
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: SB 1177 **Hearing Date:** April 11, 2018
Author: Portantino
Version: March 19, 2018
Urgency: No **Fiscal:** Yes
Consultant: Ian Johnson

Subject: Classified employees: Classified School Employees Summer Furlough Fund.

SUMMARY

This bill would create a six-year program to allow classified school employees to contribute earnings voluntarily, matched by the state on a two-to-one basis, to provide income during months in which these employees do not currently receive a salary.

BACKGROUND

Existing law:

- 1) Defines “classification” within a school district as having a designated title, a regular minimum number of assigned hours per day, days per week, and months per year, a specific statement of the duties required to be performed by the employees in each such position, and the regular monthly salary ranges for each such position, as well as associated benefits.
- 2) Allows school districts to employ and classify non-academic employees who do not require certification, and requires those employees be placed in the “classified service”.
- 3) Provides for payment of compensation to employees of a school district who are employed for less than 12 months per year.
- 4) Authorizes the governing board of a school district, upon request by an employee, to withhold and disburse later, a designated amount from the employee’s salary when the school district is not paying that employee the annual or monthly salaries in 12 equal monthly payments.
- 5) Specifies payment schedules and amounts to be paid to an employee of a school district who is employed for less than a year, and the period in which they are to be compensated.

ANALYSIS

This bill would create a six-year program to allow classified school employees to contribute earnings voluntarily, matched by the state on a two-to-one basis, to provide income during months in which these employees do not currently receive a salary.

Specifically, this bill:

- 1) Requires a local educational agency (LEA) to establish a summer bridge program, commencing no later than the 2019–20 school year and available to all classified employees.
- 2) Specifies that an LEA that does not pay the salaries of its classified employees in 12 monthly payments may opt to participate in the Classified School Employees Summer Furlough Fund. The employee may participate in the fund by informing the LEA, in writing, no more than 30 calendar days after the beginning of the fall term of the school year or 30 calendar days after the employee begins employment with the LEA, whichever is later.
- 3) Prohibits classified employees earning more than two and one-half times the full-time pay during the school year of an employee paid at the state minimum wage from participating in the fund.
- 4) Requires LEAs to deposit amounts withheld in accordance with the choices made by participating classified employees in an account within its general fund, to be known as the Classified School Employees Summer Furlough Fund.
- 5) Requires the California Department of Education (CDE) to apportion funds to each participating LEA in the amount of two dollars for each one dollar, up to the equivalent of the amount paid to the classified employee during 80 hours of employment, or 10 days of employment, whichever is greater, during the school year, that has been deposited in the LEA's Classified School Employees Summer Furlough Fund.
- 6) Allows a participating classified employee to withhold an amount in excess of the amount paid to the classified employee during 80 hours or 10 days of employment, but the classified employee shall not receive matching funds from the LEA or CDE for the excess amount.
- 7) Requires LEAs to pay their participating classified employees from the Classified School Employees Summer Furlough Fund the amounts withheld in accordance with the employee's choices, plus the amount apportioned by CDE that is attributable to the amount withheld from that employee's paychecks during the school year. This amount shall be paid to the participating classified employee during the summer recess period, in either one or two payments, in accordance with the employee's preference.
- 8) Repeals the sections summarized above on September 1, 2025, unless a later enacted statute deletes or extends that date.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "Classified employees receive on average a median salary of \$21,000, which is more than three times lower than the median salary for administrators, certificated, and faculty. Additionally, they serve multiple positions in the school districts, which results in reclassification causing delay in seniority and benefits. Unlike their peers, many classified

cannot participate in the program that pays out over twelve months because their wages are insufficient.

Without income, access to unemployment benefits, and a lack of temporary employment classified school employees find themselves in a very difficult position during the summer months. Many classified workers resort to relying on food banks, maxing out credit cards, or collecting cans on the side of the road. This bill allows employees to participate in a fund that prevents them from homelessness, hunger, and extreme poverty during the summer months.”

“Classified school employees serve California’s public schools with immense dedication, and they sacrifice a great deal to help our students. This program will not eradicate the unfair exclusion of these workers from accessing unemployment benefits, but it will create a temporary, cost-effective solution that allows for classified workers to support their families during recess periods.”

- 2) **Similar bill vetoed last year.** This bill is similar to a measure from last year, AB 621 (Bocanegra), that was vetoed by the Governor, whose message read:

“I am returning Assembly Bill 621 without my signature. This bill creates a fund to allow specific classified school employees to contribute earnings voluntarily that are matched by the state on a two-to-one basis, for the purposes of providing income during times when these employees are not receiving a salary. 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.”

Unlike AB 621, this bill would only be operative for five years. Beyond the program’s duration, the concerns previously expressed by the Governor related to local discretion have not been addressed.

- 3) **What would be the cost exposure to the state?** According to the Senate Appropriations Committee analysis of AB 621, this bill would create costs that would “...likely range from the tens of millions of dollars to up to \$200 million annually. Matching funds would likely come from the General Fund.” As noted above, relative to AB 621, the duration of the program under this bill has been limited to five years.

- 4) **Arguments in support.** According to the bill’s sponsor, “Classified employees receive on average a starting salary that is 3x lower than starting administrators, certificated, and faculty. Additionally, they serve multiple positions in the school districts, which results in reclassification causing delay in seniority and benefits. Unlike their peers, many classified cannot participate in the program that pays out over twelve months because their wages are insufficient.

Without income, access to unemployment benefits, and a lack of temporary Employment, classified school employees find themselves in a very difficult position during the summer months. Many classified workers resort to relying on food banks, maxing out credit cards, or collecting cans on the side of the road.

SB 1177 would address this by allowing employees to participate in a fund that prevents them from homelessness, hunger, and extreme poverty during the summer months.”

- 5) ***Arguments in opposition.*** Those opposed to this bill argue that the costs resulting from the bill—whether direct or indirect—would add pressure on school district budgets and almost inevitably take funding away from educational and support programs serving students. As with past legislation that has sought to alleviate a stressful financial period faced by classified school employees during the summer months, there is sympathy to the goals of this bill. However, opponents argue that they must also take into account the impact that this additional fiscal burden will have on the ability to fully fund classroom instruction, educational programs and support programs.

SUPPORT

Service Employees International Union (sponsor)
California Labor Federation
Courage Campaign

OPPOSITION

Association of California School Administrators
California Association of School Business Officials
Kern County Superintendent of Schools
Orange County Department of Education
Riverside County Superintendent of Schools

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