
The **FISCAL REPORT** *an informational update*

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UCLA Says Expect a Healthy Economy for Several Years

Economists with the University of California, Los Angeles (UCLA) Anderson Forecast expect the national economy to grow at a “healthy pace” over the next two years, with little chance of a recession. In their quarterly forecast released on Monday, September 28, 2015, the group forecasts U.S. Gross Domestic Product (GDP) to grow in the 2% to 3% range through 2017, with improving labor markets and a declining unemployment rate.

Edward Leamer, the director of the Forecast, noted that since 1948 the nation has experienced 11 recessions and subsequent expansions, with the current expansion (now 25 quarters long) the fourth longest over this post WWII period. Given its length, many are concerned that the economy is overdue for a downturn. Leamer pointed out, however, that rather than evaluating the risk of recession in terms of the length of the recovery but instead in terms of the amount of GDP growth that has occurred since the upturn began, the current expansion has been tepid at best, with only two expansions posting weaker gains. Given this weakness, the current economy has yet to show price pressures and other conditions, which would signal an impending slowdown.

Another factor that suggests the economy is not in any near-term danger of overheating is the historically low employment to population levels. The employment to population level fell about 5% during the recession and has come back about 2% during this expansion. This suggests that there are still many residents who are willing and able to work but as yet have not found full-time employment.

Leamer also noted that long-term interest rates are set by the global bond market and not by the Federal Reserve and that the U.S. 10-year Treasury rate has hovered in the low 2% range for several years. This low rate is symptomatic of a sluggish global economy, with China seeming to account for much of this weakness.

With regard to California, the UCLA Forecast focused on the outlook for the state’s housing market. The report noted that of the five least affordable markets worldwide, two are in California: San Francisco and San Jose. San Diego and Los Angeles are not far behind. The economists asked the question: Over the next two years, will California home prices increase, decrease, or stay the same?

Their broad conclusion is that the state's housing supply will not keep pace with demand and building costs in California will continue to outpace costs faced by home builders in other states; therefore, California housing will be less affordable over the next several years as prices outpace income. Because California is home to several "super-star" cities that enjoy both natural and cultural amenities and has strict zoning laws in place, comprehensive California Environmental Quality Act regulations, and detailed building codes, the state will continue to experience higher home prices relative to the other 49 states. Despite the state's efforts to promote "affordable housing," it is likely that these efforts will unfortunately fall short of policy goals.

Turning to the numbers, UCLA forecasts California's real personal income to outpace the nation: 3.8% for California versus 3.2% for the U.S. in 2016, and 3.4% for California versus 3.3% for the U.S. in 2017. Similarly, the state's labor market will outperform the national labor market over the next several years. With the state suffering a higher unemployment rate than the nation as a whole through the recession, California will see a drop in this rate from 6.2% (5.3% for the U.S.) in 2015 to 4.8% in 2017, mirroring the national rate.

[Posted to the Internet 9/30/2015]

—*Robert Miyashiro*

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Proposal to Extend Proposition 30 Submitted to the Attorney General

Voters may be given the opportunity to decide whether to extend Proposition 30, as an initiative was submitted to the Attorney General (AG) on Monday, September 14, 2015, for a ballot title and summary. This is the first step in the process to qualify an initiative for a statewide ballot.

Passed in 2012, Proposition 30 temporarily added a quarter-cent sales tax and increased taxes on high-income earners, with revenues from both provisions earmarked for education through the Education Protection Account (EPA).

Both revenue provisions are set to expire in the next few years, and there have been significant discussions on how and whether to extend the revenue portions of Proposition 30.

The new initiative's language would extend the additional taxes on high-income earners to 2030. Revenues generated by the income tax increases, estimated to be \$7 billion to \$9 billion annually, would be excluded from the Budget Stabilization Account and the Public Schools Stabilization Account.

The quarter-cent sales tax increase that is set to expire in 2016 would not be extended by the new proposal.

Voters are warming up to the possibility of extending the taxes in Proposition 30. A PACE-USC poll last month found that more than 60% of voters would support extending or making permanent the tax increases on high income earners (See "Voters Soften to Proposition 30 Extension" in the September 4, 2015, *Fiscal Report*).

The timeline to qualify the initiative could be tight. After the Legislative Analyst's Office prepares a fiscal analysis of the proposal (which can take up to 50 days), the AG will have 15 days to provide a title and summary. Proponents, including the California Teachers' Association, will then have up to 180 days to collect roughly 586,000 signatures from registered voters to have the initiative placed on the next statewide general election ballot.

[Posted to the Internet 9/15/15]

—*Dave Heckler*

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**Second Proposition 30 Extension Initiative
Submitted to the Attorney General**

On Monday, September 21, 2015, a second initiative was filed with the Attorney General to continue the expiring income tax provisions of 2012's Proposition 30.

While the initiative filed last week (see "Proposal to Extend Proposition 30 Submitted to the Attorney General" in the September 18, 2015, *Fiscal Report*) would extend Proposition 30's income tax increases to 2030, the new initiative would make permanent the additional taxes on high income earners as well as add two additional tax rates for individuals making more than a million dollars a year.

However, the revenues generated from this initiative would not go to the Education Protection Account, but would be diverted to three new special funds:

- Children's Education Protection Special Fund
- Children and Their Communities Healthcare Special Fund
- Child Care and Early Childhood Education Special Fund

Fifty percent of the funds would go into the Children's Education Protection Special Fund to support school districts, county offices of education, charter schools, and community colleges. Eighty-nine percent of these funds would be dedicated for K-12 education and allocated by the State Superintendent of Public Instruction in proportion to the Local Control Funding Formula calculations. The remaining 11% would be allocated by the Board of Governors for the California Community Colleges.

An additional 40% would go to the Children and Their Communities Healthcare Special Fund, which would support healthcare access for children and other Medi-Cal enrollees with the remaining 10% allocated to the Child Care and Early Childhood Education Special Fund for improved and expanded access to childcare and child development programs.

Proponents of this measure include the California Hospitals Association and the Service Employees International Union-United Healthcare Workers West.

There's no word yet on what position, if any, Governor Jerry Brown will take on this measure or the one filed last week.

[Posted to the Internet 9/22/15]

—*Dave Heckler*

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Facilities Bond Initiative Now Eligible for the November 2016 Election

On January 12, 2015, an initiative, “Kindergarten Through Community College Public Education Facilities Bond Act of 2016,” was submitted to the California State Attorney General’s Office to place a \$9 billion facilities bond on the November 2016 ballot (see “Facilities Bond Initiative for the November 2016 Ballot,” in the January 23, 2015, *Fiscal Report*). On March 6, 2015, the Legislative Analyst’s Office provided the Attorney General with the Fiscal Impact Estimate Report for the initiative (see “The Fiscal Impact Estimate Report Has Been Released for the Californians for Quality Schools Facilities Bond Initiative,” in the March 20, 2015, *Fiscal Report*). And finally, on March 23, 2015, the Attorney General’s Office released the circulating title and summary (see “Title and Summary Issued for Facilities Bond Initiative,” in the April 3, 2015, *Fiscal Report*).

The initiative proposes to place a \$9 billion school facilities bond on the ballot for K-14 (unlike past state bonds which included California’s universities) as follows:

- \$3 billion for new construction of K-12 facilities*
- \$3 billion for modernization of K-12 facilities*
- \$2 billion for capital outlay financing needs of the California Community Colleges
- \$500 million for school facilities for charter schools*
- \$500 million for facilities for career technical education programs*

*The funds for K-12 facilities would be utilized under the existing Leroy F. Greene School Facilities Act of 1998, also known as the School Facility Program.

The proponents had until September 21, 2015, to collect 365,880 valid signatures to become eligible for the November 2016 ballot, and it turns out that they did not need until next week to do so. On September 17, 2015, the proponents were deemed to have met the signature requirements necessary to qualify the measure, and it is now eligible for the November 2016 election. The proponents submitted more than 500,000 signatures, and just more than 400,000 were either valid or projected valid based on the random sample conducted (go to

<http://elections.cdn.sos.ca.gov/ballot-measures/pdf/1669-09-17-2015.pdf> for the random sample results provided by the Secretary of State).

The full text of the initiative, the Legislative Analyst's Office's *Fiscal Impact Estimate Report*, and the Title and Summary document can be found on the Attorney General's website at <https://oag.ca.gov/initiatives/active-measures> and scrolling down to Initiative No. 15-0005.

[Posted to the Internet 9/18/15]

—*Brianna García*

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Top Legislative Issues for 2015—Wrap Up

Meeting his October 11, 2015, deadline, Governor Jerry Brown completed action on almost 1,000 bills for the 2015 legislative year, signing 808 and vetoing 133, or 14% 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 an interesting read—and provide direction on how a bill can be more successful in a future legislative attempt.

This issue of Top Legislative Issues will be the last for the year and will return to production after the Legislature reconvenes on January 4, 2016.

Bills Signed by the Governor

Assembly Bill (AB) 93 (Chapter 10/2015)—Budget Act of 2015. AB 93 is the Legislature's version of the 2015-16 State Budget and contains spending line items for all aspects of the State Budget. It is adjusted by Senate Bill (SB) 97 (see below) and line-item vetoes (none of which affected the Proposition 98 budget).

AB 104 (Chapter 13/2015)—Education Finance: Education Omnibus Trailer Bill. AB 104 is the K-12 education trailer bill, which includes details on the Adult Education Block Grant Program, the one-time discretionary dollars and educator effectiveness funds, the Career Technical Education Incentive Grant Program, and many other policy changes.

AB 215 (Chapter 240/2015)—Local Agency Employment Contracts: Maximum Cash Settlement. AB 215 provides that, in the case of a district superintendent of schools only, for contracts of employment negotiated on or after January 1, 2016, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 12 (instead of 18 months under existing law).

AB 220 (Chapter 165/2015)—Pupil Instruction: Mathematics: Algebra. This bill replaces the 1997 mathematics standard with new standards reflective of the Common Core State Standards (CCSS) as the basis for satisfying high school graduation requirements. The bill specifically

provides that a student complete a course of rigor equal to or better than Algebra I or Mathematics I aligned to the CCSS in order to be eligible to graduate. Recognizing that California is still transitioning to the new CCSS, AB 220 deems completion of an Algebra I course that meets the 1997 state standards to have met the mathematics graduation requirement.

AB 288 (Chapter 618/2015)—Public Schools: College and Career Access Pathways Partnerships. This bill authorizes the governing board of a community college district to enter into a College and Career Access Pathways (CCAP) partnership with the governing board of a school district. The bill requires the partnership agreement to outline the terms of the partnership and to establish protocols for information sharing, joint facilities use, and parental consent for high school pupils to enroll in community college courses. The bill authorizes high school pupils to enroll in up to 15 units if those units are required for these pupils' partnership programs.

The bill prohibits a district from receiving a state allowance or apportionment for which the partnering district has been, or will be, paid an allowance or apportionment under a concurrent enrollment partnership agreement.

AB 304 (Chapter 67/2015)—Sick Leave: Accrual and Limitations. This bill amends provisions of the Healthy Workplaces, Healthy Families Act of 2014 (Act) related to eligibility. AB 304 contains clean-up language to the Act and, most notably, excludes retirees of public retirement systems that have returned to work without reinstatement from the accrual of sick leave.

AB 304 took effect immediately upon signature of Governor Brown as an urgency statute, as the main provisions of the Act are effective July 1, 2015.

AB 331 (Chapter 116/2015)—School District Governing Boards: Reduction of Membership. AB 331 authorizes a county committee on school district organization to decrease the membership of a school district's governing board from five to three if the district's average daily attendance (ADA) during the preceding year was less than 300.

AB 375 (Chapter 400/2015)—School Employees: Sick Leave: Paternity and Maternity Leave. This bill adds Education Code Section 44977.5 and provides certificated employees with 12 weeks of leave at a differential rate of pay for maternity or paternity leave.

Employees in California already have a right to take employment protected leave to bond with a newborn or newly placed foster or adopted child. The California Family Rights Act (CFRA) provides for 12 weeks of unpaid leave for this purpose, and employees can use any available paid leaves in exchange for this unpaid leave. If properly noticed by the employer, it would appear that the CFRA leave could run concurrent with maternity/paternity leave provided for under the act. While the bill does not provide for any additional leave beyond that currently provided for under the CFRA, an employee who'd exhausted all of their accumulated sick leave could be compensated at a differential rate of pay rather than having the leave be unpaid. Additionally, it would ensure the continuation of the employer's contribution to health benefits. Under the CFRA provisions related to bonding, the employer is not required to pay for the employee's portion of health benefits.

AB 379 (Statutes of 2015)—Foster Youth: Homeless Children or Youth: Complaint of Noncompliance: Exemption from Local Graduation Requirements. This bill makes

complaints alleging violations of certain educational rights afforded to students in foster care and students who are homeless subject to the Uniform Complaint Procedures (UCP). If a local educational agency (LEA) finds merit in a complaint or the State Superintendent of Public Instruction (SSPI) finds merit in an appeal, the bill requires the LEA to provide a remedy to the affected pupil. The bill also requires information regarding the requirements of these provisions relating to educational and school placements of certain foster youth to be included in a specified annual notification, and provides for the application of graduation requirement exemptions, if applicable, to continue to apply if adequate notification is not provided.

AB 496 (Chapter 664/2015)—Pupil Nutrition: Fresh Drinking Water: Funding. This bill requires the California Department of Education (CDE) to consult with the State Water Resources Control Board to identify available sources of funding to fund school water quality and infrastructure, including funding from Proposition 1 (2014) and to post that information on its website.

If funds are received by the CDE, districts would be able to use those funds for water quality projects including water treatment, water facilities restructuring, water filling stations, and maintenance of water facilities.

AB 915 (Chapter 58/2015)—Public Education Employees: Industrial Accident or Illness Leaves of Absence: Travel Restriction. Existing law requires an employee receiving Workers' Compensation benefits to remain within California during periods of injury or illness, unless the governing board authorizes travel outside the state. This bill removes the travel restriction on an employee receiving these benefits.

AB 963 (Statutes of 2015)—Teachers' Retirement Law. The bill includes as California State Teachers' Retirement System (CalSTRS) creditable service, for the purposes of the Defined Benefit Program (DBP), any activities that do not meet the definition of creditable service but were performed for an employer on or before December 31, 2015, and were reported as creditable service to CalSTRS. The bill allows members and specified retired members who have performed those activities to irrevocably elect to have that service subject to coverage under a different public retirement system and excluded from coverage by the DBP.

AB 1012 (Chapter 703/2015)—Pupil Instruction: Course Periods Without Educational Content. Beginning with the 2016-17 school year, AB 1012 prohibits school districts maintaining grades 9 through 12 from enrolling students in courses without educational content. The bill defines "courses without educational content" as follows:

- A student being sent home or released from campus before the official school day ends
- Service or instructional work experience, or other course, in which a student is assigned to assist a certificated employee but is not expected to complete curricular work, or in a course in which the certificated employee is teaching and where the teacher to student ratio is less than one-to-one
- A student is not assigned to any course for the relevant course period

- A student is assigned to take a course that he/she has previously taken and for which he/she received a grade that satisfies graduation requirements or requirements for admission into California's postsecondary institutions

The prohibition in AB 1012 does not apply to alternative, community day, continuation high, and opportunity schools. Finally, the bill provides complaints to be filed through the UCP.

AB 1101 (Chapter 170/2015)—Pupil School Enrollment: Residency Requirements: Policy on Investigations. This bill requires, before investigating any pupil, the governing board of the school district to adopt a policy regarding an investigation to determine whether the pupil meets the residency requirements for school attendance in the school district. The bill requires the policy to identify the circumstances under which the school district may initiate an investigation, describe the investigatory methods that may be used, including whether the school district will be employing the services of a private investigator, and would prohibit the surreptitious photographing or video recording of pupils who are being investigated.

AB 1452 (Chapter 59/2015)—Certificated Employees: Personnel Files: Expungement: Egregious Misconduct. This bill prohibits school districts, county offices of education (COEs), and charter schools from directly expunging from an employee's personnel file credible complaints of, substantiated investigations into, or discipline for egregious misconduct, unless documents containing allegations that have been the subject of a hearing before an arbitrator, school board, personnel commission, Commission on Professional Competence, or administrative law judge, in which the employee prevailed, the allegations were determined to be false, not credible, or unsubstantiated, or a determination was made that the discipline was not warranted.

SB 78 (Chapter 19/2015)—Education Finance: Local Control Funding Formula. SB 78 is the Local Control Funding Formula (LCFF) clean-up bill, which repeals many outdated categorical program sections of the Education Code and extends the district budget review process timeline by one month.

SB 97 (Chapter 11/2015)—Budget Act of 2015. SB 97 amends Assembly Bill 93, the Legislature's version of the 2015-16 State Budget, and reflects the final agreement between the Legislature and Governor Brown. SB 97 removes the Home-to-School Transportation increase and After School Education and Safety Program (ASES) increase proposed by the Legislature, among other changes.

SB 103 (Chapter 324/2015)—Education Finance. SB 103 significantly changes the calculation of Educator Effectiveness funds from a per certificated staff head count to one based on full-time equivalent certificated staff reported by LEAs in the California Longitudinal Pupil Achievement Data Systems.

SB 148 (Chapter 448/2015)—School Districts: Reorganization: Local Control Funding Formula. SB 148 enacts numerous provisions specifying computations to determine the funding, pursuant to the LCFF, of school districts that are, or proposed to be, affected by the various types of actions that may be undertaken to reorganize districts.

SB 172 (Chapter 572/2015)—Pupil Testing: High School Exit Examination: Suspension. SB 172 suspends the California High School Exit Examination (CAHSEE) through the

2017-18 school year as a high school graduation requirement. Furthermore, the bill requires school districts, COEs, charter schools, and state special schools to grant diplomas to students, who did not successfully pass the CAHSEE, but completed all coursework necessary for graduation in 2003-04 school year and subsequent school years. Finally, the bill requires the SSPI to convene a work group to develop recommendations for an alternative to the CAHSEE.

SB 200 (Chapter 174/2015)—Pupils: School District Residency Requirements. This bill clarifies that a pupil complies with a school district’s residency requirements in instances where the pupil’s parent or legal guardian resides outside of the boundaries of that school district but is employed and lives with the pupil at the place of his or her employment within the boundaries of the school district for a minimum of three days during the school week.

SB 222 (Chapter 78/2015)—Local Agencies: School Bonds: General Obligation Bonds: Statutory Lien. SB 222 requires all local general obligation (GO) bonds issued and sold on behalf of a local agency, including school districts, to be secured by a statutory lien on all revenues received through the levy and collection of taxes. SB 222 may prove to benefit school districts’ credit ratings as ratings agencies view GO bond debt as secure against default. Improved credit ratings can, of course, reduce the cost of borrowing.

SB 277 (Chapter 35/2015)—Public Health: Vaccinations. This bill eliminates the ability of parents or guardians to exempt their children from receiving immunizations based on “personal belief.” SB 277 provides an exemption for students of home-based private schools or a pupil who is enrolled in an independent study program and does not receive classroom-based instruction. Under current law, students may be admitted to school without immunizations due to medical reasons; this exemption remains in law. The bill allows pupils who, prior to January 1, 2016, have a personal belief exemption, to be enrolled until the pupil enrolls in the next grade span that requires immunizations (at kindergarten and at grade 7).

SB 359 (Chapter 508/2015)—California Mathematics Placement Act of 2015. SB 359 requires, before the commencement of the 2016-17 school year, the governing boards of school districts, COEs, charter schools, and state special schools with students entering into grade 9 to adopt math placement policies that:

- Systematically consider multiple objective academic measures—including, but not limited to, interim and summative assessments, placement tests, and classroom assignments
- Include at least one placement checkpoint within the first month of the school year to ensure that students are appropriately placed
- Require annual examination of aggregate placement data to ensure that student progressions do not indicate disproportionate treatment based on race, ethnicity, gender, or socioeconomic status, and require LEAs to provide the aggregate results to their governing boards and post them on their websites
- Offer clear and timely recourse for students and his/her parents who question placement
- For nonunified school districts, offer consistency in math placement policies between elementary and high school districts

The math placement policy must be adopted at a public and regularly scheduled board meeting and shall be posted on the LEA's website.

SB 445 (Chapter 289/2015)—Pupil Instruction and Services: Homeless Children: Foster Children. SB 445 provides students who are homeless the right to remain in their schools of origin and the right to immediate enrollment. Among other provisions, it requires an LEA, at the point of change or subsequent change in residence once a student becomes homeless, to allow the student to continue his or her education in the school of origin through the duration of homelessness.

SB 597 (Chapter 421/2015)—Pupil Attendance: Interdistrict Transfers. Current law, which authorizes the governing board of a school district to accept interdistrict transfers of pupils according to board adopted policies that conform to specific statutory requirements relating to priority for enrollment, rules governing transfer applications, and average daily attendance credit will become inoperative on July 1, 2016. This bill extends those provisions for one additional year, making the program inoperative on July 1, 2017, and repealing the provisions effective January 1, 2018. The bill requires that a comprehensive evaluation of the program be completed by January 31, 2016.

SB 725 (Chapter 225/2015)—Pupil Testing: High School Exit Examination: Exemption. SB 725 eliminates the CAHSEE as a condition of graduation for any senior in the Class of 2015 who met all other graduation requirements. As an urgency measure, the bill is effective upon Governor Brown's signature on August 26, 2015.

Vetoed by the Governor

AB 47 (McCarty, D-Sacramento)—State Preschool Program. This bill would have required, on or before June 30, 2018, all eligible children, who would not otherwise be served by transitional kindergarten, to have access to the state preschool program the year before they enter kindergarten, if their parents wish to enroll them, contingent upon the appropriation of sufficient funding in the annual Budget Act for this purpose.

In part, the Governor's veto message states:

Last year's education omnibus trailer bill already codified the intent to make preschool and other full-day, full year early education and care opportunities available to all low-income children. The discussion on expanding state preschool which takes into account rates paid to providers as well as access and availability for families should be considered in the budget process, as it is every year. A bill that sets an arbitrary deadline, contingent on a sufficient appropriation, is unnecessary.

AB 141 (Bonilla, D-Concord)—Teacher Credentialing: Beginning Teacher Induction Programs. This bill would have prohibited an LEA from charging a beginning teacher to participate in an alternative program of beginning teacher induction program that it provides and would prohibit a school district from charging a fee to a beginning teacher to participate in an

alternative program of beginning teacher induction that is sponsored by a regionally accredited college or university, in cooperation with one or more local school districts.

In part, the Governor's veto message states:

The vast majority of local educational agencies provide induction and support to beginning teachers free of charge. I commend these entities for recognizing the importance of supporting and retaining new teachers. In addition to funding allocated through the Local Control Funding Formula, the state has provided \$490 million in this year's budget to promote educator quality over the next three years. Part of this funding should be used to support new teachers. Creating a new mandate, however, is not the answer.

AB 676 (Calderon, D-Whittier)—Employment: Discrimination: Status as Unemployed. This bill would have prohibited an employer from publishing an advertisement or announcement for a job that includes a provision stating or indicating that an unemployed person is not eligible or asking an applicant to disclose the applicant's employment status until the employer has determined that he/she meets the minimum employment qualifications for the position.

In part, the Governor's veto message states:

This bill is substantially similar to the bill I vetoed last year. Nothing has changed. I still believe that the author's approach does not provide a proper or even effective path to get unemployed people back to work.

SB 320 (Lara, D-Bell Gardens)—Pupil Fees: Complaint of Noncompliance: Appeal Procedures. This bill would have prohibited a public school from establishing a local policy or procedure that authorizes the public school to resolve a complaint regarding assessment of pupil fees, whether formally or informally, by providing a remedy to the complainant without also providing a remedy to all affected pupils, parents, and guardians. The bill would have authorized locally resolved complaints to be appealed to the SSPI and establishes procedures governing the resolution of appeals.

In part, the Governor's veto message states:

Creating unique timelines for certain types of complaints makes the 'Uniform Complaint Procedures' decidedly less uniform. I do not think we should pursue such a piecemeal approach.

[Posted to the Internet 10/12/15]

—*The SSC Advocacy Team*



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By the Way . . .

The California Department of Education Has Released the Educator Effectiveness Apportionment Schedule. On Friday, October 2, 2015, the California Department of Education (CDE) released the apportionment schedule, as well as a frequently asked questions (FAQ) section related to the Educator Effectiveness funds. The final apportionment will result in approximately \$1,466 per certificated full-time equivalent as reported in the California Longitudinal Pupil Achievement Data System (CALPADS) for the 2014-15 fiscal year. Additionally, local educational agencies should expect to receive 80% of their funds in December 2015 and the final 20% in March 2016. A link to the letter can be found at <http://www.cde.ca.gov/fg/fo/r14/educatoreffect15entltr.asp> while the FAQ and apportionment results can be found at <http://www.cde.ca.gov/fg/aa/ca/educatoreffectiveness.asp>.

The CDE is currently developing the final expenditure report, but, at a minimum, the report will require reporting the number of teachers, administrators, and paraprofessionals who received professional development.

[Posted to the Internet 10/5/15]

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Commission on State Mandates Adopts Streamlined Claiming for Pertussis Mandate

On September 25, 2015, under provisions authorizing a reasonable reimbursement methodology (RRM), the Commission on State Mandates (CSM) adopted a unit rate to reimburse school districts for the costs of complying with the Immunization Records-Pertussis mandate (Assembly Bill [AB] 354, Chapter 434/Statutes of 2010) as an alternative to actual cost reimbursements. With this decision local educational agencies (LEAs) will be able to receive reimbursement based on the number of 7th grade average daily attendance (ADA) served multiplied by the unit rate of \$9.17 for 2012-13, adjusted for inflation in subsequent years.

Background

The CSM adopted the Pertussis mandate on July 26, 2013, approving reimbursement beginning July 1, 2011. The mandate requires school districts to verify whether students entering the 7th through 12th grades were fully immunized against Pertussis. Beginning on July 1, 2013, verification is required only for students entering the 7th grade. Under the CSM's original decision, districts can receive reimbursement for the following activities:

- Receiving and reviewing the written records of the Pertussis vaccination
- Receiving and reviewing documentation showing a pupil's permanent medical or personal beliefs exemption
- Receiving and reviewing documentation showing a pupil's temporary exemption
- Advising the pupil's parent or guardian of the requirement to exclude the pupil from school if written evidence of the vaccination or exclusion is not provided within ten days
- Reporting to the attendance supervisor any pupil excluded for attendance based on the immunization verification requirements

Prior to the CSM's action to adopt a unit-based reimbursement, districts were required to document their actual costs of complying with this mandate in order to qualify for reimbursement.

Unit Rate Reimbursement

On April 15, 2015, the Desert Sands Unified School District (USD) filed a request to amend the parameters and guidelines to include a unit-based reimbursement rate under provisions authorizing a RRM. The analysis of cost data to establish the unit rate was conducted by Brad Williams of Capitol Matrix Consulting and funded by the Education Mandated Cost Network (EMCN). The result of this analysis, which was adopted without amendment by the CSM, establishes a reimbursement rate of \$9.17 per 7th grade ADA commencing in 2012-13. This rate is adjusted annually for inflation and increases to \$9.47 per 7th grade ADA in 2014-15.

All school districts serving 7th grade students are authorized to submit claims for reimbursement pursuant to the CSM's decision, regardless of whether the district received reimbursement under the mandate block grant (MBG) between 2012-13 and 2014-15. During this three-year period, the MBG did not include funding for the Pertussis mandate; therefore, districts are authorized to submit claims for funding under the unit rate adopted by the Commission.

Commencing in 2015-16, however, the MBG has been increased to include funding for the Pertussis mandate; therefore, districts cannot receive funding through the MBG and also receive funding for the Pertussis mandate outside of the block grant, either through the unit rate or through cost-based reimbursements.

We want to thank Jim Novak, Assistant Superintendent of Business Services, of Desert Sands USD, Art Palkowitz, of Stutz Artiano Shinoff & Holtz (counsel to EMCN), Brad Williams, of Capitol Matrix Consulting, and EMCN for their successful pursuit of establishing a unit-rate reimbursement for the Pertussis mandate. This effort will benefit school districts throughout California.

[Posted to the Internet 10/6/15]

—*Robert Miyashiro and Maureen Evans*