

## ***EXECUTIVE DIRECTOR'S REPORT***

**April 25, 2016**

*The mission of the YPI Charter Schools is to:*

- *Prepare students for academic success in high school, as well as post--secondary education.*
- *Prepare students to be responsible and active participants in their community.*
- *Enable students to become life--long learners.*

*Students at YPI Charter Schools will become active citizens who characterize the ideals of a diverse and democratic society. Students will provide service to their community, take responsibility for their own learning, and develop the habits of mind and body that will empower them to be successful in high school and beyond.*

### **California Charter Schools Association:**

#### ***LAUSD Board Update***

On March 6, thirty LAUSD-authorized charter school leaders signed onto a collective letter opposing the district's recommendation for denial of WISH's proposed high school. The organization's elementary and middle schools have been recognized for their innovative and inclusive instructional models by former Superintendent Ramon Cortines and LAUSD Board President Steve Zimmer. Seeking to expand into high school, the organization was notified by the Charter Schools Division that the petition would be denied. *(See attached Open Letter to LAUSD.)*

On March 7, the Board approved the WISH High School charter, going against the recommendation of the District's Charter Schools Division. Standing together and expressing our concerns directly and specifically played a significant role in the positive decision.

#### ***California charter schools set goal of 1 million despite pushback (EdSource)***

In the face of widespread pockets of resistance around the state, the California Charter Schools Association has embarked on a new expansion campaign, aiming to serve 1 million students in charter schools across the state by 2022. "We have to stay focused on our core mission of expanding high-quality charter schools as quickly as we can," Jed Wallace, the association's president and chief executive officer, said during a break at the group's 23rd annual conference in Long Beach this week. "We definitely want growth, but we do not want growth if it's at the expense of quality." In California, no opposition to charter growth has been more strident than efforts in the Los Angeles Unified School District... Other anti-charter efforts have surfaced elsewhere in the state. "The backlash is a function of our succeeding," Wallace said. "It's generally coming from those interested in protecting the status quo, but the general public strongly supports charter schools."

#### ***AB 2242 (Lopez) no longer moving forward***

This week (April 11, 2016), Assemblymember Patty Lopez (AD 39) indicated that she would no longer be moving forward with her bill, AB2242, which would have placed a number of restrictions on charter

schools that operate as non-profit organizations. AB2242 represented CCSA's single most threatening piece of legislation this year. Several prominent charter school leaders and families spoke to Assemblymember Lopez directly and assisted in our effort to hold back this bill.

## **National**

### ***Report: California is 15th friendliest state for charter schools (LA School Report)***

California is holding steady in its friendliness to charter schools, says a January report from the National Alliance for Public Charter Schools (NAPCS), a pro-charter advocacy group that releases an annual study of state-level policies... Earlier research suggests that “permissibility” in charter law — how easy it is to get a charter started and authorized — is negatively related to student achievement. On the other hand, charter autonomy — the degree to which existing charters are free from certain regulations — is positively associated with achievement.

### ***Besieged teachers unions reach out to their members (EdSource)***

With lawyers representing the 10 California teachers in *Friedrichs v. the California Teachers Association* vowing to resume their fight to overturn mandatory union fees when a new justice joins the U.S. Supreme Court, the 4-4 split that the Court announced last week amounts to a reprieve, not a victory, for the CTA and other unions representing public employees. “Teachers unions must not hunker down,” said Katharine Strunk, an associate professor of education and policy at the University of Southern California’s Rossier School of Education. “It’s time for them to do a reality check to see what it is that members want to protect.”

## **State:**

### ***From School Services of California -***

#### ***Appellate Court Reverses Vergara Decision***

On April 14, 2016, the Second Appellate District in California reversed the *Vergara v. State of California* trial court ruling that found in favor of the plaintiffs. The plaintiffs successfully argued at the trial court level that California’s system of tenure, dismissal, and seniority-based layoffs violate the California Constitution’s guarantee that all citizens enjoy the “equal protection of the laws.”

In reversing the trial court’s decision, in part, the Appellate Court ruling states:

“Plaintiffs failed to establish that the challenged statutes violate equal protection, primarily because they did not show that the statutes inevitably cause a certain group of students to receive an education inferior to the education received by other students. Although the statutes may lead to the hiring and retention of more ineffective teachers than a hypothetical alternative system would, the statutes do not address the assignment of teachers; instead, administrators—not the statutes—ultimately determine where teachers within a district are assigned to teach. Critically, plaintiffs failed to show that the statutes themselves make any certain group of students more likely to be taught by ineffective teachers than any other group of students.”

Within an hour of the decision, Students Matter, the nonprofit organization funding the lawsuit, released a statement that they will be appealing the ruling to the California Supreme Court.

***CalPERS Releases Proposed Employer Contribution Rate for 2016-17***

The California Public Employees’ Retirement System (CalPERS) Board will be reviewing the results of the June 30, 2015, schools pool actuarial study at its meeting next week, April 19, 2016. The results of the study indicate that an increase in the employer contribution rate for 2016-17 of just over 2% is necessary to adequately fund the plan. There is no change to the employee contribution rate for post-Public Employees’ Pension Reform Act of 2013 (post-PEPRA) members.

The proposed contribution rates for 2016-17, along with the current contribution rates, are as follows:

<b>Contributor</b>	<b>2015-16 Rate</b>	<b>Proposed 2016-17 Rate</b>
Employers	11.847%	13.888%
Post-PEPRA Members	6.0%	6.0%

The major factors causing the increase in the employer contribution rate are:

- A phase-in of new demographic and actuarial assumptions adopted by the CalPERS Board in 2014
- The amortization and smoothing policy, which spreads rate increases/decreases over a five-year period and amortizes investment gains and losses over 30 years
- A 7.1% increase in active member salaries, which is more than double the 3% increase assumption
- Lower than anticipated investment gains

CalPERS have prepared estimated increases in future employer contribution rates due to the five-year phase-in of the second item above. The estimated future rates using the proposed 2016-17 rate as the base are as follows:

<b>Employer Contribution Rates</b>	<b>Actual 2015-16</b>	<b>Proposed 2016-17</b>	<b>Estimated 2017-18</b>	<b>Estimated 2018-19</b>	<b>Estimated 2019-20</b>	<b>Estimated 2020-21</b>
Estimated Increase from 2016-17	n/a	n/a	1.6%	3.2%	4.7%	5.9%
Estimated Employer Contribution Rate	11.847%	13.888%	15.5%*	17.1%*	18.6%*	19.8%*

\*Starting with 13.888% rounded to 13.9%

Note that the proposed 13.888% rate for 2016-17 is significantly higher than the latest estimate available of 13.05%; so local educational agencies are advised to build this new rate into the 2016-17 budgets as they are being finalized in the coming weeks.

Between these rate increases, the California State Teachers’ Retirement System rate increases, and now the minimum wage increases, along with all of the other cost increases that occur every year on the natural, local agencies will be scrambling to find ways to cover these costs for anticipated revenue increases may not be sufficient as we move into the future. Exercising caution in making other ongoing expenditure commitments will be key to managing local agency finances.

The CalPERS Board is expected to adopt the 2016-17-employer contribution rate next week, and our School Services of California, Inc., Financial Projection Dartboard will be updated at the May Revision in a few weeks to reflect these new estimated rates for the coming years.

**Top Legislative Issues for 2016—April 8, 2016**

The Legislature hit the ground running coming back from its Spring Recess. Hundreds of education bills will need to be heard by the Assembly and Senate Education Committees to meet upcoming deadlines. By April 22, 2016, bills that have fiscal implications will need to be approved by the policy committees; bills without fiscal effects will have an additional two weeks to meet that deadline.

Following the hundreds of bills that were amended just before the Spring Recess, hundreds more were introduced as the Legislature returned last week. Bills that were introduced in February with only a kernel of an idea are transforming into significant legislation, several of which are highlighted this week.

## **Employees**

**Assembly Bill (AB) 934 (Bonilla, D-Concord)—Certificated School Employees.** As amended on March 31, 2016, this bill would require school districts to create a two-year teacher support program allowing a highly effective certificated employee to support a certificated employee demonstrating unsatisfactory performance. The bill requires school districts to create at least four categories of performance for certificated employees, with at least two categories designating a satisfactory level or greater, while the other two would designate below a satisfactory level. Those certificated employees who receive a below satisfactory level would be required to participate in a program designed to improve appropriate areas of the employee’s performance, either the Peer Assistance and Review (PAR) Program or a district-designed program.

The bill would allow a school board to require a certificated employee to continue to be classified as a probationary employee for a third or fourth year under certain conditions. During this extended probationary period, the employee would participate in the PAR Program or the district-designed support program. The bill would also change the order for terminating certificated employees, beginning with probationary employees who received below satisfactory reviews, then to permanent employees without satisfactory reviews, then probationary employees with satisfactory reviews, and finally permanent employees with satisfactory reviews.

If the bill conflicts with existing collective bargaining agreements, it would not apply until the expiration or renewal of that agreement.

**SSC Comment:** Teach Plus, a multi-state organization with a mission to “empower excellent, experienced teachers to take leadership over key policy and practice issues that affect their students’ success”, sponsors this bill.

**AB 2336 (Olsen, R-Modesto)—Teacher Credentialing: Emergency Substitute Teaching Permits: Special Education.** As amended, this bill would, until January 1, 2022, require the Commission on Teacher Credentialing to issue Emergency Special Education Substitute Teaching Permits, authorizing the holder to serve in a special education substitute teacher for up to 40 days for any one teacher during a school year.

**SSC Comment:** The Association of California School Administrators (ACSA) sponsors this bill.

## **Governance and District Operations**

**AB 2537 (O’Donnell, D-Long Beach)—Pupils: School Attendance: Residency Requirements.** Until July 1, 2017, existing law authorizes a school district within the boundaries of which at least one parent or the legal guardian of a pupil is physically employed for a minimum of ten hours during the school week to allow that pupil to attend a school in that school district through grade 12 if the parent or legal

guardian of the pupil so chooses. The parent or legal guardian of the pupil must continue to be physically employed by an employer situated within the attendance boundaries of the school district.

This bill would make this authorization permanent by eliminating the provision of law that repeals this authorization and makes it inoperative. AB 2537 was heard in the Assembly Education Committee on April 6, 2016.

**Senate Bill (SB) 799 (Hill, D-San Mateo)—School Finance: School Districts: Annual Budgets: Reserve Balance.** SB 799, a bill that would amend the cap on school district ending balances, is a two-year bill that was last acted on in September 2015. It is currently languishing in the Assembly, but we are including it here to remind readers that the issue is still alive. The bill is potentially active and could be moved at any time.

Among other things, the bill would set a hard cap of 17% of the combined unassigned General Fund balances and Special Reserve Fund for Other than Capital Outlay Projects (Fund 17) balances. The bill also would clarify that the reserve cap only applies to General Fund unassigned balances and Fund 17 balances to ensure that the cap does not impact funds that districts may have already set aside as funds committed for other long-term projects or obligations (such as facilities, technology, or transportation).

Recognizing the unique circumstances of basic aid school districts and districts with an average daily attendance of fewer than 2,501, the bill would exempt these districts from the reserve cap.

**SSC Comment:** Although the bill in its current form was supported by many school districts, readers may recall that the sponsor of the bill, the California School Boards Association (CSBA), proposed amendments to SB 799, which were not agreeable to other education management stakeholders. Ultimately, SB 799 was not amended and did not move out of the Assembly Rules Committee. CSBA is still pursuing support for the amendments they proposed.

## **Facilities**

**AB 1557 (Mathis, R-Visalia)—School Facilities: Use By Nonprofit Youth Organizations.** AB 1557 would limit the fees local educational agencies can charge nonprofit organizations, which are primarily organized to promote youth and school activities, for facilities use under the Civic Center Act to costs associated to janitorial or safety services and utilities of the specific facility or grounds. The Civic Center Act was amended in 2012 to authorize districts to include the costs for maintenance, repair, and refurbishment proportional to the use of the facilities or grounds by any entity. It appears that AB 1557 is seeking an exception from the additional eligible recoverable costs.

**AB 2429 (Thurmond, D-Richmond)—School District and Community College District Bonds.** AB 2429 would raise the statutory debt capacity limits for school and community college districts issuing local school bonds from 1.25% to 2%, and from 2.5% to 4% for unified school or community college districts. While there have been discussions about providing more local tools to fund facilities' needs that have included raising these limits, AB 2429 is the first bill that explicitly seeks this relief. Currently, school districts that need relief from these statutory limits must file and seek a waiver from the State Board of Education.

**AB 2738 (Olsen, R-Modesto)—School Bonds: Local School Bonds: Investment.** AB 2738 is in response to a request by the San Mateo County Community College District to manage its funds outside the jurisdiction of the county treasury after the District suffered a \$25 million loss when the county invested in an investment bank that filed for bankruptcy. AB 2738 would prohibit school or community college districts from withdrawing proceeds issued by the county for purposes of making investments

outside the county treasury. Additionally, the bill would require that any remaining bond proceeds, after all project costs related to the issuance of the bonds are paid, be used for debt service. The Assembly Education Committee heard this bill on April 6, 2016.

### **School Safety**

**SB 821 (Block, D-San Diego)—Crimes: Criminal Threats.** This bill would provide that a threat to cause death or great bodily injury at a location or event is a crime if the threat is made under circumstances where a person perceiving the threat believes it to be unequivocal, unconditional and immediate, thereby causing the evacuation, lockdown or closure of a campus or event, or the cancellation of an event.

This bill would expand the criminal threats statute beyond threats to a specific targeted individual to cover circumstances where the perpetrator makes a threat to commit a crime that will result in death or great bodily injury “at a location or event.”

**SSC Comment:** Bomb threats to schools such as the one that shut down all of Los Angeles Unified School District last year appear to be on the rise, but under current law they cannot be prosecuted if they are not targeted at a specific individual.

### ***Governor Brown Signs Minimum Wage Increase***

On April 4, 2016, Governor Jerry Brown signed Senate Bill (SB) 3 (Leno, D-San Francisco) to gradually increase California’s minimum wage to \$15. SB 3 increases the minimum wage to \$10.50 per hour on January 1, 2017, for businesses with 26 or more employees, and then increases each year until reaching \$15 per hour in 2022. For employers with 25 or fewer employees, the increases begin in 2018 and reach full implementation in 2023.

SB 3 includes “off-ramps” to pause wage hikes if negative economic or budgetary conditions emerge, such as a forecasted budget deficit (of more than 1% of annual revenue) or poor economic conditions (negative job growth and retail sales). The law requires the Governor to make a determination if these conditions exist by September 1 of each year to pause the next year’s wage increase for one year.

Once the minimum wage reaches \$15 per hour for all businesses, wages could then be increased each year up to 3.5% for inflation as measured by the national Consumer Price Index.

With this legislation signed by Governor Brown, qualifiers of a similar proposal will pull their “Fair Wage Act of 2016” initiative from the November 2016 ballot.

### **District:**

### ***Parents at 20th Street Elementary confront district's rejection of their takeover attempt (Los Angeles Times)***

In rejecting the petition concerning 20th Street Elementary School, the district said that California’s 2010 “parent trigger law,” is not valid because it asks for outdated performance measurements. An attorney for the district, David Holmquist, argued in a letter rejecting the petition that even if the law were valid, the district has a federal waiver that exempts it from using the Academic Performance Index and Academic Yearly Progress as performance measures. If the parents decide to take legal action, they could sue to reverse the district’s decision.

## ***\$7.1 Million Awarded to Ivy Academia***

On March 15, 2016, Ivy Academia received an arbitration award of over \$7 million due to LAUSD's failure to comply with Proposition 39 over three years, disproving LAUSD's claim that the law provides no remedy for failure to obey Proposition 39. The award recognizes that the district's failures harmed the school, and that the reasonably equivalent facilities the district refused to provide have significant value. CCSA applauds Ivy's perseverance in pursuing its claims through the dispute resolution process required by its charter.

### **YPICS:**

All three schools held successful Parent Conferences the week of April 4, 2016. Once again, the administrators, teachers, and support staff are to be commended for their teamwork, which allowed the schools to obtain a 96%+ parent attendance rate across YPICS during the week. High parental involvement continues to be one of YPICS hallmarks. Each parent had the opportunity to have a prescheduled parent conference with each teacher.

Additionally, YPICS has engaged parents to better understand the LCAP process and their ability to have voice about the final LCAP goals and budgets. In the fall a Town Hall meeting was convened at MORCS to help parents better understand Common Core. In January each campus through their parent meetings and workshops have added LCAP topics including but not limited to the following: Understanding LCAP, LCAP data review, LCAP budget, LCAP Update Process and Timeline. Each school will continue to meet with stakeholders through the end of the month. A draft LCAP budget will be presented to the YPICS board at the Board meeting. The Final LCAP budget will be approved at the June Board meeting.

### **MORCS:**

#### ***LAUSD Oversight Visit***

On April 21, 2016 MORCS had an LAUSD Oversight visit. The Central office team worked alongside the site leaders to prepare for their visit. The visit went well. The LAUSD Team celebrated areas of successes and also shared opportunities for extensions. The MORCS team has worked hard on Climate and Culture this year and that was evident during the visit. The LAUSD visiting team commended the teaching and leadership team on the high levels of student engagement. There is an extremely safe learning environment for the MORCS students, in turn, they are willing to take risk and the growth in academic achievement outcomes exemplifies the impact of positive culture on student learning.

#### ***Renewal-Charter Petition***

The leadership team has begun to work on the renewal petition for MORCS. The leadership team will have the final document prepared to submit to the YPICS Board at the June Board meeting. Current benchmark date reflects that there is strong growth at MORCS. The academic outcomes for MORCS over the past five years has had consistent increased growth, and the school has ranked in the top three performing schools in the area. MORCS is well poised for the renewal.

### **BCCS:**

#### ***LAUSD Oversight Visit***

Bert Corona is scheduled to have an LAUSD site visit on April 28, 2016. The leadership Team is preparing for the visit.

**BCHS:**

***WASC***

On April 5, 2016 the high school had a WASC visit. Board President Straub joined us for the visit. The WASC Team was impressed with all of the systems that are already in place for a start-up school. Additionally, the WASC Team commended the high school leadership team, teachers, and staff for the positive culture that is in place, the rigor that was demonstrated in the classrooms, and for the community partnership with LA Mission College. We celebrate Mr. Simonsen for leading the WASC process at the high school, because his efforts led the school to receiving a three-year initial accreditation.