The office of the California attorney general fined K12 \$8.5 million after a lengthy investigation into its practices. Bonilla has said, "Taxpayer dollars should be spent on academic services and improving the educational experience of California students, not on enriching a company."

Why it's controversial: An organization of online school parents asserts that their kids thrive in online charters, but [a 2015 study](#) by the group CREDO of Stanford University found that overall performance of online charter students is poor. Gov. Jerry Brown, however, vetoed a similar bill last year, saying it could be interpreted to restrict the ability of nonprofit charter schools to continue using for-profit vendors.

Status: Bonilla is hoping to negotiate a passable bill; it awaits action by the full Senate.

Curbs on charter school suspensions, expulsions

SB 322, by Sen. Mark Leno, D-San Francisco, would place new due-process obligations and reporting requirements on charter schools before they can suspend and expel students.

Why it's important: There has been legislation and pressure for all public schools to lower suspension rates, which are disproportionately high for black and Hispanic students. Charter school critics claim that some schools use suspension policies to push out low-performing students.

Why it's controversial: The California Charter Schools Association opposes the bill as an effort to re-regulate charters, which, it says, should have latitude to create their own suspension and expulsion policies.

Status: It passed out of the Assembly Appropriations Committee and awaits action by the full Assembly.

School choice

SB 1156, by Sen. Bob Huff, R-San Dimas, would enable students in some low-performing schools to continue to transfer to better schools within and outside of their districts under the 2010 Open Enrollment Act.

Why it's important: Identification of eligible schools had been based on low scores on the now-suspended Academic Performance Index. The bill would align eligibility to the new state school accountability system identifying the lowest-performing 5 percent of schools.

Why it's controversial: The Legislature passed the Open Enrollment Act in a failed effort to get a federal Race to the Top grant. Supporters call it an important avenue of choice for parents whose children attend low-performing schools. The California School Boards Association and districts that might lose students oppose the bill.

Status: It passed out of the Assembly Appropriations Committee and awaits action by the full Assembly.

Related bill: SB 1432, also by Huff, would have continued, with revised conditions, Districts of Choice, a little used program in which school districts can open up their schools to students from surrounding districts. Without citing a reason, the Assembly Appropriations Committee killed the bill. "The future of nearly 50 school districts has been thrown into doubt and thousands of California children have just been denied the best education we can give to them, and the reason is purely a political one," Huff said in a statement.

Cap on district reserves

SB 799, by Sen. Jerry Hill, D-San Mateo, would lift the limit on the percentage of the general fund that a district can hold in reserve. The amount would be based on a district's enrollment.

Why it's important: School districts say that the limit, which has yet to be imposed but could be in future years under certain fiscal conditions, would jeopardize districts' financial stability, forcing them to spend down savings needed for future emergencies.

Why it's controversial: The reserve cap was a surprise deal in 2014 budget negotiations between the Brown administration and the California Teachers Association, and continues to anger school district officials. CTA argues districts had been building excessive reserves that should be spent on student services and says the issue is overblown, since districts already have ways to justify exceeding the cap.

Status: It's languishing in the Assembly Education Committee and will need a waiver to move forward.

State role in new accountability system

AB 2548, by Assemblywoman Shirley Weber, D-San Diego, would give the Legislature a role in overseeing the new statewide school accountability system, based on multiple measures of school success, by locking in statute the work that the State Board of Education is doing on its own through rules and regulations. It would require the state's system to be aligned with the federal accountability system created by the Every Student Succeeds Act.

Why it's important: The bill would limit future actions by the state board to deviate significantly from the accountability system it is currently drafting.

Why it's controversial: Gov. Brown favors giving members of the state board, whom he appoints, flexibility to do their work through regulations. If he views the bill as constraining, he'll likely veto it.

Status: It passed out of the Senate Appropriations Committee and awaits action by the full Senate.

New right for unions

AB 2835, by Assemblyman Jim Cooper, D-Elk Grove, and Sen. Richard Pan, D-Sacramento, would require school districts and other employers of public employee unions to hold annual in-person orientations for all new workers, at which unions would be allowed to make a 30-minute pitch for union membership.

Why it's important: The bill was conceived as a critical response to *Friedrichs v. California Teachers Association*, a lawsuit that challenged the obligation of public employees to pay unions the cost to represent them. Until the death of Justice Antonin Scalia in January, it appeared the U.S. Supreme Court was poised to overturn mandatory union fees. That's no longer the case, but the bill remains a top priority of CTA and other unions.

Why it's controversial: The bill is prescriptive about how and when the orientation sessions must be held – and potentially costly, argues the California School Boards Association, which opposes it.

Status: It passed out of the Senate Appropriations Committee with amendments and awaits full action by the Senate.

State Seal of STEM for diplomas

AB 2072, by Assemblywoman Ling Chang, R-Diamond Bar, would allow California high school graduates who have demonstrated high achievement in a STEM subject — science, technology, engineering and math — to receive a “State Seal of STEM” attached to their diplomas and transcripts.

Why it's important: The bill aims to encourage more students to pursue studies in STEM by providing a special recognition that colleges and universities could review in the admissions process or that businesses could consider when hiring workers.

“Providing students with a symbol of their accomplishments can benefit not only their personal drive and their self-esteem but also overall marketability,” Chang said.

Status: The Senate Appropriations Committee voted unanimously to suspend the bill, in part because the first results from new state science assessments won't be available until 2019-20.

Suicide prevention in grades 7-12

AB 2246, by Patrick O'Donnell, D-Long Beach, would require school districts that serve 7th- through 12th-grade students to adopt a suicide prevention policy that specifically addresses prevention procedures for youth who are at high risk of mental health issues and suicidal thinking, including those who are bereaved, homeless, experiencing discrimination based on sexual orientation or struggling with substance abuse.

Why it's important: About one in five students in 9th and 11th grade reported they had seriously considered suicide, according to 2013-15 data from the California Healthy Kids Survey conducted by the research group WestEd. A teacher is the No. 1 person a student would contact to help a friend who might be suicidal, according to a Jason Foundation study cited by O'Donnell.

Why it's controversial: The creation of a suicide prevention policy would be a new state mandate with unknown costs. The bill requires the California Department of Education to create a model policy, although the author notes that the state could adopt an existing model policy recommended by the Trevor Foundation. In turn, districts could create their policies using the state's policy as a guide. The policy would address the need for teacher training on procedures for suicide prevention, intervention and follow-up. No funding is attached for putting the policy into action. Under existing law, the state "encourages" schools with students in middle school through high school to provide suicide prevention training at least once to each school counselor during the course of employment.

Status: The bill passed out of the Senate Appropriations Committee and awaits action by the full Senate.

After-school program reimbursement

AB 1426, by Assemblyman Jim Cooper, D-Elk Grove, would have raised After School Education and Safety Program per-pupil reimbursement rates from \$7.50 to \$8.50 per day effective July 1, 2017.

Why it's important: After-school programs serve more than 400,000 students statewide. Annual funding for the program of \$550 million hasn't changed in a decade, and advocates say reimbursement has fallen far below costs. With the state's minimum wage set to rise from \$10 to \$12 by 2018, advocates predict that a third of programs could shut down within two years.

Why it's controversial: Gov. Brown did not include \$73 million in additional funding needed to accommodate current enrollment in this year's state budget, despite persistent lobbying. This bill was an effort to require the funding starting next year.

Status: The Senate Appropriations Committee rejected the bill.

Affordable housing for teachers

SB 1413, by Senator Mark Leno, D-San Francisco, would establish the Teacher Housing Act of 2016 to help with the acquisition, construction and preservation of affordable housing for teachers or other school district employees.

Why it's important: Several districts in the Bay Area have established or plan to build rent-subsidized housing for school employees. By explicitly authorizing districts to develop housing on district-owned property for their employees, the bill will enable projects to qualify for federal low-income housing tax credits, an incentive for builders to become involved.

Status: In May, the Senate passed SB 1413, which is now before the Assembly.

Ethnic studies

AB 2016, by Luis Alejo, D-Salinas, would require the State Board of Education to adopt a model curriculum in ethnic studies by April 2020. It would enable schools to create courses reflecting demographics in their communities and to incorporate ethnic studies courses that the University of California has certified as satisfying college admissions criteria.

Why it's important: Several school districts, including Los Angeles Unified and Montebello Unified, already require students to take ethnic studies. Advocates say an ethnic studies course raises student understanding of the state's diverse cultures.

Why it's controversial: Gov. Brown vetoed a similar bill last year with objections that Alejo has attempted to address.

Status: The bill passed out of the Senate Appropriations Committee and awaits action by the full Senate.