



August 31, 2021

SENATE FLOOR ALERT: OPPOSE AB 438 (REYES)

The local educational agencies and statewide education organizations represented on this letter STRONGLY urge your “NO” vote on Assembly Bill 438 (Reyes). Classified employees play an essential role in the public school setting and play a vital role in ensuring the success of our students. However, AB 438 strikes at the heart of locally informed decision making and restricts the ability of locally elected school districts to make informed and necessary budgetary decisions. The above Education Groups and Associations are stringently opposed to AB 438 for the following reasons:

UNDERMINES LOCALLY ELECTED SCHOOL BOARDS

Local Educational Agencies (LEAs) are one of California’s largest employers. Not only do they face some of the most arcane and complex personnel laws in all of government, but staff salaries and benefits comprise the largest part of LEA budgets – as much as 90 percent.

WILL INCREASE LAYOFFS OF CLASSIFIED STAFF

In a 2012 report titled “A Review of the Teacher Layoff Process,” the Legislative Analyst’s office observed, “One of the most significant problems with the existing layoff process is the notification timeline. The state-imposed layoff time is disconnected from both the state budget cycle and the availability of critical local information.”

The LAO further noted that, because of this misalignment, the number of teachers that are initially noticed “far exceeds the number of teachers that are actually laid off for the following school year.” This problem will exist to a much greater degree in the case of classified employees, because of the domino effect of reassignments that ensue as part of the layoff process.

Adding classified staff to the March 15th requirement will force LEAs to act upon their budgets with little information as to available revenues, thus requiring LEAs to be more aggressive in noticing staff. Layoffs are never easy, and LEAs strive to avoid laying off staff by cutting or eliminating programs, offering early retirement and not filling vacant positions first; however, it is an option of last resort.

FLAWED APPROACH

AB 438 would eliminate the recently adopted 60-day layoff notice and establish an immovable date of March 15th by which school districts must decide whether to lay off classified staff. Right now, the March 15th notification deadline only applies to teachers and other certificated employees. AB 438 would force districts to determine which support staff to retain *three months* before the state budget is passed, *four months* before the education budget trailer bill is adopted and *six months* before the school year begins.

This system would eliminate any remaining flexibility school districts have to make accurate personnel decisions and preserve jobs once they have a clearer picture of state funding and enrollment for the coming school year.

FURTHERS DISRUPTION AND CHAOS

This will exacerbate and unnecessarily increase the disruption and uncertainty the March 15th deadline already creates. During difficult budget years, this notice requirement results in chaos and disruption, creating anxiety for teachers whose notice was received well before an accurate budget estimate was possible. Issuing unnecessary layoff notices in turn causes worry among students and families that the quality of their education will suffer.

Prior to the pandemic, school districts were already facing difficult challenges: declining enrollment, the state's long-term projected budget deficit, increasing pension costs and other fiscal impacts. Expanding the March 15th deadline to classified staff will add to the pressures LEAs already face.

FISCAL IMPACT

There will be a significant cost to school districts related to hiring an Administrative Law Judge, court reporter, legal fees and other matters associated with the hearing process. Based on the above-referenced LAO report, district survey results indicated an average cost of \$700 per notice. The largest costs were related to district personnel and legal activities required as part of the layoff process. In 2010-11, the statewide school districts' cost associated with the layoff process was \$14 million.

Considering 10% as a basis for notices and using the reported \$700 per notice cited by the LAO, and applied to classified staff under AB 438, the potential cost could reach almost \$20 million statewide without acknowledging the cost of inflation. Recognizing that a basis of 20% for smaller LEAs creates a greater fiscal impact, the cost estimate can double, nearing \$40 million statewide.

For the reasons outlined above, we oppose AB 438 and request your "NO" vote on the measure.

If you have questions regarding our position, please contact Chris Reeve, California School Boards Association (creefe@csba.org) or Laura Preston, Association of California School Administrators (lpreston@acsa.org).