

Date of Hearing: May 14, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1247 (Garcia) – As Introduced February 21, 2025

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill requires that contracted employees at a school district or community college district (CCD) meet or exceed the minimum qualifications and standards required of direct hires with the same job functions, as prescribed, and requires a district provide them with the same health care or retirement benefit contributions as a direct hire. The bills also requires that a school district or CCD compensate classified employees for any time necessary to complete required training at the employee's regular pay rate.

FISCAL EFFECT:

- 1) Ongoing Proposition 98 General Fund costs of an unknown but significant amount, potentially in the tens of millions of dollars, for CCDs and school districts, collectively statewide, to update existing policies, provide bona fide fringe benefits, and provide required in-person training.

Trainings like those required by this bill typically range in cost from \$5,000 to \$10,000 per training day for third-party training providers depending on district size, the cost of which would be borne by each district and its individual schoolsites or campuses. There are nearly 1,000 school districts in the state and 72 CCDs. Therefore, costs for one training day statewide may equal approximately \$7.5 million. However, this estimate does not account for wages paid to employees during the trainings, mileage reimbursement for travel costs of employees not located near training locations, or facilities costs needed to facilitate large in-person trainings.

Additionally, it is unclear to the committee how a district would contribute to the California Public Employees' Retirement System (CalPERS) on behalf of a contracted employee. Existing law requires public entities to spend public funds for retirement on public employees only.

2) One-time General Fund costs to the California Community Colleges Chancellor's Office to update regulations and provide technical assistance to CCDs.

If the Commission on State Mandates determines the bill's requirements to be a reimbursable state mandate, the state would need to reimburse these costs to LEAs or provide funding through the K-12 Mandate Block Grant.

COMMENTS:

1) **Purpose.** According to the author:

Despite not actually saving the state money, contracting out public sector jobs has become an increasing issue. Public schools have become no exception and classified workers are especially taking the hit. Instructional aides, afterschool program instructors, custodians and more are all being filled by third party contractors. These contracted out workers often make more money than employees that were directly hired, even though they often lack the same training qualifications and experience. AB 1247 protects our classified school employees and students, by furthering wage parity, training quality and a more equitable hiring system for all.

2) **Background.** There are more than 300,000 classified staff total between school districts and CCDs collectively statewide. Current law authorizes personnel services contracting for all services currently or customarily performed by classified school employees to achieve cost savings, unless prohibited, and under only certain prescribed conditions. Cost savings may not cause employee “displacement,” such as layoff, demotion, involuntary transfer to a new classification or location requiring a change in residence, and time base reductions, and “displacement” does not include changes in shifts or days, nor reassignment to other positions in the same classification and general location or employment with the contractor, provided that wages and benefits are comparable to those paid by the district.

Under current law, any administrator, employee, or regular volunteer of a community based organization (CBO) must complete a child abuse and neglect identification training and undergo a background check prior to hiring. Services offered by CBOs in schools represent a large portion of the classified employee workforce in school districts often for after school and other wrap-around services. Many school districts also contract with third parties for student transportation services. Often, contracted employees fill an exigent need for schools. For example, many K-12 programs typically supervised by classified employees have strict adult-to-student ratios that require schools to backfill employee vacancies quickly. Any delay in a school filling such positions may delay its ability to maintain critical services for students and avoid fiscal consequences resulting from noncompliance with state laws and regulations for staffing various programs.

This bill requires a school district or CCD to provide pay and benefits to a contracted employee at the same rate as a direct hire, requires the employee meet the same minimum qualifications and standards as a direct hire, including any required training, and requires offering in person training related to child abuse reporting, suicide prevention, sexual harassment, or discrimination.

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