1. Welcome and Announcements
   Mark Skvarna, Interim Chief Business Officer, called the meeting to order at 9:40 a.m.

2. State, Economic and Legislative Updates
   Robert Miyashiro and Michelle Underwood, School Services of California, reported on the economic and revenue outlook and shared a preview of 2016 political issues.
   a. UCLA Anderson and LAO Economic Forecasts
      - The LAO forecasts State revenues to grow at an average annual rate of 3.7% through 2019-2020, while expenditures grow at a 3.2% rate.
      - The LAO warns that the current expansion will not last forever and that a sizable reserve is the key to managing the next downturn.
      - The LAO expects the $6.6 billion maintenance factor from June 2014 to be fully repaid by the end of the current fiscal year.
      - Proposition 98 for 2016-17 is forecast to increase 3.3%, or $2.3 billion, from the revised current-year level.
      - The LAO’s recession scenario forecasts Proposition 98 would drop $4.6 billion in 2017-18, CalSTRS Rate Increases, Out-Year COLAs and a stall-out of LCFF Implementation.
      - The LAO indicates that the cap on district reserves will not be triggered during its forecast period (2015-16 through 2019-20).
      - UCLA’s quarterly forecast for 2015 concludes that the Gross Domestic Product (GDP) will increase 3.1% in 2016.
      - UCLA expects California to continue to outperform the U.S. economy, making up for the losses the state suffered during the Great Recession.
b. 2015 One-Time Money
   - The 2015-16 State Budget included more than $3.2 billion in one-time discretionary funding to be allocated to LEAs. Funds will be distributed in four installments:
   • December 2015 (43%)
   • March 2016 (3%)
   • January 2016 (43%)
   • April 2016 (11%)

c. Preview of 2016 Legislative Issues
   - The 2016-17 State Budget is expected to be released on January 8, 2016.
   - Bills introduced in 2015 that did not make it out of their first house will need to do so by January 31, 2016.
   - Legislators have until February 19, 2016 to introduce bills for the year.
   - A ruling on the Friedrichs v. California Teachers Association (CTA) case regarding union fees is expected around June or July 2016.
   - AB 575 and SB 499, bills introduced to repeal and replace various law governing teacher evaluations, did not make it to the second policy committee in 2015, but could come up again this year.
   - SB 799, a bill to reform the school district reserve cap, proposes 17% of unassigned General Fund balances and Special Reserve Fund for Other than Capital Outlay Projects. The bill is currently in the Assembly and could come up again in 2016.
   - The California Association for Adequate School Housing (CASH)-sponsored facilities bond is eligible for the November 2016 ballot. However, a smaller bond with a needs-based focus is a potential legislative alternative to a large scale bond based on the current facilities program.
   - Expanding Early Childhood Education continues to be a priority for the legislature, including in the area of special education where the Statewide Special Education Task Force has recommended additional resources.
   - The Kindergarten through Community College Public Education Facilities Bond Act of 2016 has sufficient signatures to be eligible for the November 2016 ballot.
   - Two initiatives, the School Funding and Budget Stability Act and the Invest in California’s Children Act, were combined to form a compromise proposition - the California Children’s Education and Health Protection Act of 2016, which would extend Propositions 30’s income tax rate increases to 2030. Signatures are being collected to qualify for the November 2016 ballot.
   - It is currently unknown whether proponents of the Voter Empowerment Act of 2016, a pension reform initiative, will fund a signature-gathering campaign to qualify for the November 2016 ballot.

3. Open Discussion
   a. Healthy Workplace, Healthy Family Act of 2014 (AB 1522) - Attendees discussed AB 1522, Paid Sick Leave for temporary and substitute employees, including how they will budget, implement, and track time.

   b. School Facilities Bonds - Attendees discussed possible school facilities bonds for June or November 2016.

   c. Cadillac Tax/Affordable Care Act - Attendees discussed the Cadillac tax/Affordable Care Act, including rates: $10,200 limit per year, anything above results being taxed at 40% (for single coverage); and $27,500 (for family coverage).

Adjourned at 11:35