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RE: *SSC's Sacramento Weekly Update*

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It was a busy week in Sacramento as the Appropriations Committees took up their suspense files, the Senate Budget Subcommittees began taking action on the 2019-20 State Budget following the release of last week's May Revision, and a significant charter school bill passed out of the Assembly.

### **Appropriations Committee Deadline**

On Thursday, May 16, 2019, the Appropriations Committees in both the Senate and the Assembly took up their suspense files and quickly disposed of nearly 1,100 measures, sending hundreds of bills to the house floors.

Many of these bills were able to move on because authors agreed to amendments that addressed fiscal concerns, added coauthors, or reduced costs. Those bills now head to their house floors for a vote before they can go into the second house and move forward in the legislative process. Since we are in the first year of the two-year legislative session, the bills that did not make it out of the Appropriations Committee will, barring any rule waivers, be considered inactive for the rest of 2019, but can potentially be revived next year.

Some of the significant education bills that survived the Appropriations Committee deadline include the following:

- Assembly Bill (AB) 39 (Muratsuchi, D-Torrance), which would set new, higher aspirational Local Control Funding Formula (LCFF) base grant targets beginning in fiscal year 2020-21
- AB 48 (O'Donnell, D-Long Beach), which would put K-14 school facilities bonds on the 2020 and 2022 ballots
- AB 428 (Medina, D-Riverside), which would establish a funding mechanism to support Special Education preschool programs, equalize Special Education funding rates to the 95<sup>th</sup> percentile, and provide a supplemental grant to support Special Education students with greater needs
- AB 1505 (O'Donnell), which would make significant changes to the petition, renewal, and revocation process for charter schools

- Senate Bill (SB) 217 (Portantino, D-La Cañada Flintridge), which would, outside of the Special Education AB 602 formula, allocate \$4,000 to school districts for every three- or four-year-old child with exceptional needs who is receiving a majority of Special Education and related services in the regular education program
- SB 328 (Portantino), which would prohibit middle schools and high schools, including charter schools, from beginning their school day earlier than 8:00 a.m. and 8:30 a.m., respectively, but would exempt rural school districts from these provisions
- SB 729 (Portantino), which would require the LCFF base grants for school districts to be increased by a cost-of-living adjustment of 5.16% for the 2019-20 fiscal year

The bills passed by the Appropriations Committees, along with the scores of bills already awaiting consideration by the full Senate and Assembly, will be debated and will need to be approved by the house of origin by Friday, May 31, 2019. Bills that meet this deadline will then go to the second house where the committee process starts anew.

### **Senate Budget Subcommittees Take Action on 2019-20 State Budget Proposals**

The Senate Budget Subcommittees took significant action on some of the 2019-20 State Budget proposals following the release of Governor Gavin Newsom's May Revision.

On Wednesday, May 15, the Senate Budget Subcommittee No. 1 on Education rejected Governor Newsom's \$696 million (ongoing Proposition 98) proposal relating to Special Education funding, which would provide grants to local educational agencies (LEAs) that have at least a 55% unduplicated pupil count and are above the statewide average for identified students with disabilities, which is estimated at 10.93%.

Instead, the subcommittee approved a total of \$333 million (ongoing Proposition 98) to equalize AB 602 per student funding rates to the 90<sup>th</sup> percentile and \$200 million (ongoing Proposition 98) to establish the Special Education Early Intervention Grant Program, which would provide a \$4,000 per child grant for each three- and four-year-old receiving Individualized Education Program (IEP) services through their district of residence and who is also enrolled in a mainstream early education setting as determined by the IEP.

On Thursday, May 16, the Senate Budget Subcommittee No. 4 on State Administration and General Government voted to augment the Governor's California State Teachers' Retirement System (CalSTRS) proposal by providing additional contribution rate relief for employers as well as some relief from the increasing employer contributions to the California Public Employees' Retirement System (CalPERS).

The subcommittee approved the Governor's \$2.3 billion proposal to reduce the employers' share of the CalSTRS unfunded liability and reduce employer contribution rates long term, which is predicted to result in a 0.5% reduction in employer contributions beginning in 2021-22. The subcommittee also voted to provide \$630 million (one-time non-Proposition 98), \$130 million above the Governor's proposal, to reduce the 2019-20 employer contribution rates from 18.13% to 16.33%, and approved \$648 million (one-time, non-Proposition 98), \$298 million above the Governor's proposal, to reduce the 2020-21 employer contribution rates from 19.1% to 17.3%.

Additionally, the subcommittee voted to provide \$257 million to reduce the CalPERS school district contribution rate from 20.73% to 18.93% and provide \$264 million to reduce the 2020-21 rates from

23.6% to 21.8%. Governor Newsom's revised Budget proposal does not provide any relief to employers on the CalPERS side.

The full Senate Budget and Fiscal Review Committee is expected to approve the Senate's version of the full budget on May 22, 2019. The Assembly Budget Subcommittees are expected to take action early next week on the 2019-20 State Budget items followed by a vote from the full Assembly Budget Committee. Once both houses approve their versions of the Budget, they will go into Conference Committee where the conferees will negotiate the details of the Budget with the Newsom Administration before sending a Budget package to the Governor by the constitutional deadline of June 15.

### **AB 1507 Passes out of the Assembly**

AB 1507 by Assembly Member Christy Smith (D-Santa Clarita) is part of a charter school bill reform package aimed at amending the state's charter school laws. While the significant charter school bills passed out of the Assembly Appropriations Committee on Thursday, May 16, AB 1507 was not labeled as a fiscal bill and was able to bypass the fiscal committee and go straight to the house floor. On Monday, May 13, the bill officially passed out of the full Assembly on a 54-18 party-line vote with several abstentions.

The bill would eliminate the authorization for a charter school to be located outside the boundaries of their authorizer in specified instances; and, authorizes a nonclassroom-based charter school to establish one resource center within the jurisdiction of the school district where the charter school is located, subject to specified conditions for currently operating schools and specified facilities.

AB 1507 will now head to the Senate where it will be referred to the Senate Education Committee.

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