

Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON EDUCATION
Al Muratsuchi, Chair
AB 1438 (Gallagher) – As Introduced February 21, 2025

SUBJECT: School finance: administrative employee-to-teacher ratio: Paradise Unified School District

SUMMARY: Exempts the Paradise Unified School District (PUSD) from any reduction in state support due to not meeting specified teacher/administrator ratios for the 2024–25 fiscal year to the 2034–35 fiscal year, inclusive. Specifically, **this bill:**

- 1) Exempts the PUSD from any reduction in state support due to not meeting specified teacher/administrator ratios for the 2024–25 fiscal year to the 2034–35 fiscal year, inclusive.
- 2) Requires the PUSD to submit the following to the Superintendent of Public Instruction (SPI), the Department of Finance (DOF), and the budget Committees of both houses of the Legislature:
 - a) By September 1, 2026, a report containing the administrator-to-teacher ratio for the 2024–25 fiscal year to the 2026–27 fiscal year, inclusive, a description of the reasons for not meeting the ratio requirement for each fiscal year in which the ratio was not met, including the estimated impact on pupils, and a plan setting out goals for meeting the ratio by the 2034–35 fiscal year.
 - b) By each September 1 from 2027 to 2035, inclusive, a report detailing the ratio of administrative employees to teachers, including the number of teachers and administrators above the required ratio, for the prior fiscal year and the progress towards meeting the goals set out in the report.
 - c) Requires the reports to be submitted in compliance with Section 9795 of the Government Code.

EXISTING LAW:

- 1) Exempts the PUSD from any reduction in state support due to not meeting specified teacher/administrator ratios for the 2021–22 fiscal year to the 2023–24 fiscal year, inclusive. (Education Code (EC) 41404.5)
- 2) Defines, for the purpose of calculating the maximum ratios of administrative employees to teachers in school districts, the following:
 - a) “Administrative employee” means an employee of a school district, employed in a position requiring certification qualifications, who does not come within the definition of a “pupil services employee” or a “teacher.”
 - b) “Classified employee” means an employee of a school district, employed in a position not requiring certification qualifications.

- c) “Pupil services employee” means an employee of a school district, employed in a position requiring a standard designated services credential, health and development credential, or a librarian credential, who performs direct services to pupils. “Pupil services employee” includes, but is not limited to, in-school librarians, school nurses, assistant in-school librarians, audiovisual personnel, counselors, psychologists, psychometrists, guidance and welfare personnel, attendance personnel, school social workers, and all other certificated personnel performing pupil-personnel, health, or librarian services.
 - d) “Teacher” means an employee of a school district, employed in a position requiring certification qualifications, whose duties require him or her to provide direct instruction to pupils in the schools of that district for the full time for which he or she is employed. “Teacher” includes, but is not limited to, teachers of special classes, teachers of exceptional children, teachers of pupils with physical disabilities, teachers of minors with intellectual disabilities, substitute teachers, instructional television teachers, specialist mathematics teachers, specialist reading teachers, home and hospital teachers, and learning disability group teachers. Requires instructional preparation time to be counted as part of the teacher full-time equivalent, including, but not limited to, mentor teacher or department chairperson time. (EC 41401)
- 3) Establishes maximum ratios of administrative employees to each 100 teachers in the various types of school districts, as follows:
 - a) In elementary school districts—9:100;
 - b) In unified school districts—8:100; and
 - c) In high school districts—7:100. (EC 41402)
 - 4) Requires the SPI to determine, for each current fiscal year, for each school district in the state, to two decimal points, the following:
 - a) The total number of administrative employees, except those serving in positions that are supported by categorical grants from any source and are in programs that require specific teacher/administrator ratios, or that are supported by federal funds;
 - b) The total number of teachers except those serving in positions that are supported by federal funds or by categorical grants from any source and are in programs that require specific teacher/administrator ratios;
 - c) The total maximum number of administrative employees that should be employed by the district based upon the application of the appropriate ratio to the number of teachers; and
 - d) The number of administrative employees in excess of the number allowable without penalty as determined by subtracting the number of administrative employees from the number of teachers. (EC 41403)
 - 5) Requires, for purposes of determining the allowable ratio of administrative employees to teachers for the San Diego City School District, the number of employees and the full-time

equivalent of all of the fractional time of employees serving the district in positions mandated as the result of the district's court-ordered integration plan is excluded from the ratio calculation. (EC 41403)

- 6) Requires the SPI to determine the reduction in state support resulting from excess administrative employees as follows:
 - a) Compute the ratio which total state support to the district general fund bears to the total general fund income of the district;
 - b) Multiply the ratio by the average salary of administrative employees; and
 - c) Multiply the product by the number of administrative employees converted to the nearest whole number in excess of the maximum number, as specified. (EC 41404)
- 7) Requires the amount of the second principal apportionment made to the district for the current fiscal year pursuant to Section 41335 to be reduced by the product so produced. (EC 41404)
- 8) Exempts the PUSD from any reduction in state support due to not meeting specified teacher/administrator ratios for the 2021–22 fiscal year to the 2023–24 fiscal year, inclusive. (EC 41404.5)
- 9) Exempts a school district with an average daily attendance (ADA) of more than 400,000 as of the 2016–17 second principal apportionment from any reduction in state support, as specified, for the 2019–20 fiscal year to the 2021–22 fiscal year, inclusive. Requires a school district subject to this exemption to submit the following to the SPI, the Department of Finance (DOF), and the budget committees of both houses of the Legislature:
 - a) By September 1, 2019, a report containing the administrator-to-teacher ratio for the 2011–12 fiscal year to the 2019–20 fiscal year, inclusive, a description of the reasons for not meeting the ratio requirement for each fiscal year in which the ratio was not met, including the estimated impact on pupils, and a plan setting out goals for meeting the ratio by the 2023–24 fiscal year; and
 - b) By each September 1 from 2020 to 2022, inclusive, a report detailing the administrator-to-teacher ratio for the prior fiscal year and the progress towards meeting the goals set out in the report. (EC 41404.5)
- 10) Requires the Los Angeles Unified School District (LAUSD) shall submit the following to the SPI, the DOF, and the budget committees of both houses of the Legislature:
 - a) By September 1, 2023, a report containing the ratio of administrative employees to teachers calculated pursuant to this article for the 2011–12 fiscal year to the 2022–23 fiscal year, inclusive, a description of the reasons for not meeting the ratio requirement for each fiscal year in which the ratio was not met, including the estimated impact on pupils and the number of teachers and administrators above the required ratio, and a plan setting out goals for meeting the ratio by the 2025–26 fiscal year.

- b) By September 1, 2024 to and by September 1, 2025, inclusive, a report detailing the ratio of administrative employees to teachers calculated pursuant to this article, including the number of teachers and administrators above the required ratio for the prior fiscal year and the progress towards meeting the goals set out in the report. (EC 41404.5)

FISCAL EFFECT: Unknown

COMMENTS:

Need for the bill. According to the author, “AB 1438 recognizes the unique circumstances PUSD is navigating and ensures that schools can focus on rebuilding, supporting students, and maintaining essential services without the threat of funding cuts due to administrative staffing ratios. Stability is crucial for students who have already experienced so much disruption in their lives. By allowing PUSD the flexibility to retain necessary staff and avoid punitive financial penalties, we are giving these students a better chance at academic success and long-term recovery.

This legislation is not just about funding—it’s about ensuring that Paradise schools have the resources and support needed to provide students with a safe, consistent, and high-quality education as they rebuild their futures. Now more than ever, we must stand with Paradise and give these students every opportunity to succeed.”

Administrator-to-teacher ratio. School districts are required to have maximum ratios of administrative employees to each 100 teachers in the various types of school districts, as follows: in elementary school districts—9:100; in unified school districts—8:100; and in high school districts—7:100. Each year the California Department of Education (CDE) determines the ratio for each school district and for those that are over the ratio a fiscal penalty is imposed by reducing their principal apportionment.

Prior exemptions to the administrator-to-teacher ratio for the PUSD and the LAUSD. The education omnibus budget trailer bill of 2023 (AB 141 (Committee on Budget, Chapter 194, Statutes of 2023) authorized an exemption of the administrator-to-teacher fiscal penalty for the PUSD for the 2021-22 fiscal year to the 2023-24 fiscal year. This bill would further the fiscal penalty exemption of the PUSD from the 2024–25 fiscal year to the 2034–35 fiscal year, inclusive, and is an urgency measure.

The education omnibus budget trailer bill of 2019, SB 75 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2019, authorized an exemption of the administrator-to-teacher fiscal penalty for the LAUSD for the 2019-20 fiscal year to the 2021-22 fiscal year. AB 2038 (Gipson), Chapter 908, Statutes of 2022, authorizes the LAUSD, for purposes of calculating the administrative employee-to-teacher ratio in the 2022–23 to 2024–25 school years, inclusive, to include in the definition of “teacher” intervention specialists and teacher coaches, as specified. Both bills require the LAUSD to submit various reports related to the administrative employee-to-teacher ratio to the SPI, the DOF, and the budget committees of both houses of the Legislature, as specified.

State Board of Education waivers on the administrator-to-teacher ratio. The State Board of Education (SBE) considers requests from local educational agency (LEAs) to waive statutory and regulatory requirements. According to the CDE, 14 requests for waivers from this provision in the EC 41402(a) were received for consideration by the SBE from 2011-2025, the majority of

which were requested in the years 2016 -2018. Of the 14 waivers requested: five were approved, four were approved with conditions, one was denied, three resulted in no action, and one is in process.

The PUSD submitted two requests in 2023. The first request was withdrawn by the district, following the recommendation of the CDE, for resubmission of the request with an additional fiscal year included. The second request (the resubmission) was returned to the district as unnecessary due to the passage of SB 141 (Committee on Budget and Fiscal Review), Chapter 194, Statutes of 2023, which took effect before the SBE could take action on the waiver request, and amended EC 41405.5 to read, “The Paradise Unified School District shall be exempt from any reduction in state support pursuant to Section 41404 for the 2021–22 fiscal year to the 2023–24 fiscal year, inclusive.”

Recent PUSD efforts. The PUSD indicates the district plans to submit an SBE waiver for the 2024-25 school year. PUSD is in the process of completing the various requirements of the application, including obtaining approval from the governing board. The PUSD is seeking a longer term solution for the teacher/administrator ratio through this bill.

The education omnibus budget trailer bill of 2023, AB 141 (Committee on Budget), Chapter 194, Statutes of 2023, authorized an exemption of the administrator-to-teacher fiscal penalty for the PUSD for the 2021-22 fiscal year to the 2023-24 fiscal year. If the ratio had not been waived, the penalty to the district for the 2023-24 fiscal year would have been \$163,000. Should future exemptions through legislation or SBE waivers not be approved for PUSD, the district estimates the ratio penalty will be approximately \$245,000. The increase of about \$80,000 is due to PUSD’s plans to re-open an additional elementary school to accommodate their faster than expected enrollment growth in the early grades. According to the PUSD, the local teachers union is aware that the district will likely not meet the required teacher/administrator ratio, and is not questioning the number of administrators at this time.

Paradise Unified School District overview. On November 8, 2018, a fire erupted near Camp Creek Road in Butte County. Named after its place of origin, it became known as the Camp Fire. Until the state’s recent spate of wildfires, it also was known as:

- The deadliest and most destructive wildfire in California history;
- The deadliest wildfire in the United States since the Cloquet Fire in 1918;
- The sixth deadliest wildfire in the United States, overall; and
- One of the world’s costliest natural disasters in 2018.

While most of the damage from the Camp Fire occurred in its first four hours, the fire raged for 17 days, causing 85 fatalities and injuring 17 people. It burned an area of 153,336 acres, or approximately 240 square miles, and destroyed 18,804 structures, including approximately 10,800 homes in the Paradise/Magalia area. The city of Paradise was reported as having been engulfed by the fire within hours of its start.

Within and around the cities of Paradise and Magalia lies the Paradise Unified School District. Prior to the Camp Fire, the district served approximately 3,400 students in grades TK to 12 in nine schools. The district lost approximately 103,000 to 120,000 square feet of its footprint,

including the destruction of four of the district’s nine schools, and four schools with varying degrees of damage – some with portables destroyed, others with wings of the school destroyed. One elementary school escaped damage. The fire also destroyed the building housing the maintenance department and damaged the building housing the district’s transportation department. As a result of the fire, the district has seen a precipitous drop in enrollment to approximately 1,700 students as of 2019-20, with a bounce back of 2,266 for the 2023-24 school year.

Of the 12,000 homes in Paradise, approximately 10,800 were lost to the Camp Fire.

Table 1: 2023-24 PUSD Enrollment by Subgroup for Charter and Non-Charter Schools

Subgroup	Charter School Enrollment	Non-Charter School Enrollment	Total Enrollment
English Learners	14	19	33
Foster Youth	2	15	17
Homeless Youth	22	62	84
Migrant Education	0	0	0
Students with Disabilities	108	306	414
Socioeconomically Disadvantaged	349	1,074	1,423
All Students	609	1,657	2,266

Source: CDE

Table 2: 2023-24 PUSD Enrollment by Ethnicity for Charter and Non-Charter Schools

Ethnicity	Charter School Enrollment	Non-Charter School Enrollment	Total Enrollment
African American	3	10	13
American Indian or Alaska Native	11	25	36
Asian	10	15	25
Filipino	3	6	9
Hispanic or Latino	67	299	366
Not Reported	7	0	7
Pacific Islander	0	4	4
Two or More Races	43	115	158
White	465	1,183	1,648
Total	609	1,657	2,266

Source: CDE

Recommended Committee Amendments. *Staff recommends that the bill be amended as follows:*

- Limit the teacher/administrator ratio for PUSD for three fiscal years: 2024-25, 2025-26, and 2026-27.
- Retain the requirement for a report to legislature, but require the report to only cover the fiscal years of 2024-25, 2025-26, and 2026-27. Require the report to detail the ratio of

administrative employees to teachers, including the number of teachers and administrators above the required ratio, for the prior fiscal year and the progress towards meeting the ratio by the 2026-27 fiscal year.

Related legislation. SB 141 (Committee on Budget and Fiscal Review), Chapter 194, Statutes of 2023, provided an exemption from any reduction in state support for the administrative employee-to-teacher ratio for the PUSD for the 2021–22 fiscal year to the 2023–24 fiscal year, inclusive.

AB 2038 (Gipson), Chapter 908, Statutes of 2022, authorizes the LAUSD, for purposes of calculating the administrative employee-to-teacher ratio in the 2022–23 to 2024–25 school years, inclusive, to include in the definition of "teacher" intervention specialists and teacher coaches, as specified. Also requires the LAUSD to submit various reports related to the administrative employee-to-teacher ratio to the SPI, the DOF, and the budget committees of both houses of the Legislature, as specified.

SB 75 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2019, the education omnibus budget trailer bill of 2019, provides an exemption for a school district with average daily attendance of more than 400,000 from administrator-to-teacher ratio penalties (calculated pursuant to EC 41404) for the 2019-20 through 2021-22 fiscal years. Requires annual reporting on the administrator-to-teacher ratio calculation for each year a school district receives a waiver under this provision, including historical information for past years and the school district's plan to meet the ratio requirements over time.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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