

## YPI CHARTER SCHOOLS EXECUTIVE DIRECTOR'S REPORT

*February 25, 2018*

*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:

#### **2018 Top 13 Bill List – 2/17/2018**

#### **Sponsor**

1. **AB 2635 (Weber, Burke, Gipson) LCFF African American Bill:** CCSA's sponsored legislation to create a new supplemental grant in the Local Control Funding Formula for the lowest performing subgroup of students not currently receiving supplemental funds which are African American students.
2. **SB 1216 (Glazer) Charter school transparency:** CCSA sponsored bill on charter school transparency. It is currently a spot bill but our intent is for charter schools to be subject to the Brown Act, with allowance for teleconferencing capabilities for multi-jurisdictional charters, and the Public Records Act.

#### **Oppose/Bills of Concern**

3. **SB 1362 (Beall) Charter School Denials on Negative Fiscal Impact and Study of El Dorado SELPA:** Allows denial of charter schools based on a negative fiscal impact Also, a petition must state how a charter school will achieve a balance of pupils receiving special education services that are reflective of the general population in the school district. In addition, the LAO must submit a report legislature on the impact that the EL Dorado SELPA has on special education services provide to CA students.
4. **AB 3222 (O'Donnell) Prevailing wage for charter projects:** Applies prevailing wage to any charter school construction, alteration, demolition, installation or repair work done under private contract on a project where the project is paid for in whole or part with conduit revenue bonds on or after January 1, 2019.
5. **AB 2082 (Garcia) Bans TFA teachers in most CA schools:** Prohibits Teach for America Teachers from teaching in any public school including charter schools with more than 40% low income students which is a significant portion of California schools.

6. **AB 3167 (O'Donnell) charter schools: inquiries:** This is basically a spot bill that requires a charter school to respond within 30 calendar days of receipt to all reasonable inquiries regarding financial records from its chartering authority, county office of education over charter's chartering authority and the SPI. This is concerning and very broad and may have been introduced to address concerns raised by the Tri Valley situation.
7. **AB 1871 (Bonta) Charter school meals:** Requires charter schools with free and reduced priced eligible students to provide one school meal. Exempts nonclassroom-based schools.

### **Other charter bills**

8. **AB 2575 (Santiago) and AB 2891 (Holden) College and Career Access Pathways Partnerships:** These two identical bills attempt to fix the issue caused when they originally authorized the CCAP program. The bill was silent on charter schools and some districts and legislative counsel is interpreting this to mean that charters cannot partner with community colleges for these kinds of programs. The bill explicitly adds charters as eligible entities to create CCAP partnerships with colleges.
9. **AB 2011 (Kiley) Nonclassroom-based instruction/Shasta:** Allows use of resource centers for testing. Exempts a charter school facility for geographic restrictions that would otherwise apply if the facility is used for proposes of fulfilling state mandates such as testing.
10. **SB 964 (Allen) 1090 Spot Bill:** Spot bill related to the Political Reform Act of 1974 that we believe will be Allen's school governance reform bill amending Government Code 1090.
11. **AB 3058 (O'Donnell) Charter schools: notification of school site:** Requires charter schools to notify the county superintendent of schools in which the school is located 60 calendar days before commencing operations. This may be the spot bill we heard about from Asm. Ed Committee staff in which they seek to address school districts with dependent charters siting schools outside their district boundaries. This was an issue that was raised in a recent JLAC audit.
12. **SB 1060, SB 1061, SB 1062 (Mendoza) Related to non-contribution of employer matching funds for CalPERS/STRS:** These three bills are related to contracting agencies/employers failing to contribute their employer employee contribution matches to CalPERS/STRS. They require these entities to report within 30 days when a failure to contribute the match has occurred. We suspect that this could be related to the Tri-Valley Charter Schools situation.
13. **SB 1065 (Mendoza) Spot Bill on SBE:** Suspicious spot bill related to the composition of the State Board of Education.

### **National:**

*From the National Alliance for Public Charter Schools –*

### **National Alliance Statement on Increased CSP Funding**

**Washington D.C.** - We welcome the news that the Administration has included an increase for the Charter Schools Program (CSP) as part of its updated FY'18 budget request. The new request, if enacted, would increase total CSP FY'18 funding to \$600 million. This is a clear acknowledgement by the Administration of the success of the program and the need for additional funding to support the continued growth of public charter schools. It is also an important acknowledgment that family demand for charter schools still outstrips supply, and that the federal government has a vital role to play in ensuring that more families have more high-quality public school options. We commend the administration for this and urge Congress, as it sets FY'18 appropriations levels, to follow the Administration's lead—and the demands of millions of parents—and fund the CSP at \$600 million in FY'18.

**State:**

***From School Services of California –***

**Governor Brown Delivers His Final State-of-the-State Address**

Two weeks after he unveiled his proposal for the 2018-19 State Budget, Governor Jerry Brown delivered his 16th, and final, State-of-the-State address on January 25, 2018, to a joint session of the State Assembly and State Senate.

Governor Brown began his prepared remarks by emphasizing how far California has come since the Great Recession. He invoked several headlines that captured the anxiety that Californians felt during the recession, which included a \$27 billion deficit, 12% unemployment, and record home foreclosures. Fast forward eight years. The Governor touted California's success in closing the deficit, adding 2.8 million new jobs, and increasing personal income by \$845 billion.

The Governor claimed that very few places in the world can match the successful turnaround of California over the past eight years, and that is one of the reasons that confidence in the Legislature contrasts sharply with the low approval ratings of the United States Congress. According to the Governor, this confidence is warranted due to the Legislature crossing party lines to pass a number of significant measures including pension reform, Workers' Compensation reform, the water bond, the Rainy Day Fund, and the Cap-and-Trade Program.

Governor Brown received a standing ovation when he thanked the work of firefighters, first responders, and volunteers who helped during the natural disasters that took place this past year. He gave President Trump a nod for his assistance and commended congressional leaders for sponsoring legislation that will provide aid to states that have suffered major disasters. In response to the devastating fires, the Governor announced his intention to convene a task force of scientists and knowledgeable forest practitioners to review the way the state's forests are managed and suggest ways to reduce the fire threat.

The Governor took a jab at President Trump for doubting the science of climate change, which has been accepted by every major country in the world, including Russia and China. He said that California will continue to lead the country in climate change initiatives including building and appliance efficiency standards, renewable energy, the Cap-and-Trade Program, and hosting a United Nations sponsored

climate summit this September in San Francisco.

Turning to infrastructure, the Governor emphasized the importance of the Legislature in passing the gas tax, Senate Bill (SB) 1, last year so that California is able to repair and maintain its roads and transit systems. Governor Brown pledged that he will do anything in his power to defeat any repeal effort of SB 1 that may make it on the November ballot. Continuing on the topic of infrastructure, the Governor defended his support and emphasized the importance of building the high-speed rail system. He even quoted former President Ronald Reagan and his support for building a California high-speed rail system in 1983.

On the education front, the Governor emphasized how far the state has come and that spending has increased to \$4,600 per student and \$31 billion overall. He maintained the importance of fully funding the Local Control Funding Formula this year so more resources are directed to schools with the greatest challenges. He also highlighted his proposal to link spending with the local accountability plans so that parents can see how the additional dollars are supporting English learners and students from low-income families.

While stressing the importance of higher education, the Governor emphasized the importance of his California Online College proposal. The fully online community college will target Californians between the ages of 25 and 34 who are in the workforce but lack a postsecondary degree or certificate. He believes that the online college will be convenient and cost effective in giving these workers the training they need to be successful.

Governor Brown concluded his address by reminding the state that we live in an exciting, but dangerous time. He said that that the preeminent science and security board of the Bulletin of the Atomic Scientists moved the minute hand of the Doomsday Clock 30 seconds closer to catastrophe and that it is now two minutes to midnight, which is as close as it was at the height of the Cold War in 1953. Despite this warning, the Governor is confident that the state will persist and that the spirit of democracy never dies.

### **SBE Revises ESSA State Plan at January Meeting**

At its January meeting, the State Board of Education (SBE) added clarifying language to the Every Student Succeeds Act (ESSA) State Plan to better explain its approach in the development of California's new accountability system. This language was in response to the December 21, 2017 letter from the United States Department of Education (ED) to State Board of Education (SBE) President Michael Kirst and Superintendent of Public Instruction Tom Torlakson asking the state to revise and resubmit its plan, citing concerns and requesting additional clarification. Among other things, the letter said that California's plan fell short of setting sufficient learning goals, does not appear to comply with statutory requirements for the use of assessments, and does not create an adequate system to identify and improve its lowest performing schools.

The SBE made no substantive changes to California's State Plan, arguing that ESSA allows states flexibility in how they meet the law's statutory and regulatory requirements. However, the SBE is still working to develop a methodology to identify its lowest-performing 5% of Title I schools, postponing the decision until their March meeting. The SBE is determining how to reconcile the Local Control Funding Formula's requirement to identify struggling *districts* rather than struggling *schools*, as required by ESSA.

The ED has approved 35 ESSA State Plans so far, including 27 since January 16, 2018. The SBE is optimistic that the clarifying language will be enough to get California's State Plan approved because several other states took a similar approach on their resubmittals and found success. However, several student advocacy and civil rights organizations believe that until California comes up with an adequate methodology to identify and improve its lowest-performing schools, the back and forth with the ED could go on for quite some time.

In addition to revising the ESSA State Plan, the SBE took the following notable actions:

- Approved the 2016 annual performance review executive summary for Part B of the Individuals with Disabilities Education Act
- Approved the blueprint, general achievement level descriptors, and score reporting structure for the California Alternate Assessment (CAA) for Science
- Approved the following local educational agency (LEA) apportionment rates for tests administered, as part of the California Assessment of Student Performance and Progress (CAASPP), during the 2017-18 school year:
  - \$4.00 per pupil administered any portion of the Smarter Balanced Summative Assessments and/or California Science Test
  - \$5.00 per pupil administered any portion of the CAAs and/or CAA for Science
  - \$5.00 per pupil administered any portion of the California Spanish Assessment
  - \$2.52 per eligible English learner pupil administered, at the option of the LEA, the standards-based tests in Spanish
  - \$1.00 for preparing and providing required electronic test registration information to the contractor prior to the beginning of the LEA's testing window for pupils mandated to be tested who were then not tested, for any reason (e.g., due to parent exemption, being absent the entire testing window, etc.)
  - \$2.52 per-pupil LEA apportionment reimbursement rate for California Department of Education certified grade two diagnostic tests administered during the 2017-18 school year, at the option and cost of the LEA per Education Code Section 60644
- Approved a contract renewal with Educational Testing Service for the CAASPP

### **Preparing for the Next Storm**

In light of the constant warning districts are receiving regarding future economic trends, we have received quite a number of questions about planning for a wide range of financial options. While there is no single "silver bullet" plan that fits all districts, the elements of successful plans do have some common threads.

### **Estimating Revenues and Expenses**

All financial plans start with estimates of future revenues, expenses, and reserves. Each major source of revenues can be subjected to a sensitivity analysis to determine how much a change in that particular revenue source would affect the overall revenue projection. If federal funds go down by 10%, for example, the impact on most districts is much less than if total Local Control Funding Formula (LCFF) revenues go down by 10%. The same can be done for expenditures. A 10% increase in Unemployment Insurance rates is far different than a 10% increase in the cost of health benefits, for example.

We encourage planning for a range of estimates and scenarios. What if revenues come in 3% higher or

lower than projected, does that cause a significant change in the district’s fiscal position? Are sufficient reserves available to ride out the storm for at least the first year? If not, what is the plan and how sure are we that our plan can be executed? Solid reserves buy us planning time to protect programs, employees, and students.

**Plan to Address Areas That Make a Difference**

There is no such thing as a good plan that does not have one or more backup plans. What if we suddenly have to reduce expenditures significantly; how would we do it? We have often argued that salaries, benefits, and class size, which dictate nearly 90% of district costs, must be the primary source of any significant budget cuts. Going after 5,000 other small costs to improve efficiency is worthwhile, but the big differences are made by addressing high-dollar areas. We use class sizes as a measure of how many people the district employs.

In California, resources are scarce and must be allocated carefully. Every district will need to assess its priorities and make decisions accordingly. If you decide, for example, to maintain a high-cost benefits plan level, you are also deciding that salaries and class sizes are a lower priority and will not be protected. Whether it is obvious or not, these tradeoffs are found in every budget.

Expense Category			
Level	Salaries	Benefits	Class Sizes
High		X	
Moderate	X		
Low			X

In our example above, maintaining high-cost benefits means something else will have to give; in this case we illustrate class sizes going up a bit so the number of people can be reduced and the dollars shifted to maintaining benefits. Make tradeoffs that meet your highest priority needs and make sense to you.

**Assessing Plan Risk**

There is some degree of risk in every plan; make sure you identify what actions you will take to mitigate that risk.

If our reserves are at a low level and we need to take immediate action, we will be in crisis quickly. But if we have a large enough reserve to carry us through the current year, now we have some planning time to achieve a more graceful degradation of services. Good reserves buy us time to develop better options—the message? Hang on to your reserves during uncertain times. Low reserves make any plan more risky.

**Plan Now**

The key to successful planning is to start early, involve key stakeholders and community leaders, and really take the time to educate and communicate. Starting late, leaving people out, or not providing enough information guarantees a lack of support.

In districts that plan ahead, no one wants to go to higher class sizes, or lower salaries or benefits, but everyone knows what the costs and benefits of doing so would be. We think planning ahead helps everyone, especially the board, to articulate priorities and facilitate necessary actions long before they may be needed.

In the end, California's system for funding schools remains volatile. There will soon be another downturn whether we are ready or not. The lessons of the Great Recession remind us that a focus on priorities, planning, the big items in the budget, and reserves are likely to lead us to solutions. The districts committed to best practices will patch the roof before, not during, the next storm.

### **Education Committees Hold Joint Hearing on Statewide K-12 Governance**

On Wednesday, February 14, 2018, the Assembly and Senate Education Committees, chaired by Assembly Member Patrick O'Donnell (D-Long Beach) and Senator Ben Allen (D-Santa Monica), respectively, held a joint informational hearing on statewide K-12 education governance, specifically the roles of the State Superintendent of Public Instruction (SPI) and the State Board of Education (SBE). The hearing provided an overview of the current statewide governance structure and included a proposal for an alternative structure as well as perspectives from education leaders and associations.

The hearing began with the Legislative Analyst's Office (LAO) giving a general overview of California's current K-12 education governance structure before turning it over to representatives from the Education Commission of the States (ECS). The ECS panelists provided an overview of the four primary governance models that 38 of the 50 states fall into. The models show how states vary in either electing and/or having their governor appoint their chief schools officer and their state board of education. California has a similar governance structure as nine other states with the electorate directly voting for the governor and the chief schools officer (SPI for California) as separate offices, while the SBE members are appointed by the governor. The ECS representatives emphasized that there is no empirical evidence that shows that one governance model is more effective than another.

Next, the committee heard from Common Sense Kids Action President and Founder Jim Steyer who proposed an alternative governance structure for the committee to consider. The proposal would change the current governance structure in the following ways:

- The SPI would be relieved from his administrative authority over the California Department of Education (CDE)
- The Executive Director of the SBE would be appointed by the Governor and become a position subject to Senate confirmation
- The Executive Director would assume direct authority over, and responsibility for, the administration of the CDE
- The Assembly and Senate each would be able to appoint at least one member to the SBE
- The SPI would gain a voting role on the SBE and a voting seat on the California Community Colleges Board of Governors

Mr. Steyer argued that the proposal would cut down on state-level bureaucracy and would allow future governors to set their education policy with little to no resistance from the SPI. He claimed that, free from administrative duties, the SPI would be able to effectively work across the early, K-12, and higher education segments by serving on the SBE and personally filling seats on the University of California

Board of Regents, California State University Board of Trustees, California State Teachers' Retirement System Board, and the California Commission on Teacher Credentialing.

The committee members did not seem willing to entertain a proposal to overhaul the governance structure at this point in time, especially after hearing testimony from education leaders who said that reforming the current governance structure should not be a priority for the committee. The consensus seemed to be that since California is already in the middle of several education reforms (the Local Control Funding Formula and statewide system of support) that now is not the time to restructure the way that the K-12 system is governed.

### **Initiative to Change Proposition 13 Cleared for Circulation**

Proponents for a ballot measure that would amend the State Constitution to require business properties to be taxed at fair market value received clearance from the Secretary of State on Wednesday, February 21, 2018, to begin gathering signatures for their proposal. The proposal titled "The California Schools and Local Communities Funding Act of 2018" would dedicate the new revenues generated from an increase in property taxes on commercial properties to public schools and local governments.

The proposal, often described as a "split roll," addresses a quirk in Proposition 13, the 1978 ballot measure that capped property taxes. Under Proposition 13, residential and commercial properties are assessed based on the price at the time of purchase plus modest inflation increases. This proposal would require commercial properties, as defined, each year to be taxed based on their fair market value, meaning these properties would be reassessed annually.

Estimated to bring in roughly \$6 billion to \$10 billion annually by the Director of Finance and the Legislative Analyst, 60% would go to support local government, such as cities, counties, and other special districts. The remaining 40% would be directed to K-12 schools and community colleges as a supplement to the current funding formulas.

For K-12 local educational agencies, this means an allocation in the same manner as the Local Control Funding Formula. Community-funded districts and districts receiving necessary small school allowances would receive an amount equal to the average per average daily attendance amount for each of their high needs pupils, with those funds intended to support those students.

To qualify this constitutional amendment initiative for the ballot, proponents will need to collect significantly more than the minimum 585,407 signatures required from registered voters to ensure they have collected sufficient valid signatures. Though proponents will have 180 days to collect the signatures, in order for the proposal to make it onto the November 2018 ballot, proponents will need to have their submitted signatures validated before June 30, 2018 (131 days before the November General Election). This means the practical deadline for proponents is really late spring.

#### **District:**

*From the Los Angeles Times, by Howard Blume and Sonali Kohl -*

### **L.A. School Board Approves Three-Year Benefit Package with Some Cost Containment**

The Los Angeles Board of Education on Tuesday (February 13, 2018) approved a three-year benefits



package that contains some costs but falls well short of the savings that district officials say is needed to keep the school system solvent.

The 60,000 employees of the Los Angeles Unified School District are not among the nation's highest paid, but most enjoy comprehensive medical benefits for themselves and their families without paying monthly premiums. Such subsidies are rare in the workplace. The package narrowly passed with support from four out of seven board members. Even board members who supported the agreement said they are concerned that the district's budget could be careening toward a deficit, threatening programs for students.

The most important cost-saving step is that L.A. Unified will freeze the total annual amount it pays out of the general fund for healthcare benefits for the three years covered, 2018-20.

Under the agreement, the district will hold to the roughly \$1.1 billion it currently pays for the benefits.

The freeze is intended to spare the general fund from having to absorb healthcare costs that have been rising more than 6% a year. Any additional costs will be covered by a healthcare reserve that has grown to about \$300 million.

"For me there is great value in the containment of costs," said school board President Monica Garcia, who voted yes along with George McKenna, Scott Schmerelson and Kelly Gonez. "We need good jobs and good schools."

In L.A. Unified, the district negotiates with employee unions over how much to pay for healthcare, but the unions control how the money is spent. The unions determine which health plans to offer and how much, if anything, to charge employees for premiums and co-payments.

Healthcare costs are a major stress on the nation's second-largest school system, particularly coverage of retirees. The district pays more than \$20,000 annually for the healthcare of each retiree who is too young to qualify for the federal Medicare program, said Najeeb Khoury, the district's chief labor negotiator, in an interview. Older retirees use district benefits as a healthcare supplement to cover what Medicare doesn't, which costs the district about \$7,100 per person each year.

As of January, the district was providing benefits for 4,768 pre-Medicare retirees and paying for supplemental coverage for 31,533 retirees old enough to receive Medicare. Retiree health benefits cost the district nearly \$328 million in the 2016-17 school year, close to 6% of the budget.

Although Khoury supported the pact, he acknowledged that L.A. Unified has a problem with healthcare obligations. It would cost about \$13.6 billion in today's dollars to pay for all retiree health benefits over the next 30 years, and the district has put aside only a fraction of the necessary funding, Khoury told the board.

Over time, medical costs for retirees could hamstring the district's ability to pay active employees and educate children, said board member Nick Melvoin.

"The freezing of the annual increases in this deal is a baby step in the right direction, but our dire financial situation requires at least an adult step," said Melvoin, who voted no. "We undoubtedly need to secure more funding from the state.... We also need to start living within our means."

Board member Ref Rodriguez, who had earlier signaled support for the deal, also voted no, expressing concern that the agreement might prove unaffordable by its third year.

Board member Richard Vladovic, who said he had to leave the meeting early, was not present for the vote.

**YPICS:**

YPICS has made a concerted effort to partner with Loyola Marymount University (LMU) and other educators to collaborate on addressing the issue of trauma. On Saturday, February 24, 2018, teachers and administrators from all three schools will have an opportunity to participate in a colloquium at LMU, which will focus on the definition of trauma, the issues that arise for special populations, ELs, SPED, and students living in poverty. Lastly, those in attendance will have an opportunity to hear from those who have successfully develop programs and systems to address this topic. During the conference, we will discuss the realities that teachers and administrators have communicated their concerns regarding more students coming to school exhibiting more defiance, anger, and higher levels of stress! We are all looking forward to our continued learning to support those who are the most vulnerable, our students, and those on the front line serving them, our teachers and administrators.