



## YPI CHARTER SCHOOLS EXECUTIVE DIRECTOR'S REPORT

December 11, 2017

*The mission of the 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; and 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.*

### CCSA:

#### LAUSD Board Meeting Updates

Board Approves Updates to District Required Language, 11/7/2017: Yesterday's LAUSD Board meeting began with LAUSD Acting Superintendent Vivian Ekchian's announcement that charter leaders and district staff had reached an agreement to update key parts of the boilerplate language that LAUSD mandates its schools include in their charter petitions, called the "District Required Language" (DRL). This agreement was the outcome of years of joint efforts between the charter community and CCSA to analyze the policy requirements in the DRL, assess their impact on charter operators' ability to serve students, and prioritize areas for pushback.

Ultimately, the District agreed to these changes because of the joint advocacy efforts of the Los Angeles Advocacy Council (LAAC), the broader charter community. CCSA. and six charter organizations who took on the risk of potential charter denial by submitting new and renewing charter petitions with updated policy language included. These organizations were **STEM Preparatory Schools. Equitas Charter Academies. Alliance College-Ready Public Schools, KIPP Los Angeles. Camino Nuevo Charter Academies, and Magnolia Public Schools.** We thank them for their leadership role in this effort. After months of negotiations. schools who pushed back on district policy were approved with new DRL terms that will extend to the broader community as well. These positive policy updates include Special Education flexibility, increased transparency on district policies that apply to charters, decreased barriers to stable and long-term facilities agreements. and important changes to dispute resolution, closure and insurance policies and processes.

These changes are significant wins for students and educators, and represent what can be accomplished when our charter community is unified in bold action and voice. Thank you to all who participated in this collective action by making phone calls. signing a collective letter, and otherwise advocating for these student-centered policy improvements.

Extensive media coverage for this momentous board action highlights our efforts to put student interests first.

### National:

## National Alliance's Annual Enrollment Share Report

Finds Charter School Enrollment Has Tripled Since Report First Issued *More than " million students attended a charter school in the 2016-17 school year.*

Washington, D.C.—A Growing Movement: America's Largest Public Charter School Communities is the National Alliance for Public Charter Schools' (National Alliance) twelfth annual report on charter school enrollment. Since the report's first release in 2006, national charter school enrollment has tripled, growing from one million to more than three million students. When examined at a district level even more significant growth is revealed:

- More than **200 school districts** have 10 percent **or more charter school enrollment share**. In 2016-17, there were 208 districts with at least 10 percent of their students in charter schools—a net increase of 18 districts over the 2015-16 school year.
- Nineteen districts have at least 30 percent **charter school enrollment share**. When this report was first published, only one district, had at least 30 percent of their students enrolled in charter schools.
- Seven **districts have at least 40 percent** charter school enrollment share. In 2016—17, the share of students who attend charter schools was 40 percent or more in seven districts, more than double the number from five years ago.

“Public charter schools are growing because communities are demanding them,” said Nina Rees, president and CEO of the National Alliance. “The results are in, and they’re clear: charter schools are leading to increased student achievement. It makes sense, then, that families are increasingly selecting charter schools when they have public school choice. The National Alliance is excited to join the millions of families seeking these game-changing schools.”

A recent survey by Phi Delta Kappa and Gallup found that 17 percent of parents would send their child to a charter school if location and capacity were not an issue—meaning that the potential number of students who may opt to attend a charter school is nearly 9 million. In addition, a 2016 survey commissioned by the National Alliance shows that nearly 80 percent of parents would support a new charter school opening in their neighborhood.

Other major report findings include:

- Los Angeles **again tops** the list for total number **of students enrolled in charter schools**. In 2016-17, more than 163,000 students attended charter schools in Los Angeles—an increase of more than 7,000 students since 2015-16, and the highest number for any district in the country.
- New York City charter enrollment **surpassed 100,000 students**. Between 2015-16 and 2016-17, charter school enrollment in New York City increased by nearly 10,000 students, surpassing 100,000 for the first time.

- **Four of the five districts with unified enrollment systems have** a charter school enrollment share of greater than 30 percent. Five large urban districts currently use unified enrollment systems in which parents can apply to any public school within the system (charter or district), regardless of where they live in the district. In four of these five districts (New Orleans, the District of Columbia, Camden, and Newark) charter schools enrolled more than 30 percent of all public school students in 2016-17. In the fifth district with a unified enrollment system, Denver, the charter school enrollment share hit 20 percent for the first time.

### National Alliance **Statement on the Passage of the House Tax Bill**

Today (November 16, 2017), the U.S. House of Representatives voted to pass H.R. 1, the Tax Cuts and Jobs Act. National Alliance for Public Charter Schools President and CEO Nina Rees has released the following statement:

“The National Alliance is deeply concerned with the passage of H.R. 1. This bill jeopardizes the ability of charter schools to access the needed resources to secure a facility. Without facilities, new charter schools cannot open and existing, high-quality schools cannot expand or replicate.

“H.R. 1 eliminates the opportunity for public charter schools to access New Market Tax Credits (NMTCs), Private Activity Bonds (PABs), and Qualified Zone Academy Bonds (QZABs) in order to finance school facilities. This is devastating to charter schools, which often struggle to find space and lack the amenities of district schools. In some states, charter schools receive zero facilities dollars, and in all states, charter schools are dependent on finding alternative and cost-effective means of accessing capital for their buildings. Without financial instruments like NMTCs, PABs, and QZABs, charter schools would have to divert resources away from high-quality classroom instruction and into facilities.

“We are grateful that the Senate bill protects NMTCs, PABs, and QZABs, which are essential pathways that make it possible for charter schools to acquire and maintain safe and appropriate school spaces. While not perfect, the Senate bill is the better bill for public school students, and we are hopeful it will prevail during conference.”

State:

*From School Services of California -*

### Top Legislative Issues for 2017—Final Actions

Meeting his October 15, 2017, deadline, Governor Jerry Brown completed action on nearly 1,000 bills for the 2017 legislative year, signing 859 and vetoing 118, or nearly 12% of those that made it to his desk.

We have sorted the bills we have been following this year into those that were signed by Governor Brown and those that were vetoed. All bills vetoed by Governor Brown include a veto message, providing his rationale behind returning the bill to the Legislature without his signature. They are often

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an interesting read—and provide direction on how a bill can be more successful in a future legislative attempt.

Subsequent articles will be posted that delve into implementing some of these important bills. This installment of Top Legislative Issues will be the last for the year and will return to production in January 2018.

Signed by the Governor

Assembly Bill (AB) 10 (Chapter **687/2017**)—**Feminine Hygiene Products:** Public School Restrooms. This bill requires public schools maintaining grades 6 through 12, inclusive, that meet the 40% poverty threshold to operate a federal Title I schoolwide program to stock at least 50% of their restrooms with feminine hygiene products at all times and at no charge to students. Citing such products as necessary for the health and well-being of students, the bill's proponents argue that such products are medical necessities.

AB 23 (Chapter **654/2017**)—**Educational Programs:** Single Gender Schools and Classes. This bill authorizes (1) a school district with an average daily attendance (ADA) of at least 400,000 to establish single gender schools, and (2) a charter school authorized by a school district with an ADA of at least 400,000 to be established as a single gender school. The measure also requires a school district that establishes a single gender school and a charter school established as a single gender school to conduct evaluations once every two years and to report the findings to the Senate Committee on Education and the Assembly Committee on Education.

AB 168 (Chapter **688/2017**)—**Employers: Salary Information.** This bill prohibits an employer from relying on the salary history information of an applicant for employment as a factor in determining whether to offer an applicant employment or what salary to offer an applicant. The bill also prohibits an employer from seeking salary history information about an applicant for employment and would require an employer, upon reasonable request, to provide the pay scale for a position to an applicant for employment.

The bill does not prohibit an applicant from voluntarily, and without prompting, disclosing salary history information and does not prohibit an employer from considering or relying on that voluntarily disclosed salary history information in determining salary. The bill applies to all employers and does not apply to salary history information disclosable to the public pursuant to federal or state law.

AB 203 (Chapter 837/2017)—**School Facilities: Design and Construction: Report: Regulations.** This bill requires the California Department of Education (CDE) and the Office of Public School Construction (OPSC) to each adopt regulations allowing for the funding of flexible instructional facilities for consideration by the State Board of Education and the State Allocation Board. The bill also requires the CDE to develop strategies to provide technical assistance support to small School districts in accessing state funds. Finally, the bill requires OPSC and the Division of the State Architect (DSA) to submit a report to the Senate and Assembly Education and Appropriations Committees that includes the feasibility of using a single application for state school facility approval with the CDE, OPSC, and DSA. or if the report determines that a single application is not feasible include recommendations to reduce duplicative information. The report is due to the Legislature no later than July 1, 2018.

AB 699 (Chapter **4f3/2017**)—**Educational Equity: Immigration** and Citizenship Status. This bill requires the Attorney General (AG) 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

also prohibits 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. The bill also provides 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.

**AB 746 (Chapter 746/2017)—Public Health: Potable Water Systems: Lead Testing: School Sites.** This bill requires community water systems serving a school site to test for the presence of lead in the school site's potable water system, defined as drinking fountains or faucets used for drinking water or preparing food, no later than July 1, 2019, if the site includes a building constructed before January 1, 2010. The community water system is required to report its findings to the school site within 10 business days of receiving test results or within 2 business days if the tests reveal lead levels in excess of 15 parts per billion.

If a school site contains lead levels in excess of 15 parts per billion, AB 746 requires the LEA to:

- Notify parents and guardians with children attending school or preschool at the site
- Take immediate steps to make contaminated fountains and faucets inoperable
- Provide potable drinking water to students

School sites constructed or modernized after January 1, 2010 are exempt from the requirements of AB 746, along with LEAs that are permitted as a public water system and are currently required to undergo lead testing in the potable water system and LEAs that tested for lead in their potable water systems after January 1, 2009, and post specified information on their websites.

**AB 830 (Chapter 641/2017)—High School Exit Examination: Repeal.** This bill repeals the requirement that the state develop and administer a California High School Exit Examination (CAHSEE) and the requirement that pupils pass the CAHSEE as a condition of receiving a high school diploma, and repeals references to the CAHSEE in the Education Code.

**AB 1157 (Chapter 717/2017)—School Property: School District Advisory Committees: Teacher and School District Employee Housing: Property Tax Exemption.** This bill exempts a school district from convening a specified advisory committee related to surplus property and would exempt specified requirements relating to the sale or lease of real property if the purpose of the sale or lease of property is for the construction, reconstruction, or renovation of rental housing facilities for school district employees, and would clarify a taxation exemption for property used to house employees of school and community college districts.

**AB 1360 (Chapter 760/2017)—Charter Schools: Pupil Admissions, Suspensions, and Expulsions.** This bill expands the procedures that must be included in a charter school petition related to involuntary expulsion from the charter school. The measure also provides for additional admission preferences as well as requires charter schools to notify parents that parental involvement is not a requirement for admission or continued enrollment at the charter school.

**Senate Bill (SB) 54 (Chapter 495/2017)—Law Enforcement: Sharing Data.** The bill requires the AG, 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, have to implement that policy or an equivalent policy. The bill also prohibits, 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.

**SB 138** (Chapter 724/2017)—School Meal Programs: Free and Reduced-Price Meals: Universal Meal Service. Using Medi-Cal participation data shared by the California Department of Health Care Services, the bill requires LEAs to directly certify eligible pupils for free and reduced-price meals to the extent allowable under federal law. This measure also requires that a high poverty school, as defined, provide breakfast and lunch to all enrolled pupils and would allow an LEA to opt out of this requirement due to fiscal hardship.

**SB 250 (Chapter 726/2017)—Pupil Meals: Child Hunger Prevention and Fair Treatment Act of 2017.** This bill requires an LEA to ensure that a pupil whose parent or guardian has unpaid school meal fees is not shamed, treated differently, or served a meal that differs from what a pupil whose parent or guardian does not have unpaid school meal fees would receive under the LEA's policy; requires an LEA to attempt to directly certify a family for the free and reduced lunch program when a student has unpaid school meal fees and before the LEA notifies the parent or guardian within ten days of reaching a negative balance; and, prohibits school personnel from allowing any disciplinary action that is taken against the student to result in the denial or delay of a nutritionally adequate meal to that pupil.

**SB 257 (Chapter 498/2017 School Admissions: Pupil Residency: Pupils of Departed Parents: Residents of Adjoining State or Foreign Country: School District Reimbursement.** This bill deems 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 admission 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

**SB 379 (Chapter 772/2017)—Pupil Health: Oral Health Assessment.** This bill requires the CDE to consult with the state dental director in developing and posting online the standardized notification form and requires the CDE, in consultation with those entities, to revise the standardized form as necessary. The bill also requires the standardized form to include specified information on parental rights relating to school site oral health assessments.

**SB 544 (Chapter 395/2017)—School Districts: Contracting: Purchases for Child Nutrition Programs.** This bill requires procurement bid solicitations and awards made by a school district for purchases in support of federal nonprofit child nutrition programs to be consistent with certain federal procurement standards. The bill requires awards to be let to the most responsive and responsible party, and would require price to be the primary consideration but not the only determining factor.

**SB 550 (Chapter 812/2017)—Public School Employment: Meeting and Negotiating: Legal Actions: Settlement Offer: Attorney's Fees.** This bill requires an employer who rejects an employee organization's settlement offer to pay the employee organization's reasonable attorney's fees and expenses if the employer fails to obtain a judgment or award more favorable than that provided in the settlement offer. The fee shifting procedure does not apply to unfair practice or arbitration proceedings.

SB 557 (Chapter 285/2017 Food Donations and Pupil Meals: Schools. This bill authorizes an LEA to minimize food waste and reduce food insecurity by providing sharing tables where specified foods that are not consumed during school meal times can be placed to provide additional helpings to students, and also authorizes the LEA to donate such items to a food bank or other nonprofit charitable organization provided that the preparation, safety, and donation of food is consistent with Health and Safety Code guidelines.

Food placed on the sharing table may include prepackaged, nonpotentially hazardous food with the packaging still intact and in good condition, whole uncut produce, unopened bags of sliced fruit, unopened containers of milk that are immediately stored in a cooling bin maintained at 41°F or below, and perishable prepackaged food if it is placed in a proper temperature-controlled environment.

SB 751 (Chapter 674/2017)—School Finance: School Districts: Annual Budgets: Reserve Balance. This bill makes changes to the existing school district reserve cap law in the following ways:

- Modifies the conditions under which the reserve cap is imposed to the year following the year in which funds in the Public School System Stabilization Account *equal or exceed 3%* of the Proposition 98 funding for school districts for that fiscal year
  - Requires the State Superintendent of Public Instruction to notify districts and county offices when these conditions are met and when they are no longer met
- Modifies the reserve cap from a combined assigned and unassigned ending fund balance based on the size of the district to a combined assigned or unassigned ending balance. in the General Fund (01) and the Special Reserve Fund for Other Than Capital Outlay (17). of 10% of those funds for all districts
  - Exempts basic aid school districts and districts with fewer than 2.501 ADA from the reserve cap requirement

In his signing message, the Governor notes a technical amendment will be needed in legislation next year regarding the application of the 10% cap so that the bill is implemented as intended. SB 751 takes effect on January 1, 2018.

Vetoed by the Governor

**AB45 (Thurmond, D-Richmond)---**California School Employee Housing Assistance Grant Program. This bill would have required the Department of Housing and Community Development (HCD) to administer the California School Employee Housing Assistance Program, a predevelopment grant and loan program, to fund the creation of affordable housing for school district employees and teachers. The bill would have also required a qualified school district and a qualified developer to apply for this financing assistance and would have required the CDE and HCD to certify that a school district seeking a grant meets the definition of a qualified school district.

*The Governor's veto message states in part.'*

*"I recently signed Senate Bill into law which provides an ongoing funding source for housing. In the first year, SB2 directs fifty percent of the funding to be made available to local governments for planning purposes. In subsequent years, seventy percent of the funding is directly allocated to local governments so they can address their own unique housing needs and fifteen percent of the funding will be targeted towards workforce housing through the California Housing Financing Authority. Rather than creating a new program at this time, I encourage the author to work with the local governments in his district and collaborate with the California Housing Financing Authority to maximize the funding in SB2!."*

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AB 233 (Gloria, D-San Diego)—Pupils: Right To Wear Religious, Ceremonial, or Cultural Adornments at School Graduation Ceremonies. This bill would have specified that a pupil has the right to wear religious, ceremonial, or cultural adornments at school graduation ceremonies. The bill would have also declared that nothing in its provisions shall be construed to limit an LEA’s authority to prohibit an item that is likely to cause a substantial disruption of, or interference with, the ceremony or to expand or diminish any pupil rights established under specified provisions related to school dress codes and pupil freedom of speech.

*The Governor’s veto message states in part. ‘*

*“Students in California have a well-established right to express their views through symbolic acts under the state Education Code and the Free Speech Clause of the First Amendment. See Tinker v. Des Moines Independent Community School Dist. (1969) o"93 U.S. 503. 506. Under these precedents, student expression is clearly protected. To /be extent that there is a dispute about what a student can wear at school graduation ceremonies, I believe those closest to the problem -- principals and democratically elected school boards -- on in he best position to make wise judgments. ”*

AB 568 (Gonzalez Fletcher, D-San Diego)—School and Community College Employees: Paid Maternity Leave. This bill would have required the governing board of a school district, the governing body of a charter school, and the governing board of a community college district to provide at least six weeks of a leave of absence with full pay for a certificated, academic, or classified employee who is required to be absent from duties because of pregnancy. miscarriage, childbirth, and recovery therefrom. The bill would have authorized the paid leave to begin before and continue after childbirth. provided that the employee is actually disabled by pregnancy. childbirth, or a related condition.

*The Governor’s veto message states in part. ’*

*”I have signed two previous bills, AB !393 of!016 and AB 375 of20li, that allow these employees to receive differential pay for maternity and paternity leave. I believe further decisions regarding leave policies for school employees are best resolved through the collective bargaining process at the local level. I would also encourage districts to consider participating in the State Disability Insurance program that would allow these employees to receive pay in addition to what is already being provided.”*

AB 621 (Bocanegra, D-San Fernando)—Classified Employees: Classified School Employees Summer Furlough Fund. This bill would have authorized classified employees of school districts that do not pay the annual or monthly salaries in 12 equal monthly payments to participate in the Classified School Employees Summer Furlough Fund and would have required the district employer to deposit amounts withheld from the employee paychecks in accordance with that employee’s choices in an account within its General Fund, to be known as the Classified School Employees Summer Furlough Fund. The bill would have further required the CDE to apportion monies to each school district with a classified employee who had opted to participate in the fund in the amount of \$2 for each \$1, up to the equivalent of 80 hours of employment. or 10 days of employment, whichever is greater.

*The Governor’s veto message states in part. ’*

*“Employee compensation is a matter subject to local collective bargaining. This bill reduces the flexibility of local educational agencies and bargaining units to agree on employee compensation in a manner that reflects local needs, resources and priorities. For these reasons, I cannot sign this bill.*



**AB 952** (Reyes, D-San Bernardino)—Teachers: Bilingual Teacher Professional Development Program: Bilingual Teacher Shortage Pathways. This bill would have required the Commission on Teacher Credentialing in consultation with the Committee on Accreditation, to develop a process of identifying additional short-term high-quality pathways for the preparation of bilingual education teachers.

*The Governor's veto message states in part.-*

*“California recently provided funds to support teachers and paraprofessionals interested in becoming bilingual teachers. This past spring the Commission awarded one-time grants to higher education institutions that sought to create or improve four-year integrated teacher education programs, including for bilingual teachers. Before making additional investments on this matter I believe it's wise to first assess the success of our current programs.*

### Senate Education Committee Holds Hearing on Charter School Authorization

Twenty-five years ago, California became the second state in the nation to enact charter school legislation with the passage of the Charter Schools Act of 1992. Today charter schools serve about 580,000 California students, nearly 10% of the state's K-12 enrollment.

On Monday, October 23, 2017, the Senate Education Committee held an informational hearing at the Ronald Reagan Building in Los Angeles to discuss key issues surrounding charter school authorization. The hearing was chaired by Senator Ben Allen (D-Santa Monica) and attended by Senate Education Committee Vice Chair Scott Wilk (R-Lancaster) and Senator Tony Mendoza (D-Artesia).

The Legislative Analyst's Office, the Legislature's nonpartisan fiscal advisor, provided an overview and historical perspective of the charter school petition and authorization process before three diverse panels comprised of financial experts, administrators, charter authorizers, and charter practitioners. The panels gave their perspective on the charter petition process, the charter review and approval process, and the charter appeal process.

Despite the various backgrounds and opinions on charter schools expressed by the panelists, there seemed to be consensus that the current authorization process needs to be updated with a consistent set of standardized policies via legislation or regulations. Deborah Deal from the Fiscal Crisis & Management Assistance Team provided several recommendations that many of the panelists echoed during their presentations. These recommendations include:

- Requiring the authorizer to hold a capacity interview with the charter petitioner
- Identifying the annual oversight function in the petition and including the following:
  - o Academic performance
  - o Fiscal accountability
  - o Governance training
  - o Legal compliance
- Amending Education Code Section 47604.32 to clearly spell out measurable metrics and standards so authorizing entities can effectively monitor the fiscal condition of charter schools
- Extending petition timelines to account for a capacity interview within 30 days, public hearing within 60 days, and consideration to approve or deny within 120 days
- Increasing oversight fees to cover the cost of the authorizer's adequate oversight process

Several charter school bills were held in the Legislature in 2017 but a handful of those are likely to be pursued in 2018 as charter authorization and oversight is shaping up to be a hot topic for the Legislature

next year. Additionally, charter schools will be a focus point for the 2018 gubernatorial race as the leading candidates hold varying opinions on the expansion and authorization of charter schools in California.

### LAO Sees Revenue Forecast Capable of Fully Funding LCFF in **2018-19**

In its annual Fiscal Outlook publication, the Legislative Analyst's Office (LAO) estimates significant increased Proposition 98 minimum guarantees in both the current year and upcoming fiscal year. These increases, combined with Proposition 98 funds freed up from prior year one-time spending, could give Governor Jerry Brown the resources needed to fully fund the Local Control Funding Formula (LCFF) in 2018-19, and then some.

#### Proposition 98

Providing a supplemental report on Proposition 98 for the first time, the LAO's analysis concludes that the guarantee in the current year is up \$651 million. The increase is due primarily to their assumption of higher General Fund tax revenue and is largely paid for by higher than anticipated local property taxes. The additional General Fund revenue also requires the state to make a \$1.4 billion maintenance factor payment, which would retire outstanding maintenance factor obligations. (The LAO estimates Proposition 98 will be in Test 2 years in both 2017-18 and 2018-19.)

The rising Proposition 98 minimum guarantee is based on a September 2017 consensus forecast of the U.S. economy by Moody's Analytics. The LAO developed independent projections for California based on the consensus forecast anticipating continuing expansion of the U.S. economy. Personal income taxes provides most of the growth in the LAO's near term outlook and a surge in capital gains in 2017.

For 2018-19, the LAO forecasts an increase in Proposition 98 of \$2.6 billion to \$77.7 billion. In addition an estimated \$2 billion is freed up from \$1.1 billion in one-time uses in 2017-18, declining K-12 attendance (reduces LCFF costs by \$500 million), and Proposition 39 energy efficiency requirements ending (\$423 million). Combining these changes and the increased minimum guarantee, the state would have \$5.3 billion in uncommitted funds for Proposition 98 in 2018-19. (Of this amount, 89% would be allocated to K-12 education and 11% to the community colleges.)

The LAO estimates it would take \$2.7 billion to close the remaining funding gap to LCFF full implementation, increasing year over year LCFF funding by 4.8%. Even after fully funding the LCFF, Proposition 98 spending could be used for existing obligations such as:

- K-14 cost of living adjustments—\$228 million
- Multiyear agreement to increase preschool funding—\$34 million
- Community College Promise Program (first year free tuition)—\$31 million

With the additional Proposition 98 resources the LAO notes that the Legislature could choose to augment base LCFF rates, which helps all districts accommodate higher expenses such as rising pension costs.

#### CalSTRS and CalPERS Costs

Finally, the LAO notes that employer contributions to the California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) will be a major strain on the budgets of schools and community colleges. The 2014-15 Budget Act included a plan to fully fund the CalSTRS unfunded liability within about 30 years, with employer contribution rates increasing from

8.25% in 2013-14 to 19.1% by 2020-21. In addition, the CalPERS governing board has increased rates as well. The latest actuarial estimates suggest that employer contribution rates for CalPERS will increase from 11.4% in 2013-14 to 23.8% by 2020-21.

These rate increases will consume a significant portion of the new funding provided under Proposition 98. In 2018-19 alone, these costs are expected to increase by about \$1.3 billion. According to the LAO, total employer contributions to CalSTRS and CalPERS are anticipated to reach \$10.4 billion by 2020-21, compared to \$3.4 billion in 2013-14.

#### State Board of Education Unanimously Votes to Revise Criteria for the Academic Indicator at November Meeting

Results from the third year of the Smarter Balanced Summative Assessments revealed that the 2016-17 scores were relatively flat when compared to the 2015-16 scores that saw four to five percentage point increases in the English language arts and mathematics assessments. Under the state's current criteria for determining the color-coded performance levels of the Academic Indicator in the California Dashboard, these stagnant, and in some cases, lower test results would double the number of districts identified in the red and orange categories—the two lowest performance levels on the five-color scale in the Dashboard.

When the new accountability system was adopted by the State Board of Education (SBE) in May 2016, the SBE established an annual review process of the indicators and performance standards in the Dashboard to “consider necessary changes or improvements based on newly available data, recent research, and/or stakeholder feedback.” Citing methodology flaws because of limited data available when the performance standards were adopted in January 2017, the SBE, at its November 8, 2017, meeting, unanimously approved revised criteria for how Smarter Balanced test scores translate into performance levels for schools and districts under the Academic Indicator of the Dashboard. The California Department of Education (CDE) will apply the revised performance standards to the 2016-17 Smarter Balanced test results, which will reduce the number of districts and schools that will fall into the red and orange categories. This is significant since the fall 2017 Dashboard data will be used to identify school districts for technical assistance.

The SBE and CDE staff insisted that this vote was needed to reduce the volatility that test scores could have on the accountability system. They argued that the updated methodology will prevent school districts that have only small changes in their test scores from fluctuating one to two colors on the ratings scale. Despite those assurances from the SBE and CDE staff, a group of 14 civil rights and student advocacy organizations signed on to a joint letter claiming that the revised methodology will lower the academic bar by re-designating low-performing districts. They also criticized the rushed process and lack of public access to meetings of the Technical Design Group, a committee that advises the CDE on the accountability system.

In addition to making changes to the criteria in the Academic Indicator, the SBE took the following actions:

- Voted to include information in the fall 2017 Dashboard that redirects users to new reports on chronic absenteeism on DataQuest.
- Adopted standards for a new local indicator regarding access to a broad course of study, as required by the local control funding formula priorities.
- Approved the blueprints, general achievement level descriptors, and score reporting structures for the California Science Test and the California Spanish Assessment.

- Approved the operational summative assessment threshold scores, composite weights, and the local educational agency apportionment rates for the English Language Proficiency Assessments for California.
- Approved the third-round grantee list for the Career Technical Education Incentive Grant.
- Approved proposed changes to the proposed regulations for implementation of the California Education for a Global Economy Initiative related to multilingual education programs.
- Adopted ten history and social studies textbooks for K-8 classrooms while rejecting two Houghton Mifflin Harcourt history textbooks. The SBE also required various edits to the adopted textbooks before they can be included on the CDE Price List of Adopted Instructional Materials online database. These edits are intended in part to address significant concerns raised by the LGBTQ and Hindu communities about content in the textbooks.

The SBE also announced that the public release of the fall 2017 Dashboard will be the week of November 27, 2017, while the next SBE meeting will be January 18-19, 2018.

SBE Revises Academic Indicator in Advance of Dashboard Release  
*(Summary of Revisions and Copy of Color-Coded Levels)*

The State Board of Education (SBE) adopted significant changes to the Academic Indicator at its November 8, 2017, meeting. The changes pertain to the 5x5 colored tables which are used to translate the Smarter Balanced Summative Assessment results into the five color-coded performance levels used in the Dashboard. The new 5x5 tables for English Language Arts and Mathematics are attached.

The updated tables are intended to alleviate wide swings in performance levels on the Academic Indicator that would otherwise result from small changes in test scores. Specifically, the revisions to the 5x5 tables include new cut scores for “Change” that compare year-to-year assessment results. Additionally, for Mathematics only, the SBE approved new cut scores to determine “High” and “Medium” status that incorporate the most recent assessment results. Finally, the SBE approved changes to the colors assigned in the 5x5 tables. This is a notable change because the fall 2017 Dashboard will be used to identify school districts for technical assistance for the first time.

The final stage of the private preview period for the California School Dashboard (Dashboard) began the week of November 13, 2017, with the release of the Academic Indicator on the Dashboard private preview site. The private preview site is accessible by school district personnel prior to the public release of the fall 2017 Dashboard. The updated Dashboard is expected to be unveiled the week of December 4, 2017.

**CSFA Releases Information on Proration for the 2017-18 Charter School Facility Grant Program**  
(SB 740)

On October 11, 2017, the California School Finance Authority (CSFA) adopted emergency regulations for the Charter School Facility Grant Program (CSFGP). The Office of Administrative Law approved the emergency regulations on November 2, 2017. The CSFA received 442 applications and therefore anticipates that the program will be oversubscribed. The CSFA has released information on how proration will be implemented for 2017-18 (see attached). The CSFA staff anticipates awarding the initial disbursements by the end of this year.

**YPICS:**

On December 1<sup>st</sup>, Bert Corona Charter School received an Oversight visit by LAUSD. Both Directors, Blanca Castillo-Elves and Jose Rodriguez, were pleased to see the many strong instructional strategies that were implemented by the BCCS Teaching

Team. Jose Rodriguez noted that he was quite impressed to see first and second year teachers checking for comprehension, pushing critical thinking, leading small groups, and managing cooperative group learning in classrooms. The DOJ and Teacher assignments matched and all teachers are teaching in their correct assignments. A full report will be provided to the board as soon as it is available.

# Revised Mathematics Five-by-Five Colored Table

Level	Change: Declined Significantly by more than 15 points	Change: Declined By 3 to 15 points	Change: Maintained Declined by 1« than 3 points or Increased by less than 3	Change: Increased by 3 to less than 15 points	Change: Increased Significantly By 15 points or more
Status: Very High 35 points or higher	Green*	Green	Blue	Blue	Blue
Status: High zero to 34.9 points	Green*	Green*	Green	Green	Blue
Status: Medium -25 points to less than zero	Yellow'	Yellow'	Yellow	Green	Green
Status: Low -25.1 to -95 points	Orange*	Orange	Orange*	Yellow	Yellow
Status: Very Low -95 points or lower	Red	Red	Red	Orange	Orange*

\* Change in color layout