
THIRD READING

Bill No: AB 378
Author: Valencia (D), et al.
Amended: 6/24/25 in Senate
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 6/18/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 64-11, 6/2/25 - See last page for vote

SUBJECT: Education finance: Classified School Employee Summer Assistance Program

SOURCE: California School Employees Association

DIGEST: This bill authorizes a joint powers authority (JPA), as specified, and its classified employees to participate in the Classified School Employee Summer Assistance Program (CSESAP).

ANALYSIS:

Existing law:

- 1) Establishes the Classified School Employees Summer Assistance Program (CSESAP) to provide a participating classified school employee one dollar for each one dollar that the classified employee elects to have withheld from their monthly paycheck. (Education Code §45500 et seq.)
 - a) Authorizes a local education agency (LEA) to elect to participate in the CSESAP, and requires the LEA to notify classified employees in writing

that it has elected to participate for the next school year. Once a LEA elects to do so and notifies classified employees, the LEA is prohibited from reversing its decision to participate for the next school year beginning after the end of the fiscal year in which moneys are appropriated for these purposes.

- b) Requires a classified employee who elects to participate in the Program to notify the LEA in writing, on a form developed by the California Department of Education (CDE), by March 1 during the fiscal year in which moneys are appropriated for these purposes. In addition, the classified employee must specify the amount to be withheld from their monthly paycheck during the applicable school year (up to 10%) and whether they choose to have the amounts withheld paid out during the summer recess period in either one or two payments.
- c) Provides that for participation, a classified employee is eligible if the employee has been employed with the LEA for at least one year at the time the employee elects to participate in the Program, or if the employee is employed by the LEA in the employee's regular assignment for 11 months or fewer out of a 12-month period, excluding any hours worked outside of the regular assignment.
- d) Provides that for the 2020 through 2023 school years, for purposes of determining a classified employee's total months employed by the LEA, the employing LEA must exclude any hours worked by the employee as a result of an extension of the academic year directly related to the COVID-19 pandemic, if the hours are in addition to the employee's regular assignments and prevent the employee from being eligible for this Program.
- e) Prohibits a classified employee from participating in the Program if the employee's regular annual pay received directly from the LEA is more than \$62,400 for an entire school year at the time of enrollment. Here, the LEA must exclude any pay received by the employee during the previous summer recess period for purposes of determining the employee's regular annual pay received directly from the LEA.
- f) Requires a LEA that elects to participate in the Program to notify the CDE in writing, as prescribed, that it has elected to participate by April 1 during a fiscal year in which moneys are appropriated for these purposes. The LEA also must specify the number of employees that have elected to participate in the Program and the total estimated amount to be withheld from participating employee's paychecks for the applicable school year.

- g) Provides that the CDE must notify participating LEAs in writing by May 1 during the fiscal year in which moneys are appropriated for these purposes, of the estimated amount of state match funding that a participating employee can expect to receive as a result of the employee's participation. If the funding is insufficient to provide a one-to-one dollar match that has been withheld from the employee's month paycheck, the CDE must notify the LEA of the expected prorated amount of state match funds that the participating employee can expect to receive as a result of the employee's participation.
- h) Requires participating LEAs to notify participating employees, by June 1 during a fiscal year in which moneys are appropriated for the purposes, the estimated amount of state match funds that a participating employee can expect to receive as a result of participating in the Program. After receipt of that notification, an employee may withdraw their election to participate in the Program or reduce the amount to be withheld from their paychecks by notifying the employed LEA no later than 30 days after the state of the school instruction for the applicable school year.
- i) Authorizes a school employee who separates from employment with a LEA during the applicable school year to request any pay withheld from their paycheck from the LEA.
- j) Authorizes a school employee, due to economic or personal hardship, to request any pay withheld from their paycheck from the LEA. However, under certain circumstances, a classified employee who requests any pay withheld by the LEA must not be entitled to receive any state match funds.
- k) Prescribes the process for CDE and LEAs participating in the Program related to funds for these purposes.
- l) Requires participating LEAs to pay participating classified employees the amounts withheld according to the employee's choice, plus the amount apportioned by the CDE attributable to the amounts withheld from those paychecks during the applicable school year, and the amount to be paid to the employee during the summer recess period in either one or two payments according to the employee's option.
- m) Specifies that state match funds received by classified employees participating in the Program must not be considered to be compensation for purposes of retirement benefits in the California Public Employees' Retirement System or the California State Teachers' Retirement System.

- n) Specifies that funding of the Program is contingent upon an Annual Budget Act appropriation, as specified.
 - o) Defines “local education agency” to mean a school district or county office of education.
 - p) Defines “month” to mean 20 days or four weeks of 5 days each, including legal holiday.
 - q) Defines “program” to mean the Classified School Employee Assistance Program.
 - r) Defines “regular assignment” to mean a classified employee’s employment during the academic school year, excluding the summer recess period.
 - s) Defines “summer recess period” to mean the period that regular class sessions are not being held by a local educational agency during the months of June, July, and August. Pay earned by a classified employee with limited employment during the months of June, July, or August that is not for the summer session shall not be excluded, as specified.
- 2) Creates the Joint Exercise of Powers Act, which authorizes two or more public agencies, if authorized by their legislative or other governing bodies, to enter into an agreement to jointly exercise any power common to the contracting parties, as specified. (Government Code §6502)
- 3) Specifies that unemployment compensation benefits, as specified, with respect to service in an instructional, research, or principal administrative capacity for an educational institution are not payable to any individual with respect to any week which begins during the period between two successive academic years or terms, as specified, if the individual performs services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services for any educational institution in the second of the academic years or terms. (Unemployment Insurance §1253.3(b))

This bill adds a JPA, consisting solely of school districts and county offices of education, to the definition of a local education agency for purposes of the CSESAP, thereby authorizing a JPA and its classified employees to participate in the program.

Background

Classified School Employees Summer Assistance Program. The CSESAP allows a classified employee working for a TK-12 district or a county office education to set aside a portion of their monthly paycheck (up to 10%) during the school year to receive up to a dollar-for-dollar match from the State during the summer when work is not available. The classified employee must be making less than \$62,400 annually at the time of enrollment.

Classified employees often work about 9 or 10 months per year due to the length of a typical school year. According to the authors and sponsors, these classified employees often have trouble finding short-term employment during the summer months and are not eligible for unemployment benefits during the summer, unless they are laid off.

CSESAP was established in 2019 and the State has appropriated more than \$350 million to the CSESAP through the school year 2025-26. These funds are allocated to LEAs by the California Department of Education during the summer of the subsequent fiscal year during which withholdings were made.

JPAs. Existing law provides the ability for two or more public agencies to join together, under a joint powers authority (JPA), to enter into an agreement to jointly exercise common power to provide services.

School districts and county offices of education may form JPAs for various purposes to serve the needs of their communities and share resources across LEAs. According to the author, there are approximately 54 JPAs in California that include school districts. The author points to the Southwest Transportation Agency as an example, which offers services for 13 school districts in Fresno County to provide transportation for 7,000 students.

Existing law does not include employees of JPAs to be eligible for the CSESAP. This bill, AB 378 proposes to include JPAs in the definition of “local education agency” for purposes of the CSESAP, therefore authorizing its classified employees to participate in the program.

Related/Prior Legislation

SB 114 (Committee on Budget and Fiscal Review, Chapter 48, Statutes of 2023) provided for statutory changes necessary to enact the K-12 and childcare related statutory provisions of the Budget Act of 2023, including clarifying the intent of the Legislature on how classified employees are defined for purposes of the CSESAP.

AB 185 (Committee on Budget and Fiscal Review, Chapter 571, Statutes of 2022) was a budget trailer bill that defined "month" for purposes of the CSESAP.

AB 181 (Committee on Budget and Fiscal Review, Chapter 52, Statutes of 2022) was a budget trailer bill that included \$35 million in one-time Proposition 98 funding for the CSESAP.

AB 1691 (Medina, 2022) would have added clarifying language to the existing CSESAP and to the new Classified Community College Employee Summer Assistance Program (CCCESAP) as established recently by AB 183 (Committee on the Budget), Chapter 54, Statutes of 2022. This bill was ordered to the Senate Inactive file.

AB 167 (Committee on Budget and Fiscal Review, Chapter 252, Statutes of 2021) was a budget trailer bill for statutory changes necessary in Education Code to enact the Budget Act of 2021, including specifying that for the CSESAP, funds appropriated for purposes of the program in any year may be used to provide \$1 of state matching funds for every \$1 dollar withheld from participating classified employee monthly paychecks.

AB 130 (Committee on Budget and Fiscal Review, Chapter 44, Statutes of 2021) was a budget trailer bill that included \$60 million in one-time Proposition 98 funds, available over a three-year period, for the CSESAP.

SB 75 (Committee on Budget and Fiscal Review, Chapter 51, Statutes of 2019) was a budget trailer bill for statutory changes necessary in Education Code to enact the Budget Act of 2019-20, including an appropriation for \$36 million in one-time Proposition 98 funding for the CSESAP, created in the 2018-19 budget. This bill also made changes to the program to allow the funds to be available over three years, increased the minimum salary requirements, and made other minor and technical changes.

AB 114 (Committee on Budget, Chapter 413, Statutes of 2019) was a budget trailer bill for statutory changes in Education Code to implement the 2019-20 Budget Act, including provisions that amended the CSESAP to ensure eligible employees were able to participate, including those who worked during precious summer breaks but not within the period for which they applied for the program, among other technical amendments.

AB 1808 (Committee on Budget, Chapter 32, Statutes of 2018) was a budget trailer bill that included \$50 million in one-time Proposition 98 funding for the CSESAP.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, this bill would result in unknown future cost pressures, likely in the millions of dollars annually, to provide additional funding to CSESAP to accommodate the demand from the increased number of eligible classified school employees. To the extent that additional funds are not appropriated for CSESAP and participation increases, the State would not be able to provide the dollar-for-dollar match allocations to LEAs, and likely would instead provide a reduced match amount.

SUPPORT: (Verified 8/29/25)

California School Employees Association (Source)
State Superintendent of Public Instruction Tony Thurmond
American Federation of State, County and Municipal Employees
California Federation of Labor Unions
California Federation of Teachers
California State Council of Service Employees International Union

OPPOSITION: (Verified 8/29/25)

None received

ARGUMENTS IN SUPPORT:

According to the sponsors, the California School Employees Association,

“Since its creation in 2018, CSESAP has provided critical support to low-wage classified school employees during the summer. CSESAP allows classified school employees making less than \$62,400 annually to set aside up to ten percent from their monthly paychecks during the school year to receive up to a dollar-for-dollar match from the state during the summer when work is unavailable. This program is especially important because classified school employees are ineligible to receive unemployment insurance during the summer and finding short-term work is very difficult.

Education Code currently allows employees of school districts or county offices of education (COEs) to participate in CSESAP, but it does not allow employees of JPAs to participate in the program. Like their counterparts at school districts and COEs, classified employees at JPAs often work less than 12 months and provide critical services to students, including school transportation and school meals. There are 54 active education JPAs in California according to the Department of Education. AB 378 will ensure that all classified school employees can benefit from CSESAP and the financial stability it offers during the summer months.”

ASSEMBLY FLOOR: 64-11, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Castillo, DeMaio, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Macedo, Patterson, Sanchez, Tangipa

NO VOTE RECORDED: Chen, Dixon, Flora, Lackey

Prepared by: Jazmin Marroquin / L., P.E. & R. / (916) 651-1556
8/30/25 11:22:57

***** END *****