

Date of Hearing: March 13, 2019

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
AB 297 (Gallagher) – As Amended March 4, 2019

SUBJECT: Emergency average daily attendance

SUMMARY: Requires the Superintendent of Public Instruction (SPI) to extend average daily attendance (ADA) relief for specified school districts and charter schools impacted by the wildfires of November 2018. Specifically, **this bill**:

- 1) Requires the SPI to extend through the 2019-20 fiscal year the period during which it is essential to alleviate continued reductions in average daily attendance attributable to a state of emergency declared by the Governor in 2018:
 - a) For a school district where no less than 5 percent of the residences within the school district or school district facilities were destroyed by the qualifying emergency; and
 - b) For a charter school where no less than 5 percent of the residences within the school district in which the charter school is located or charter school facilities were destroyed by the qualifying emergency.
- 2) By extending ADA relief for specified school districts and charter schools, the calculation of ADA will result in principal apportionment levels approximately equivalent to those prior to the emergency into the 2020-21 fiscal year.
- 3) Takes effect immediately as an urgency statute.

EXISTING LAW:

- 1) Provides funding to local educational agencies (LEAs) on the basis of ADA.
- 2) Allows school districts to claim the greater of current year ADA for apportionment purposes to provide a one-year buffer against declining enrollment.
- 3) Requires the SPI, for apportionment purposes, to credit to a LEA a material loss of ADA due to the following reasons, provided the loss has been established to the satisfaction of the SPI by affidavits of the members of the governing board or body of the LEA:
 - a) Fire
 - b) Flood
 - c) Impassable roads
 - d) Epidemic
 - e) Earthquake

- f) The imminence of a major safety hazard as determined by the local law enforcement agency.
 - g) A strike involving transportation services to pupils provided by a non-school entity.
- 4) In the event of a state of emergency declared by the Governor in a county, requires the SPI to determine the length of the period during which ADA has been reduced by the state of emergency, and prohibits the SPI from extending the period into the next fiscal year except upon a showing by a LEA, to the satisfaction of the SPI, that extending the period into the next fiscal year is essential to alleviate continued reductions in ADA attributable to the state of emergency.
- 5) Requires the SPI to extend through the 2018-19 fiscal year the period during which it is essential to alleviate continued reductions in ADA attributable to a state of emergency declared by the Governor in October 2017, for a school district where no less than 5 percent of the residences within the school district or school district facilities were destroyed by the qualifying emergency.

FISCAL EFFECT: Unknown

COMMENTS: *Need for the bill.* According to the author: “In November 2018, acting Governor Gavin Newsom declared a state of emergency in Butte County due to the devastating effects of the Camp Fire. The fire turned out to be the deadliest and most destructive wildfire in California state history. It burned 153,336 acres, killing 85 individuals and destroying 18,804 structures. The fire devastated the communities of Magalia, Concow and Paradise and displaced over 50,000 people. The fire destroyed the vast majority of these communities.

It will take years for these communities to recover and rebuild, and while people are displaced, public services like education could be severely impacted. The Local Control Funding Formula provides a base amount of funding tied to each district’s average daily attendance. Therefore, if students are temporarily displaced due to a fire, it could have huge financial implications for a school district.

Current law provides school districts a one year buffer for ADA loss in certain events. The Superintendent of Public Instruction (SPI) may, but is not required to, extend that buffer for a second fiscal year to alleviate continued ADA reductions attributable to a State of Emergency. In 2017, in response to the Tubbs Fire, the State recognized that existing law was not sufficient for such a damaging event, and authorized the SPI to provide three years of relief for the October 2017 fires. However, no such provision exists for the 2018 fires.”

The 2018 Camp Fire and its impact on public schools. The Camp Fire began on November 8, 2018, and the Governor’s Emergency Proclamation was issued on the same day. A Butte County Local Schools Task Force was established with the assistance of Butte County Office of Education on November 9, 2018. On November 12, 2018, the President issued a Disaster Declaration. A State Schools Task Force, co-led by the California Department of Education (CDE) and the Governor’s Office of Emergency Services, was created to ensure appropriate local, state and federal resources were being provided to schools in Butte County.

As described above in the author’s statement, the Camp fire resulted in tremendous losses throughout Butte County, particularly for the communities of Magalia, Concow and Paradise.

The loss of residential housing resulted in declining enrollment for school districts as families were displaced and forced to move away. In many cases, it is expected that this decline will be permanent, because the rebuilding of residential structures will take several years.

In addition to the loss of residential homes, most businesses and infrastructure were also destroyed. For the first time in recent memory, public school facilities were directly impacted. Most school communities and offices were either damaged or destroyed as a result of the wildfires. Schools with damaged or destroyed facilities had to quickly relocate, including but not limited to: neighboring school district sites with vacant classrooms, and nontraditional school spaces such as storefronts and corporate office buildings. Local school districts and charter schools worked closely with the Butte County Office of Education and CDE to coordinate response and recovery school-related activities with state and federal emergency management agencies.

Schools were closed throughout Butte County due to school safety, air quality concerns and lack of usable facilities from the outbreak of the fire on November 8, 2018, and reopened on December 3, 2018. Approximately 32,000 students are enrolled in Butte County public schools. Many schools throughout California were also closed during this period due to poor air quality. Although no statewide mechanism exists for collecting real-time school closure information, estimated closures peaked on or around November 16, 2018, exceeded 1,000 school sites serving more than 600,000 students.

Executive Order B-58-18 was issued by Governor Brown on November 28, 2018. The Executive Order waived some of the requirements of the Education Code for the 2018-19 school year for the local educational agencies impacted by the wildfires within counties with a declared state of emergency (Camp Fire: Butte County, Hill and Woolsey Fires: Los Angeles County and Ventura County), but not limited to: class size requirements, use of temporary facilities and instructional minutes for Physical Education. In addition Section 18 specified, "To the extent a Butte local educational agency's average daily attendance for the month of December [2018] is adversely impacted by the November 2018 wildfires, that local educational agency can exclude the average daily attendance for the last full school month from the average daily attendance reported for the first period apportionment. This waiver applies to the first period apportionment reporting only."

Fiscal protection for declining enrollment and for emergencies. Existing law allows a school district, county office of education, or charter school to be held harmless against attendance loss caused by emergencies like fires and floods. To maintain funding, affected school districts, county offices of education or charter schools are required to submit an affidavit to the SPI that documents the attendance loss for the current year. This is a process known as the "J-13A waiver process" administered by the CDE. Existing law also authorizes the SPI to extend the emergency funding into the next year, if continued attendance reductions attributable to the state of emergency continue. Under this authority, school districts, county offices of education and charter schools may continue to receive funding 100% of the ADA they would have had if the emergency did not exist.

Which school districts would benefit from this proposal? According to the author's office, two LEAs in Butte County meet the criteria established in the proposal: a school district where no less than 5 percent of the residences within the school district or school district facilities were destroyed by the qualifying emergency.

School District	Grades Served	2017-18 School Year Enrollment
Golden Feather Union Elementary School District	K-8	193
Paradise Unified School District	K-12	4,211

Which charter schools would benefit from this proposal? According to the author's office, six charter schools in Butte County meet the criteria established in the proposal: a charter school where no less than 5 percent of the residences within the school district in which the charter school is located or charter school facilities were destroyed by the qualifying emergency.

Charter School	Grades Served	Funding Type	Site Type	2018-19 School Year Enrollment*
Achieve Charter School of Paradise Inc.	K-8	Direct funded, authorized by Paradise USD	Site-based Instruction	236
Paradise Charter Middle School	6-8	Direct funded, authorized by Paradise USD	Site-based Instruction	155
Children's Community Charter School	K-8	Direct funded, authorized by Paradise USD	Site-based Instruction	220
Home Tech Charter School	K-12	Direct funded, authorized by Paradise USD	Independent Study	140
Achieve Charter High School	9-12	Direct funded, authorized by Butte COE	Site-based Instruction	48
CORE Butte Charter	K-12	Direct funded, authorized by Butte COE	Independent Study	880

****Note: Second Principal Apportionment Local Control Funding Formula (LCFF) counts of 2018-19 Fall 1 submission from CALPADS. Count of students enrolled at schools on census day (primary and short term enrollments).***

Charter schools can be “locally funded,” meaning that they receive their funding through their authorizing district or county office, or “direct funded,” in which case they receive funding directly from the state. All of the charter schools impacted by this proposal are direct funded.

Should this bill include charter schools? Staff recommends that the bill be amended to continue to include charter schools, and also provide some guardrails for the adjusted ADA attributable to a state of emergency declared by the Governor in November 2018 to go toward charter schools that are operational and actively educating students in each of the years specified.

Should this bill extend the ADA protection beyond 2019-20? As currently written, this proposal allows school districts where no less than 5 percent of the residences within the school district or school district facilities were destroyed, and charter schools where no less than 5 percent of the residences within the school district in which the charter school is located or charter school facilities were destroyed by the California wildfires of November 2018 to be provided some ADA protections until the 2019-20 fiscal year. Given the uncertainty of the long term impacts to school enrollment, it is challenging to predict long term changes to enrollment. As currently drafted, AB 297 allows the state to reevaluate the impact of the wildfires on school district and charter school enrollment each year and update policies accordingly, rather than make long term financial commitments.

The Committee may wish to consider a broader package of policy proposals to address the long term financial impact of natural disasters on school districts, county offices of education and charter schools. It is reasonable to expect that the current trend of increased natural disasters and emergency declarations in California will continue for the foreseeable future, and K-12 schools will continue to be impacted.

All communities impacted by wildfires and other natural disasters will likely experience population fluctuation and significant changes to other key demographic factors for a considerable number of years following the incidents. There is a tremendous need established policies that address the long term financial impacts of natural disasters that contemplates the needs of the school communities and considers any unintended consequences.

Prior Legislation. AB 72 (Committee on Budget), Chapter 1, Statutes of 2019, appropriated \$64 million to reimburse counties for property tax losses incurred in the 2017–18 and 2018–19 fiscal years as a result of the 2017 and 2018 wildfires.

AB 1840 (Committee on Budget), Chapter 426, Statutes of 2018, requires the SPI to extend through the 2018-19 fiscal year the period during which it is essential to alleviate continued reductions in ADA attributable to a state emergency declared by the Governor in October 2017, for a school district where no less than 5 percent of the residences within the school district or school district facilities were destroyed by the qualifying emergency.

AB 2228 (Wood) of the 2017-18 Session would have allowed the SPI to extend, by an additional fiscal year (2019-20), the period that is essential to alleviate continued reductions in average daily attendance for a school district, county office of education or a charter school attributable to the state of emergency declared by the Governor due to the 2017 wildfires. Additionally, AB 2228 would have required the Superintendent to make a supplemental apportionment to a school district, COE, or a charter school in an amount that credits to the school district, COE, or charter school 50 percent of the apportionment the school district, COE, or charter school would have received based on the ADA they lost due to the 2017 wildfires.

REGISTERED SUPPORT / OPPOSITION:

Support

Butte County Office of Education

Butte; County Of

California Charter Schools Association Advocates (CCSAA)

California School Boards Association

California Teachers Association

Paradise Unified School District

Sonoma County Superintendent of Schools

Opposition

None on file.

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