DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 6, 2011 **BILL NUMBER:** AB 501
POSITION: Oppose **AUTHOR:** N. Campos
SPONSOR: California Federation of Teachers and California School Employees Association

BILL SUMMARY: Public School Employment

This bill would (1) expand the right to union representation for public school employees to include certain employees that are not "certificated" or "classified" staff, (2) expand bargaining rights to include certain community college auxiliary organization employees, and (3) expand the definition of "public school employer" to include certain joint powers agencies (JPAs) for the purposes of collective bargaining.

FISCAL SUMMARY

This bill could result in additional costs in the millions of dollars for local education agencies statewide, to the extent that collective bargaining rights provided to additional groups of school district, JPA and community college auxiliary organization employees result in higher personnel costs. These additional costs may in turn offset any efficiencies in providing services, such as home-to-school transportation, that could otherwise be achieved by forming a JPA. By extending bargaining rights to additional groups of employees, this bill would also increase reimbursable state mandated costs under the existing school and community college collectively bargaining mandate. Existing costs for that mandate range into the low $20 millions based upon 2008-09 district claims. The expansion of bargaining rights proposed in this bill could easily drive reimbursable state costs in the low millions of dollars per year.

COMMENTS

The Department of Finance is opposed to this bill for the following reasons:

- This bill could result in additional costs in the millions of dollars for local education agencies statewide, to the extent that collective bargaining rights provided to additional groups of school district, JPA and community college auxiliary organization employees result in higher personnel costs. Additionally, the state could be liable for millions of dollars in additional Proposition 98 General Fund costs annually to reimburse the collective bargaining costs for the additional groups of employees provided bargaining rights under this bill.

The author believes that this bill is necessary to clarify existing law and afford representational rights to all public school and community college employees. The author believes this clarification would prevent disparate treatment of different classes of public employees, as well as disparate treatment of identical classes of employees working under different administrative structures (i.e. school district vs. JPA).

Under current law, two or more public agencies may enter into a joint powers agreement that allows them to exercise any power common to the contracting parties. Local education agencies, for example, may enter into a joint powers agreement to provide home-to-school transportation or vocational education services. These agreements allow agencies to pool their resources and achieve efficiencies in the delivery of services.

Analyst/Principal	Date	Program Budget Manager	Date
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Department Deputy Director Date

Governor's Office: By: Date: Position Approved_____
Position Disapproved_____

AUTHOR	AMENDMENT DATE	BILL NUMBER
N. Campos	April 6, 2011	AB 501

For the purposes of negotiations on collective bargaining agreements for school employees, a "public school employer" is defined under existing law as a governing board of a school district, a school district, a county board of education or a county superintendent of schools. Currently, the JPAs are subject to the meet-and-confer requirements of the Meyers-Milias-Brown Act (MMBA). In 1990, Public Employees Retirement Board (PERB) Decision #857, North Orange County Regional Occupation Program (NOCROP), stated that JPAs were not specifically authorized under the Education Employment Relations Act (EERA) to engage in collective bargaining. In its decision, PERB required that, unless the Legislature amends Government Code Section 3540.1(k) to include programs operated by a JPA within the definition of a public school employer, it had to deny NOCROP's petition to be included as a JPA for collective bargaining purposes.

The EERA, on the other hand, requires school districts and county offices of education to engage in collective bargaining with their employees. The EERA provides a uniform basis for recognizing the right of public school employees to join organizations of their own choice, to be represented by the organizations in their professional and employment relationships with public school employers, to select one employee organization as the exclusive representative of the employees in an appropriate unit, and to afford certificated employees a voice in the formulation of educational policy. Exclusive employee representation can meet and negotiate procedures and criteria for the layoff of certificated employees, payment of additional compensation, and for a salary schedule.

This bill would make school-related JPAs, except for the JPAs formed for the purpose of securing insurance or participating in insurance pools, subject to the public collective bargaining requirements if they meet all of the following conditions:

- They are separate from the parties to the joint powers agreement.
- Their own employees are separate from employees of the parties to the joint powers agreement.
- They provide educational services, or one of the agencies in the agreement is a public school, or they are comprised solely of school agencies.

Code/Department Agency or Revenue Type	SO LA CO RV	(Fiscal Impact by Fiscal Year) (Dollars in Thousands) PROP 98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Fund Code
6110/Dept of Educ	LA	Yes	---------- See Fiscal Summary ----------						0001
6870/Comm College	LA	Yes	---------- See Fiscal Summary ----------						0001