

**YPI CHARTER SCHOOLS
EXECUTIVE DIRECTOR'S REPORT**

October 30, 2017

The mission of YPI Charter Schools (YPICS) 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 YPICS 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.

CCSA:

The Los Angeles Advocacy Council was founded in 2016 to better meet the needs of the Los Angeles charter community.

Our mission is to transform the public school system so that all district and charter students have access to high-quality public schools.

The council members include 17 CEOs and EDs of large and small charter schools and CMOs across Los Angeles. The group meets monthly.

Member	School/Organization
Ana Ponce	Camino Nuevo
Brian Bauer	Granada Hills Charter High School
Jackie Elliot	PUC
Caprice Young	Magnolia
Irene Sumida	Fenton
Marcia Aaron	KIPP LA
Ted Morris	Endeavor
Pam Magee	Pacific Palisades Charter High School
Oliver Sicat	Ednovate
Vanessa Jackson	Collegiate
Cristina de Jesus	Green Dot
Emilio Pack	STEM Prep
Eric Studer	CHIME
Mark Kleger-Heine	CWC
Parker Hudnut	ICEF
Yvette King-Berg	YPICS
Vacnacy	

The council has identified four “North Stars” that focus the work of the organization for the 2017-2018 school year:

- Improving/refining/revising the District Required Language (DRL)
- Improving the oversight process
- Establishing long-term facilities use agreements for all charter schools
- Building better relationships with the District

State:

From School Services of California –

LAO Analyzes Volatility of California’s Personal Income Tax Structure

The personal income tax (PIT) is California’s largest state revenue source, accounting for more than two thirds of the state General Fund, the predominant fund for financing the state's operations. The General Fund supports California’s K-12 public schools and community colleges as well as other state-funded programs such as universities, corrections, health facilities, and social services.

The Legislative Analyst’s Office (LAO), the Legislature’s nonpartisan fiscal advisor, released a report titled, *Volatility of California’s Personal Income Tax Structure* on September 28, 2017. The report scrutinizes California’s volatile PIT structure and the implications of that volatility.

In the report, the LAO measures volatility by means of average deviation, which summarizes, for a given time period, how many percentage points the data deviates from the average annual compounded growth rate. Using this formula, the LAO is able to draw the following conclusions about California’s PIT structure:

- The state PIT base is much more volatile than personal income for the following two reasons:
 - Capital gains, which have nearly three times the volatility of the overall PIT, are included in the PIT base, but excluded from personal income.
 - Stable income categories such as employer-paid benefits, transfer payments (Social Security and unemployment insurance), and the excluded components of dividends, interest, and rent are included in personal income, but excluded from the PIT.
- California’s graduated rate structure that taxes higher-income filers more heavily than lower-income filers makes the PIT revenue more unpredictable because the aggregate income reported by high-income earners, which is disproportionately from business profits and capital gains, is much more volatile than the aggregate income reported by low-income earners.

The LAO asserts that the Legislature has the power to reduce the PIT volatility because they have control over most facets of the PIT structure. However, the report offers the caveat that a more stable PIT would likely come at the cost of less revenue growth because the aggregate income of the top earners in California has grown much faster than the income of the entire population. This means that if the PIT were less reliant on the high-income earners it may make the structure less volatile, but could also result in slower revenue growth.

The report shows that California’s revenues will continue to be fragile because of the dependence on the top one percent of taxpayers, a group that is not growing, and because of the reliance on sales and income taxes for the marginal dollar instead of the less volatile property tax.

Stanford Warns Pension Costs Will Crowd out Public Services

In a report examining pension costs in public agencies across the state, Stanford University Professor Joe Nation warns that rising pension costs will account for an ever-increasing share of public budgets, making it more difficult to provide governmental services. Joe Nation served as a state Assembly member in the early 2000s.

In a report titled *Pension Math: Public Pension Spending and Service Crowd Out in California, 2003-2030*, Nation evaluated pension liabilities of selected cities, counties, school districts, and special districts. To project future pension liabilities, the study evaluated two assumptions of future investment returns for public pension funds, a baseline rate of 7% assumed by the pension funds and a more conservative alternative rate of 5%.

For all public agencies in the case studies, Nation drew the following conclusions:

- Employer pension contributions from 2002-03 to 2017-18 rose on average 400%, i.e., contributions are now five times greater than 15 years ago
- Employer contributions from 2017-18 to 2029-30 would increase 76% under the baseline case (7% rate of return) and 117% under the alternative case (5% rate of return)
- During the period 2002-03 to 2017-18, pension contributions increased on average 400%, while operating expenditures grew 46%, with pension contributions now accounting for 11.4% of all operating expenditures, up from 3.9% in 2002-03
- By 2029-30 pension contributions will account for 14% of operating expenditures under the baseline assumption and 17.5% under the lower alternative assumption
- As pension costs have increased, public agencies have reduced social, welfare, and educational services as well as “softer” services such as libraries, recreation, and community services

The *Pension Math* report also looked specifically at the liabilities to the California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) funds of three school districts in California: Los Angeles Unified School District, Mill Valley School District, and Visalia Unified School District. The report notes that as of June 30, 2016, CalSTRS covered 914,000 members, including 439,000 current employees, and CalPERS covered 710,000 members, including 298,000 current employees.

On a statewide basis, the report projects that school employer rates for CalPERS would increase from 15.53% currently to 31.26% by 2029-30 under the alternative assumption that the fund’s return on investment is 5%. If the 7% assumed rate of return is realized, employer rates would still increase significantly to 25.23%. The report did not offer projected employer contribution rates for CalSTRS other than to note the current law authorizes employer rates to increase from 14.43% in the current year to a maximum of 20.25% in 2022-23. The report notes that while the CalPERS Board has the authority to raise employer contribution rates, CalSTRS rates must be enacted through a bill passed by the Legislature and signed by the Governor.

2016-17 CAASPP Scores Stagnant Across the Board

On Wednesday, September 27, 2017, the California Department of Education (CDE) released the scores for the third year of the Smarter Balanced Summative Assessments in English language arts and mathematics assessments, about a month later than expected. The results show that the 2016-17 scores have stagnated from last year with little to no progress in narrowing the achievement gap between the lowest and highest performing student groups. The scores show that 48.56% of students tested proficient in English language arts and 37.56% tested proficient in mathematics. The English results were about a

half percentage point drop from last year (49%), while the math results were about a half percentage point increase (37%).

The results come after last year's marks showed about a four to five percentage point improvement in both English (from 44% to 49%) and math (from 33% to 37%) from the 2014-15 scores. Equity groups have been quick to point out that the achievement gap hardly budged from last year's scores and slightly widened for the state's English learners. State Board of Education President Michael Kirst downplayed the stagnant test results arguing that California is moving in the right direction and that "test scores are not the only way to look at how students are doing."

State Superintendent of Public Instruction Tom Torlakson, who held a press conference last year in Los Angeles to tout the gains made from the first year of testing to the second, released a statement that characterized the flat scores as a continuation of the progress made since the initial year of testing. He did concede that more work needs to be done in order to narrow the persisting achievement gaps and ensure that all students continue to progress.

Bills Signed by the Governor

SB 496 (Cannella, R-Ceres)—Indemnity: Design Professionals. SB 496 was signed into law on April 28, 2017, regarding the duty of design professionals to indemnify public agencies with whom they contract from claims against the public agency for design-related work. Specifically, as of January 1, 2018, SB 496 will:

- For contracts, and amendments to contracts, entered into on or after January 1, 2018, render contractual obligations of design professionals to indemnify, including the duty to defend, public agencies for claims against the agency unenforceable except for claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional.
- Limit the costs to defend claims to no more than the "proportionate share of the fault" of the design professional. This provision, on its face, inhibits the ability of public agencies to obtain upfront duty-to-defend obligations from their contracted design professionals.
- Not apply duty-to-defend obligations to joint venture contracts that include design professionals, or contracts that are covered by general liability insurance policies that covers all design professionals for their legal liability arising out of their primary services.
- Not apply to state agencies.

Bills Failed Approval by the Legislature

AB 254 (Thurmond)—Local Educational Agency Behavioral Health Integration Pilot Program. This bill would have established a pilot program aimed at encouraging schools to provide additional behavioral health services to students. The bill would have required the funds to be used to provide or building capacity for the provision of direct behavioral health services to all students with a demonstrated need, with a concerted effort toward improving the delivery of underutilized services to students enrolled in the Medi-Cal program.

The bill would have authorized LEAs selected for the pilot program to provide direct behavioral health services through direct employment of health care providers, or by contracting with health care providers or school health centers. The bill would have appropriated \$10 million annually (through the 2021-22 fiscal year) from the Mental Health Services Act for the pilot program.

AB 1217 (Bocanegra)—Pupil Instruction: State School: STEM Instruction. This bill would have established a state school located in Los Angeles County to be governed by a nonprofit public benefit

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corporation for the purpose of providing instruction in science, technology, engineering, and mathematics (STEM) to historically underrepresented pupils in grades 6 to 12, inclusive. The bill would have required the state school to complete a plan that governs the education of its pupils and the operation of the school in accordance with a specified timeline and prescribed criteria.

SSC Comment: This measure failed passage in the Senate and was ordered to the inactive file at the request of Senator Portantino. There are several questions as to whether this state-run STEM school would be considered a public charter school, as there are many similarities in the creation of this school and the creation of traditional charter schools. Opponents of the bill had argued that if this were a state-run STEM school, then it should be open to all eligible students throughout the state and be under the administrative control of the SSPI as the other state schools are.

SB 328 (Portantino, D-La Cañada Flintridge)—Pupil Attendance: School Start Time. Commencing on July 1, 2020, this bill would have prohibited LEAs from beginning the school day for middle schools and high schools earlier than 8:30 a.m. However, rural school districts would have been authorized to seek a waiver from the SBE to delay implementation of this limitation.

SSC Comment: This bill failed passage in the Assembly on a vote of 26 ayes, 30 noes, and 23 not voting on September 14, 2017. Opponents had argued that the bill fails to consider the impact it has on parent drop off times; feasible hours for extra-curricular activities, physical education, and athletic programs; and school transportation. Opponents had also asserted that “the local school board knows more than the state about the education programs and needs within its jurisdiction,” and the school start time decision should remain “locally driven and collectively bargained.”

SB 607 (Skinner, D-Berkeley)—Pupil Discipline: Suspensions and Expulsions: Willful Defiance. As amended on June 26, 2017, this bill would eliminate the authority to suspend or recommend for expulsion any pupil in kindergarten through grade 5 who disrupts school activities or otherwise willfully defies the valid authority of supervisors, teachers, administrators or school officials, and prohibits until July 1, 2023, the suspension or recommendation for expulsion any pupil in grades 6 through 12 for that same act and extends these provisions to charter schools.

Governor Brown Signs Several Bills Supporting Immigrant Community

Since taking office in 2010, Governor Jerry Brown has not been afraid to sign controversial legislation to show his support for the immigrant community. In 2011 he signed the California Dream Act, allowing top students on the pathway to citizenship to apply for college financial aid. In 2013 he signed Assembly Bill (AB) 60, granting undocumented immigrants in California the right to obtain driver’s licenses. He also signed legislation to provide legal services to unaccompanied minors coming from Central America and legislation to extend healthcare coverage to undocumented children in the state.

On Thursday, October 5, 2017, the Governor signed a package of bills once again aimed at protecting California’s undocumented population. This package includes the highly publicized “sanctuary state” bill, Senate Bill (SB) 54, by Senate President pro Tempore Kevin de León.

Summaries of the bills that were signed in the immigrant package that will affect K-12 public education can be found below.

- SB 54 (Chapter 495/2017) will require the Attorney General, by October 1, 2018, in consultation with stakeholders, to publish model policies limiting assistance with immigration enforcement to the fullest extent possible. Public entities, including public schools, would then have to implement that policy or an equivalent policy. The bill will also prohibit, with certain exceptions,

state and local law enforcement agencies, including school police and security departments, from using resources, money, or personnel to investigate, interrogate, detain, detect, or arrest persons for immigration enforcement purposes.

- AB 699 (Chapter 493/2017) will require the Attorney General to publish model policies limiting assistance with immigration enforcement at public schools, requires local educational agencies (LEAs) to adopt the model policies or equivalent policies, and provides education and support to immigrant students and their families. The bill will prohibit school officials and employees of an LEA, except as required from state or federal law, or as required to administer a state or federally supported educational program, from collecting information or documents regarding citizenship or immigration status of pupils or their family members. Additionally, the bill will also provide that if an employee of a school is aware that a pupil's parent or guardian is not available to care for the pupil, the school shall first exhaust any parental instruction relating to the pupil's care in the emergency contact information it has for the pupil to arrange for the pupil's care.
- SB 257 (Chapter 498/2017) will deem that a student meets residency requirements for school attendance in a school district if he or she is a student whose parent(s) were residents of California and have departed California against their will and if the student seeks admissions to a class or school of a school district to be admitted by the school district regardless of his or her current residency provided that the student meets the following requirements:
 - Has a parent or guardian who departed California against his or her will
 - Provides official documentation evidencing the departure of his or her parent or guardian
 - Moved outside of California as a result of his or her parent or guardian departing California against his or her will, as defined, and the student lived in California immediately before moving outside of California
 - Provides information and evidence demonstrating that the student was enrolled in a public school in California immediately before moving outside of California

2017 Second Bill Signing Update

Governor Jerry Brown and his staff have been busy over the past week, acting on 160 bills since last Friday afternoon, September 29, 2017. Of those 160 bills, 143 were signed and 17 were vetoed.

Below are some of the top education issues approved by Governor Brown over the past week:

- Assembly Bill (AB) 226 (Chapter 436/2017) will require the Commission on Teacher Credentialing to grant or deny a completed application for a credential within seven days of receipt if the applicant holds a valid teaching credential in another state and is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state.
- AB 667 (Chapter 445/2017) will require that the principal, his or her designee, or the district superintendent of schools inform a pupil who is being suspended of the other means of correction that were attempted prior to the suspension, during the mandatory informal conference.
- AB 1520 (Chapter 415/2017) will establish the Lifting Children and Families Out of Poverty Task Force for the purpose of submitting a report for the Legislature and the executive administration of the state, as specified, that recommends future comprehensive strategies aimed at addressing deep child poverty and reducing child poverty in the state.

- AB 1550 (Chapter 451/2017) will authorize two or more small school districts that have had the issuance of bonds authorized by the voters to form a joint powers authority for the purpose of issuing or selling those bonds for raising money for the purposes authorized by the bonds.
- Senate Bill (SB) 344 (Chapter 461/2017) will extend the sunset date on the extended timeline provided to county boards of education in Class 1 and Class 2 counties to determine whether a student who has filed an interdistrict appeal should be permitted to attend in the district in which the student desires to attend.
- SB 544 (Chapter 395/2017) will require school districts to award contracts for the provision of child nutrition program supplies to the most responsive and responsible party and requires price to be the primary consideration, but not the only determining factor.

Governor Brown Acts on Two Classified Employee Bills

As the deadline looms closer for Governor Jerry Brown to sign or veto bills that the Legislature presented to him last month, he took action on two noteworthy classified employee-related bills.

The Governor signed AB 670 (Thurmond, D-Richmond) to include part-time playground positions as part of “classified service” even if the employee does not serve in another classified service position in his or her district. AB 670 will take effect on January 1, 2018, after which part-time playground employees will be mandatorily covered under collective bargaining.

The Governor also acted on AB 621 (Bocanegra, D-Pacoima), which would have established a state-funded summer furlough fund for classified employees to contribute to and receive earnings during the summer months in which they are not working. AB 621 was one of several attempts over the last few years seeking relief for classified employees during the traditional summer academic recess. The Governor vetoed AB 621, citing that “employee compensation is a matter subject to local collective bargaining,” and that the bill would reduce local flexibility to set priorities within a local context.

California School Finance Authority Adopts Emergency Regulations for the Charter School Facility Grant Program

Today, October 11, 2017, the California School Finance Authority (CSFA) adopted emergency regulations for the Charter School Facility Grant Program (CSFGP). The program provides facilities rent and lease assistance to eligible charter schools (FPC, STEM and FCLA all benefit from this program).

With the increase in funding provided by the 2017-18 State Budget, as well as an increase in the number of applicants, CSFA staff anticipates that the CSFGP will be oversubscribed. There is \$112 million available in the program, and staff is currently anticipating a minimum of \$116 million in requests, with that number increasing once the applications for new schools are received by the October 16, 2017, deadline and other additional expenses are added. The emergency regulations that were adopted are intended to clarify the pro-rata share formula and set forth how funds will be disbursed during oversubscribed funding rounds. Based on current costs and available funding, it is anticipated that charter schools will receive 78% of its award under the pro-rata share formula.

While the emergency regulations changes include some nonsubstantive corrections, there are four changes of which to be aware:

1. Section 10170.2 (e) and (h) include new definitions for average daily attendance (ADA) cap and cost-of-living adjustment (COLA) Index to address the increased per-ADA amount for 2017-18 and the new requirement that a COLA adjustment be applied to the ADA cap each year beginning in 2018-19.

2. Section 10170.4 (a)(1)(A) and (B) were added and note that facilities rents or lease costs cannot exceed the prior year's costs adjusted for COLA and ensure that rent or lease costs for new facilities are at or below market rate. These changes were included to discourage inflated lease or rent costs and ensure a fair distribution of funds among all participants. (Note that this change will not take effect until 2018-19.)
3. Section 10170.9 includes various changes to provide a comprehensive pro-rata share disbursement schedule necessary due to the oversubscription of the program.
4. Section 10170.10 (f) and (g) provide a single 30-day extension, under extraordinary circumstances, to the appeal process and clarify eligibility and award if application deadlines are not met.

As these are emergency regulations, they will go into effect for the 2017-18 funding round, with exceptions noted above.

District:

Dr. Ref Rodriguez resigned as president of the LAUSD Board of Education on September 19, 2017. On September 26, 2017, Monica Garcia, BD 2, was nominated by new board member Kelly Gonez, BD 6, for the position of president and was elected on a 4-3 vote. New board member Nick Melvoin, BD4, was selected as the vice president.

On Tuesday, October 24, 2017, the LA Times reported the following, "Nobody should be tried in the press or the court of public opinion without having a fair hearing," board members Monica Garcia, Nick Melvoin and Kelly Gonez said of the allegations that Rodriguez illegally reimbursed 25 donors to his 2015 campaign. "But in order to keep making progress towards our goal of 100% graduation, we have asked Dr. Rodriguez to take a leave of absence from the Board."

Dr. Ref Rodriguez responds, "Earlier today, three members of the LAUSD Board requested that I take a leave of absence. I am not doing so," he wrote. "I have dedicated my life to provide better educational opportunities to all students in our communities. I have worked with parents, community members, and students to tear down barriers to success, and together, we have proven that grassroots policy making is alive and well."

YPICS:

The organization has focused on the following three areas to improve practice for the 2017-2018 school year:

- Improve communications
- Improve student connections and their feeling of belonging
- Closing the achievement gap for all students but with special attention to ELs
- Improve enrollment process and procedures

July 1, 2017 organization wide we adopted SLACK as a communication tool In order to improve internal communications. Slack is where work happens. It is a digital workspace that powers the organization to get things done. Since our July adoption, each site has created teacher, administration, staff, and celebration spaces. Daily there are ongoing conversations both on individual campuses and within teams that work cross the YPICS network. Slack has allowed us to prioritize the internal communication needs of the organization first.

We have continued to focus on making school a special place where students feel that they belong through PBIS training and student centered activities. Additionally, we continue to focus on language

development for our ELs to further close the achievement GAP through teacher EL trainings and focus on EL strategies. We are working with Elizabeth Jimenez-Salina, Gemas Consulting group to provide on going support for ELs.

YPICS is moving to a digitized enrollment process this year. The goal is to improve the enrollment process and to decrease mistakes when transferring information from paper applications to Illuminate, the schools' student information system. This November will be the first time parents will have the opportunity to submit an application via their cell phone or by a computer. Each office will have a computer available for parent use to engage in this process, individually or with staff support. School Mint is the platform that will allow us to move to the digitized system. The office staff is looking forward to implementing the new enrollment and outreach process.