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Robert G. Nelson, Ed.D.

BOARD COMMUNICATIONS – JANUARY 19, 2024

TO: Members of the Board of Education
FROM: Superintendent, Robert G. Nelson, Ed.D.

SUPERINTENDENT – Robert G. Nelson, Ed.D.

S-1 Robert G. Nelson, Ed.D. Superintendent Calendar Highlights

DEPUTY SUPERINTENDENT – Misty Her

DS-1 Zerina Hargrove-Brown School Accountability Report Cards

BUSINESS & FINANCIAL SERVICES – Patrick Jensen, Chief Officer

BFS-1 Kim Kelstrom School Services Weekly Updates

BFS-2 Steven Shubin Aetna Medicare Advantage Plan Performance

Fresno Unified School District
Board Communication

BC Number S-1

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Robert G. Nelson, Superintendent
Cabinet Approval:

Date: January 19, 2024

Phone Number: 457-3884

Regarding: Superintendent Calendar Highlights

The purpose of this communication is to inform the Board of notable calendar items:

- Met with Executive Cabinet
- Attended Cradle to Career Leadership Council Meeting
- Held Labor Management Partnership Meeting
- Attended Open House for Senator Caballero


Approved by Superintendent
Robert G. Nelson, Ed.D. _____



Date: 01/19/24

Fresno Unified School District
Board Communication

BC Number DS-1

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Zerina Hargrove-Brown
Cabinet Approval: Misty Her 

Date: January 19, 2024
Phone Number: 253-6571

Regarding: School Accountability Report Cards

The purpose of this communication is to provide the Board an update of the School Accountability Report Cards (SARCs) for Fresno Unified. State law requires all public-school districts to prepare and publish a SARC for each school. Pursuant to EC Section 33126.1(c), the SARC provides data by which a parent can make meaningful comparisons between public schools that will enable them to make informed decisions on the schools in which to enroll their children. Fresno Unified includes all the following components specified in the current standardized template provided by the California Department of Education (CDE):

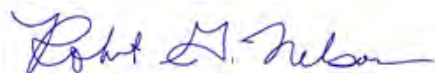
- School Description and Mission
- Demographic data
- School safety and climate for learning information
- Academic data
- Class sizes
- Teacher and staff information
- School facility conditions, planned improvements, and “good repair” status
- Curriculum and instructional descriptions
- Postsecondary preparation information
- Fiscal and expenditure data

Families and guardians are notified about the SARC in the parent handbook, which is included in the opening of schools’ packet, posted on their child’s school website, posted on the Fresno Unified website, and available on the CDE website. There is an option to translate each report card into another language with Google Translate (the link is on the upper right-hand side of each page of the SARC). The SARCs are printable and hard copies can be requested. SARCs for the 2022/23 academic year will be uploaded to the CDE web site <https://sarconline.org/public/findASarc> for public viewing on or before February 01, 2024.

To view the School Accountability Report Cards, please visit: <https://sarconline.org/public/findASarc>. For more information regarding state requirements for the report cards, please visit: <https://www.cde.ca.gov/ta/ac/sa/>.

If you have questions pertaining to the information in this communication, or require additional information, please contact Zerina Hargrove-Brown, Ed.D. at (559) 253-6571.

Approved by Superintendent
Robert G. Nelson, Ed.D. _____



Date: 01/19/24

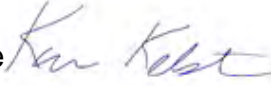
Fresno Unified School District
Board Communication

BC Number BFS-1

From the Office of the Superintendent
To the Members of the Board of Education

Prepared by: Kim Kelstrom, Chief Executive

Cabinet Approval:



Date: January 19, 2024

Phone Number: 457-3907

Regarding: School Services Weekly Update Reports for January 11, 2024

The purpose of this board communication is to provide the Board a copy of the School Services of California's (SSC) Weekly Updates. Each week SSC provides an update and commentary on different educational fiscal issues. In addition, they include different articles related to education issues. The SSC Weekly Updates for January 11, 2024, are attached and articles included are as follows:

- Collective Bargaining in 2023-24: A User's Guide – January 09, 2024
- Rainy Day Fund Would Bail Out Schools, Community Colleges in Newsom's 2024-25 State Budget – January 10, 2024
- California Democrat Pushes Wealth Tax as \$68 Billion Deficit Looms. Why it's Getting Attention – January 10, 2024

If you have any questions pertaining to the information in this communication, or require additional information, please contact Kim Kelstrom at 457-3907.

Approved by Superintendent
Robert G. Nelson, Ed.D.



Date: 01/19/24



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DATE: January 11, 2024

TO: Robert G. Nelson
Superintendent

AT: Fresno Unified School District

FROM: Your SSC Governmental Relations Team

RE: ***SSC's Sacramento Weekly Update***

Governor Newsom Releases the 2023-24 State Budget Proposal

On Wednesday, January 10, 2024, Governor Gavin Newsom released his proposal for the 2024-25 State Budget, his sixth State Budget proposal as California's chief executive.

As the Department of Finance (DOF) has been signaling in its monthly *Finance Bulletins*, state revenues have been underperforming projections from the 2023 State Budget Act, which has led to the Newsom Administration predicting a \$37.9 billion shortfall, much lower than the Legislative Analyst's Office \$68 billion estimate, but still a sobering deficit. However, thanks to Proposition 2 (2014), which established the state's rainy day funds and required deposits, California is in a much better position to weather this economic downturn than in previous years.

We at School Services of California Inc. released a comprehensive *Fiscal Report* article detailing the Governor's education proposals, which can be found [here](#).

Since the next step in the process is in the hands of the Legislature, we are providing excerpts of responses from legislative leaders and key education policymakers regarding the Governor's Budget proposal.

Legislative Leaders

“Cautious and mindful – that’s the phrase that we need to keep at the forefront as we look at our state revenues and spending, legislation, and how we approach this fiscal year...When I first took office in 2010, California was ill-prepared for the major budget shortfall we endured, and as a result, we saw devastating cuts to core programs and middle-class tax hikes. Now, because of more than a decade of responsible budgeting, we’re better prepared to protect the path of progress we’ve made. Californians are relying on us, and we will not let them down.”

—*Senate President pro Tempore Toni Atkins*

“Governor Newsom has shown a cautious approach and rightfully protected some of the most critical programs and services that benefit everyday Californians along with our most vulnerable families and seniors. We’re investing in our kids and public schools, expanding green energy resources to meet our long-term energy needs, advancing desperately needed homelessness funding, and providing resources to combat retail theft and build more workforce affordable housing.”

— *Senate President pro Tempore Designee Mike McGuire*

“California’s revenue situation is uncertain and can change quickly, so we must be prepared for ongoing challenges. The caucus is committed to fiscal restraint and spending oversight while delivering solutions to improve the quality of life for all Californians and protect the most vulnerable.”

— *Assembly Speaker Robert Rivas*

“I’m glad to see that the Governor’s proposal shares the Senate’s ongoing commitment to ensuring that Californians, particularly our children, students, seniors, and those who rely on the state’s safety net, are prioritized, that school funding remains healthy, and that budget solutions are ones that uplift California’s economy, as well as business and consumer confidence.”

— *Senate Budget and Fiscal Review Committee Chair Nancy Skinner*

“The Assembly will carefully examine the Governor’s budget – including key investments in housing, education, and climate – while remaining vigilant about potential shifts in revenue. Our budget subcommittees are ready to quickly begin their work with a focus on oversight, accountability, and protecting our most vulnerable Californians.”

— *Assembly Budget Chair Jesse Gabriel*

“...with deficits projected in the next few years as well, we will have to balance this coming year’s budget, but help cut the projected deficits in future years in the process. Obviously, we will not want to take steps back in education, health care, climate, homelessness, firefighting, public safety and other places we have made so much progress in recent years, but it will be hard not to have everyone participate in bringing our budget into balance for this year and future years.”

— *Senate Budget Subcommittee on Education Chair John Laird*

Next Steps

The release of the 2024-25 State Budget proposal kicks off the months-long State Budget process. Both the full Assembly and Senate Budget Committees have scheduled their budget overview hearings on the Governor’s 2024-25 State Budget proposal for Tuesday, January 23, 2024. In those hearings, the committees will hear a high-level overview of the Governor’s proposal from representatives of the DOF and Legislative Analyst’s Office.

The State Budget trailer bills, which provide the details and mechanics of the Budget proposals, are generally not released by the DOF until early February. Budget subcommittee hearings usually begin around the same time the trailer bills are released. As a reminder, the subcommittees tasked with vetting education issues in the State Budget is the Assembly Budget Subcommittee No. 3 on Education Finance, chaired by Assemblymember David Alvarez (D-San Diego), and the Senate Budget Subcommittee No. 1 on Education, chaired by Senator John Laird (D-Santa Cruz).

Over the next several months, the Legislature will delve into the Governor's 2024-25 State Budget proposal and discuss their own funding priorities. Governor Newsom will negotiate with members of the Legislature, and we will likely see many changes to the 2024-25 State Budget before the June 15 constitutional deadline for the Legislature to pass the Budget.

Leilani Aguinaldo

Collective Bargaining in 2023-24: A User’s Guide

By Kathleen Spencer and Matt Phillips, CPA
School Services of California Inc.’s *Fiscal Report*
January 9, 2024

Collective bargaining in the state of California has been present for most, if not all, of the careers of the current workforce. Effective January 1, 1976, the Rodda Act resulted in the creation of the framework for collective bargaining, and codified [Government Code Sections 3540-3549](#). This provided the terminology and verbiage such as “employee organization,” “exclusive representative,” and “impasse” that are still used today. The Government Code also provided seven criteria that shall be considered if collective bargaining is unsuccessful, and the parties have to progress all the way to factfinding. Two of the seven, and arguably, the two most important criteria are related to the comparability of wages, working conditions, and other conditions of employment.

In a regular year, the comparison of wages would consider the settlement of other employees in public school employment in comparable communities, but 2023-24 is no regular year. In fact, 2023-24 represents the second year removed from the all-time high funding for public education in California that occurred in 2021-22. The impact of California’s spike in state revenues, and consequently, a spike in funding for schools resulted in significant one-time resources to offset learning loss, as well as significant ongoing resources to assist employers with the rising costs of educating students. The result is that ongoing salary settlements in 2022-23 varied wildly from low single digits to low double digits.

As local educational agencies (LEAs) turn the page and bargain for 2023-24 and 2024-25, it will be important to consider the settlements from 2022-23. It is very likely that LEAs that settled on the high end of the bell curve 2022-23 will settle on the lower end in 2023-24 and vice versa. Because of the wide range of settlements in 2022-23, it will be important to show the aggregate settlement over the two-year period of 2022-23 and 2023-24 rather than just settlements in 2023-24. Below is an example of how the story may unfold when looking at two years of ongoing salary settlements rather than just one year.

LEA	2022-23	2023-24	Total
District 1	8.50%	4.25%	12.75%
District 2	10.25%	2.00%	12.25%
District 3	6.56%	6.00%	12.56%
District 4	3.00%	10.00%	13.00%

In the four scenarios above, the aggregate two-year settlements are very comparable, and looking at only one year will likely not tell the whole story. It is also important for an LEA to show the total cost of settlements in each year, not just the cost attributable to wage increases.

For more information on the topic of preparing for collective bargaining, please join us for our upcoming [Dollars and Cents of Collective Bargaining](#) webinar.

Note: Governor Newsom's State Budget proposal calls for covering all current levels of funding and existing commitments for new and expanded programs, plus a less than 1% cost-of-living increase for next year.

Rainy Day Fund Would Bail Out Schools, Community Colleges in Newsom's 2024-25 State Budget

5% promised funding hikes for UC, CSU would be deferred for a year

By John Fensterwald
EdSource
January 10, 2024

Gov. Gavin Newsom would protect schools and community colleges from the brunt of an \$11.3 billion projected drop in state revenue for education, under a proposed 2024-25 state budget he released on Wednesday. The budget calls for covering all current levels of funding and existing commitments for new and expanded programs, plus a less than 1% cost-of-living increase for next year.

The three-year decline in revenue, both for schools and the overall \$38.7 billion in the state general fund, is \$30 billion less than the Legislative Analyst's Office had projected a month ago, easing the burden of balancing the budget and avoiding the possibility of drastic budget cuts or late payments — at least for community colleges and TK-12.

However, Newsom is proposing to defer the promised 5% increases in revenue to both the University of California and California State University systems. UC and CSU would borrow that funding this year and get reimbursed in next year's budget.

"We are deferring but not delaying, and there's a distinction in the law that will allow UC and CSU just for one year to be able to borrow against that commitment," Newsom said.

Newsom would protect schools and community colleges by withdrawing about \$7 billion from the \$10.8 billion TK-14 rainy day fund to cover the current year's shortfall and meet the minimum obligation in 2024-25. The state would not seek reimbursement for what turned out to be funding above the minimum Proposition 98 statutory obligation for the prior two years.

Proposition 98 is the funding formula determining the portion of the state's general fund that must be spent on TK-12 and community colleges. With the addition of transitional kindergarten, that share will rise about one percentage point to 39.5% of the general fund. In 2024-25, Proposition 98 funds will be \$109.1 billion. That would be about \$3.5 billion more than the revised projection for 2023-24, reflecting expectations of improved state revenues in the next fiscal year.

Funding for California K-12 schools and community colleges

Funding under Proposition 98, which determines how much of the state General Fund goes to TK-12 and community colleges, is lower than what was appropriated in June, 2022 and will not fully recover in 2024-25. (dollars in billions)



Source: Legislative Analyst's Office and California Department of Finance; 2024-25 Governor's Budget Summary. • EdSource
Graphic by Yuxuan Xie

The Legislature was handicapped when it passed the 2023-24 budget last June. There were indications but no hard numbers that economic conditions were worsening, because the deadline for paying state and federal income taxes had been extended from April 15 to Oct. 16 in response to massive flooding last winter. As it turned out, state revenues had fallen sharply from slower home sales, a drop in new startups in Silicon Valley, and declining income of the top 1% of earners, who contribute 50% of the personal income tax receipts.

But with the stock market rebounding since then, Newsom said more optimistic revenue projections for next year and savings in state government operations would account for two-thirds of the difference between the state Department of Finance revenue projections and the legislative analyst's forecast. A remedy for dealing with a two-year, \$10-plus billion drop in Proposition 98 funding would account for the rest of the disparity. In a news conference, Newsom chided the "ready, fire, aim" projections of the news media and others for assuming a more dire financial outlook without the latest data.

Many districts, nonetheless, will face financial stress. More than two-thirds are facing declining enrollment, which will lower their share of state funding. And the 1% inflation adjustment for 2024-25 will not cover cost increases and, for some districts, negotiated staff raises. Districts are receiving an 8% cost-of-living adjustment this year, down from a 13% bump in 2022-23.



Newsom’s January budget will now undergo six months of negotiations with the Legislature over their priorities. Revenue updates by June will reveal whether his optimism will hold up, and what the Legislature must do if it doesn’t.

Newsom reiterated that the state would uphold its education commitments to schools using record post-Covid revenues. These include the addition of transitional kindergarten and appropriating \$8 billion combined to create community schools and add summer programs and after-school hours for low-income students. These would continue to be funded at promised levels.

Also surviving is an additional \$300 million for the state’s poorest schools. The governor said that this proposal, known as an “equity multiplier,” is also a high priority by the California Legislative Black Caucus. Another priority that Newsom mentioned is funding for the UCLA Ralph J. Bunche Center for African American Studies.

“In the face of a large deficit, it’s reassuring that the governor committed to maintaining his transformative investments in education, including community schools, universal TK, and the equity multiplier,” said John Affeldt, managing attorney for the student advocacy nonprofit Public Advocates. “That the governor particularly called them out with a ‘don’t touch’ message to the Legislature indicates he’ll fight hard to maintain them.”

New ideas for mitigating student absences

Despite \$6 billion in one-time state funding for post-pandemic learning recovery, chronic absences soared to 30% in 2022-23 and remained high last year. Statewide post-pandemic test scores also plummeted in math and English language arts in 2022-23 statewide and almost remained flat last year.

Recognizing that students can’t learn when they aren’t in school, Newsom is proposing changes in the law that will allow school districts to provide attendance recovery programs in response to chronic absences and loss in learning because of floods, wildfires and other climate conditions. Districts, in turn, would benefit from offsetting revenues lost from student absences. The new law would specify that districts could fund Saturday programs and intercessions to respond to students with many absences.

Districts would be required to offer students access to remote instruction, including enabling families to enroll in neighboring districts “for emergencies” lasting five or more days. A budget trailer bill will spell out details, including whether students could seek tutoring under this option.

The budget calls for \$6 million to research hybrid and remote learning and develop new models.

“We have to use the experiences of recent years to think forward for ensuring that kids can gain access to the learning and instructional opportunities that they deserve,” said Hedy Chang, founder and executive director of Attendance Works, a group that tracks chronic absenteeism.

Addressing a teacher shortage

Newsom also proposes to relax some requirements to become a teacher, due to a persistent teacher shortage. Teacher candidates will no longer have to take a test or coursework to prove they have the basic skills to earn a credential, according to the state summary of the budget. The state will now recognize completion of a bachelor’s degree as satisfying the basic-skills requirement.

Currently, teacher candidates must pass the California Basic Educational Skills Test, a combination of other tests, or complete specific coursework to prove they have the basic skills to teach. The CBEST tests reading, math and writing skills and is usually taken before a student is accepted into a teacher preparation program.

The governor’s budget calls for streamlining the process of credentialing aspiring arts teachers in response to the passage of Proposition 28, the groundbreaking arts education initiative. It directs the Commission on Teacher Credentialing to create a new Elementary Arts and Music Education authorization for career technical education teachers. This pathway currently only exists for secondary education, and many arts education advocates have pressed to expand it to elementary school classrooms.

“Governor Newsom’s proposal is an important step in the right direction,” said Austin Beutner, the former superintendent of Los Angeles Unified School District, who authored Proposition 28. “The money from Prop 28 is the enabler, but students will only benefit when schools use it to hire great arts teachers in all grade levels.”

The budget summary also refers to several other proposals that will make it easier to become a teacher, although it offered no additional details about those proposals.

The budget proposal also includes:

- \$20 million as the first step toward implementing the long-debated math framework that the State Board of Education adopted last July. A county office of education would be chosen to work with math experts and nonprofits to train math coaches and leaders, who in turn would teach high-quality instruction. State law would spell out that existing state learning loss funding should focus on teacher training in math.
- \$5 million to increase support for the California Cradle-to-Career Data System.
- \$122 million to increase funding for universal school meals.

The budget contains good and bad news for districts seeking immediate funding for facilities. Newsom would reduce the General Fund by delaying \$550 million for new and retrofitted facilities for adding transitional

kindergarten. And he proposes to cut \$500 million he committed to the state School Facilities Program, which has run out of state funding. However, Newsom committed to negotiate a multibillion-dollar school facilities bond with the Legislature for the November 2024 ballot.

Questions on the size of the bond needed to win voter support and whether it should include higher education must be answered, Newsom said. “All that’s being worked on, but a real issue to address is that we’ve exhausted the previous bond, and it’s important to advance a new one.”

Higher education

In 2022, Newsom made agreements with both UC and CSU to give annual 5% base funding increases over five years in exchange for increasing enrollment and improving graduation rates.

Under his latest proposal, UC and CSU would borrow a combined \$499 million this year — \$258.8 million for UC and \$240.2 million for CSU. That includes this year’s 5% increase for the systems as well as \$31 million for UC to increase enrollment of resident undergraduate students.

If lawmakers agree to Newsom’s plan, the two systems would receive two years’ worth of 5% budget increases in next year’s state budget to make up for this year’s deferrals.

“These decisions will position our state and its students for a prosperous future once budgetary challenges subside,” Michael Drake, UC’s systemwide president, said in a statement Wednesday. “During economic downturns, the University of California’s role in California’s economic development is even more important, and we are grateful to state leaders for their visionary leadership and commitment to maintaining the funding compact.”

Cal State Chancellor Mildred Garcia said that given the state’s financial challenges, the governor’s plan acknowledges his financial commitment to CSU students while also attempting to address the state’s budget situation. But the proposal also puts the system in a precarious position.

“This proposal would deliver the same level of funding per fiscal year as originally outlined in the compact, although with additional risk to the CSU if the state’s budget condition further erodes and the state cannot fulfill this restructured commitment,” Garcia said. “We will explore our funding options to advance compact-related goals during the one-year delay and will proceed with financial prudence as we review the impacts and implications of this budget proposal.”

Newsom’s spending plan would not fund a significant expansion of the Cal Grant, the state’s main financial aid program. He and lawmakers agreed in 2022 to overhaul the Cal Grant beginning in 2024-25 by simplifying the awards and extending eligibility to more students, but only if state revenues were sufficient to do so. With the state facing a shortfall, the governor is not committing funding to that expansion, though negotiations on the issue are expected to continue through the spring. A spokesperson for Newsom’s Department of Finance said Wednesday that the department will wait until May to make a final determination.

Newsom also proposed doing away with a program that would provide interest-free loans to colleges and universities to build affordable student housing. In total, that would save \$494 million for the state’s 2024-25 budget: \$194 million that was appropriated last year plus \$300 million this and every year through 2028-29.

Mike Fong, chair of the Assembly's higher education committee, said in a statement that he's disappointed that Newsom proposed eliminating the Student Housing Revolving Loan Fund and didn't include funding to reform the Cal Grant.

"We must continue to find new ways to increase accessibility to higher education, especially for our most vulnerable communities who need these vital resources to complete higher education," Fong said.

Early education

The budget largely holds steady for early education and child care. It maintains ongoing funding for the newly expanded transitional kindergarten program for 4-year-olds and earmarks \$1.7 billion toward long-awaited increased pay for child care providers. It also continues to gradually add subsidized child care slots, with about \$2 billion going to fund about 146,000 new slots to be filled by 2024-25, toward an ultimate goal of 200,000 new slots.

"Overall, the proposed budget stays true to the historic investments California has made in pre-K and child care," said Scott Moore, head of Kidango, a nonprofit organization that runs many Bay Area child care and preschool centers. "Yet schools and child care providers are struggling to expand due to a lack of staff, facilities funding, and post-pandemic challenges. We must do more now to support this growth, otherwise low-income babies and preschoolers will be left out."

EdSource reporters Michael Burke, Ashley S. Smith, Mallika Seshadri, Betty Márquez Rosales, Karen D'Souza, Diana Lambert and Emma Gallegos contributed to the article.

Note: Governor Newsom vocally opposed Assembly Bill 259 (Lee, D-San Jose), which would impose a 1%-2% wealth tax on millionaires and billionaires, during his press conference on Wednesday, and the bill was placed on the suspense file in the Assembly Revenue and Taxation Committee that same day.

California Democrat Pushes Wealth Tax as \$68 Billion Deficit Looms. Why it's Getting Attention

By Lindsey Holden
The Sacramento Bee
January 10, 2024

A California Democrat is renewing his efforts to tax wealthy residents' net worth as a potential solution to closing the state's \$68 billion spending gap.

And Democratic Assembly Speaker Robert Rivas' new approach to running bills through legislative committees means the proposal will get a hearing.

The bill from Assemblyman Alex Lee, D-San Jose, will be heard in a legislative committee on Wednesday, a few hours after Gov. Gavin Newsom is expected to announce his fiscal 2025 budget proposal.

Assembly Bill 259 would institute a 1% tax on the net worth of residents with more than \$50 million in assets, with a 1.5% bracket for those with more than \$1 billion. The current top income tax rate, levied on millionaires, is 13.3%.

The Assembly Revenue and Taxation Committee, which will hear testimony on the plan, did not take up Lee's bill last year after he introduced it.

"AB 259 is getting a hearing because leadership would like committee chairs to give bills an opportunity to be heard," said Committee Chair Jacqui Irwin, D-Thousand Oaks, in a statement.

Rivas spokeswoman Cynthia Moreno declined to comment on the content of AB 259. But she shared a statement laying out Rivas' stance on working with committee chairs.

"The speaker has confidence in the strength of his chairs and will work with them to ensure bills moving forward reflect a broad consensus within the caucus," Moreno said in an email. "The speaker believes legislation introduced in good faith deserves an opportunity to be heard, but expects authors to collaborate with chairs and all our colleagues."

Wealth tax pros and cons

Lee is now trying to see if he can advance the conversation during the second half of a two-year legislative cycle, especially as California leaders grapple with ways to fix the state's finances.

The assemblyman has pushed a similar tax in the past, and it's not clear how much support his 2024 effort will get. Newsom has opposed such taxes in the past.

But the state faces tough choices this year about spending, and leaders could wind up looking at ways to increase revenue.

A 2022 analysis from Lee showed the bill's initial phase, which would apply only to the state's billionaires — there were about 170 at the time — could raise about \$10.6 billion during the first year.

The measure would phase in the \$50 million bracket in later years, which could raise more than \$20 billion annually, Lee said.

"We know that just taking out the entire rainy day reserve, or just cutting everything that we love, like our transit systems, our schools, our climate change programs — nothing alone will solve this," Lee said. "So you have to have a mix of solutions. That's responsible budgeting."

Lee sees his bill as a way to protect state budget priorities while seeking revenue from residents who "disproportionately are advantaged by having their wealth stored here in California."

"We've finally hit pretty good per-pupil funding," he said. "We finally put so many investments, and those things need time to mature."

If there is an economic downturn, "We always know those at the bottom will be hit twice as hard. Because if we cut the social safety net, those are the same people that get screwed twice. So I don't want to see that at all."

But Jared Walczak, vice president of state projects for the Tax Foundation, a center-right Washington, D.C. research group, said a wealth tax is "not a good long term solution to California's budget challenges."

“The state has also, because of those high taxes, lost a sizable and growing number of high-net worth individuals and businesses,” Walczak said. “A wealth tax would dramatically exacerbate those trends.”

The nonpartisan Public Policy Institute of California in October reported the state is losing people from all income levels. However, the PPIC attributed the departure of higher income earners to the rise of remote work during the COVID-19 pandemic.

Lee called concerns about wealthy Californians leaving the state due to a new tax “your classic kind of aristocratic power, where if they say, ‘Oh, if you do this and upset us, we’ll do something.’ But that doesn’t ever bear out to be true.”

Newsom not a wealth tax fan

Walczak also suggested a net worth tax could hurt California’s start-up culture, because venture capitalists invest money based on a potential company’s projected value, even if it has not yet become profitable.

“A wealth tax on that could destroy the business before it has a chance to get started,” he said. “Or, alternatively, the taxes would have to be essentially placed as a lien on the business to be paid much later, which just turns it into an extremely high-rate income tax on the company at some later date.”

A net worth tax could also prompt constitutional questions, Walczak said, and lead to “significant litigation that could preclude collections, or at least complicate those issues.”

Newsom has not been a fan of wealth taxes during his time in office. In 2021, he said such taxes are “going nowhere.”

During the 2022 midterm election, he campaigned against Proposition 30, which would have raised income taxes on those earning more than \$2 million to fund zero-emission vehicle subsidies, wildfire prevention and electric charging stations.

“As @CAGovernor Newsom has said repeatedly over many years, a wealth tax is not part of the conversation — wealth tax proposals are going nowhere in California,” said Newsom spokesman Brandon Richards in a Tuesday post on X, formerly known as Twitter.

When asked about the response he’s gotten from Newsom’s office and legislative leadership, Lee said he has “heard rumors that there are ideas about it on the revenue side, and maybe tax credits and maybe something else.”

“I’m just saying, let’s add this to the mix,” he said.

Fresno Unified School District
Board Communication

BC Number BFS-2

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Steven Shubin, Deputy Executive
Cabinet Approval:

Date: January 19, 2024

Phone Number: 457-6227

Regarding: Aetna Medicare Advantage Plan Performance


The purpose of this board communication is to provide the Board an update on the Aetna Medicare Advantage Preferred Provider Organization (PPO) plan applicable to our Medicare-eligible retirees and their dependents. The Joint Health Management Board (JHMB) engaged in a comprehensive Request for Proposals (RFP) process wherein three major insurance companies submitted proposals, including Aetna. Aetna was ultimately awarded the business and the effective date commenced on July 01, 2023.

Aetna has recently presented a Fresno Plan Performance report, attached. The report includes key data points such as the number of claims paid, denials, and appeals of the denials. It reports 6,015 JHMB Medicare Advantage PPO members enrolled in 2023 and a total of 74,340 claims paid across that membership (through the noted reporting period). The claims paid versus denials show approximately 99.6% of claims submitted were approved. The report also provides a detailed breakdown of denials and appeals.

Slide 8, illustrates among the Top 30 providers accessed by JHMB Medicare members, 6 non-participating providers accepted Medicare Advantage patients, billed Aetna, and the submitted claims from those providers are being processed and paid.

If you have any questions pertaining to the information in this communication, or require additional information, please contact Steven Shubin at 457-6227 or Patrick Jensen at 457-6226.

Approved by Superintendent
Robert G. Nelson, Ed.D.



Date: 01/19/24

Fresno plan performance

Q3 Review 2023

Aetna Group Retiree Solutions

January 2, 2024



Aetna is the brand name used for products and services provided by one or more of the Aetna group of companies, including Aetna Life Insurance Company and its affiliates (Aetna).

July - September 2023 Medical Utilization

Claim Stats July 1 to Dec 1

Claims Paid	74,340
Denials	
Non Medicare Covered Service <i>(le Dental, hospice, chiro massage etc)</i>	325
BH Provider Type Not Recognized	54
Exceed Reimbursement limit on hearing/vision	46
Par Provider Didn't authorize service <i>(member not held liable)</i>	37
Previously Paid/Duplicate Claim	29
Sanctioned/Disbarred Provider	10
Member not covered	6
Stay in VA hospital	4

Appeal Stats July 1 to Dec 1

Total Appeals	109
Pre-Service	89
Overtured	81
Partial Overtured	1
Upheld <i>1 - Provider is not Medicare Certified</i> <i>4 --Outpatient procedure – not meeting criteria</i> <i>2 – Acute Inpatient Rehab – doesn't qualify based upon mobility</i>	7
Post Service	20
Overtured	17
Partial Overtured	1
Upheld <i>Both were lab services; 1 experimental; 1 doesn't meet medical criteria)</i>	2

Demographics

6,015

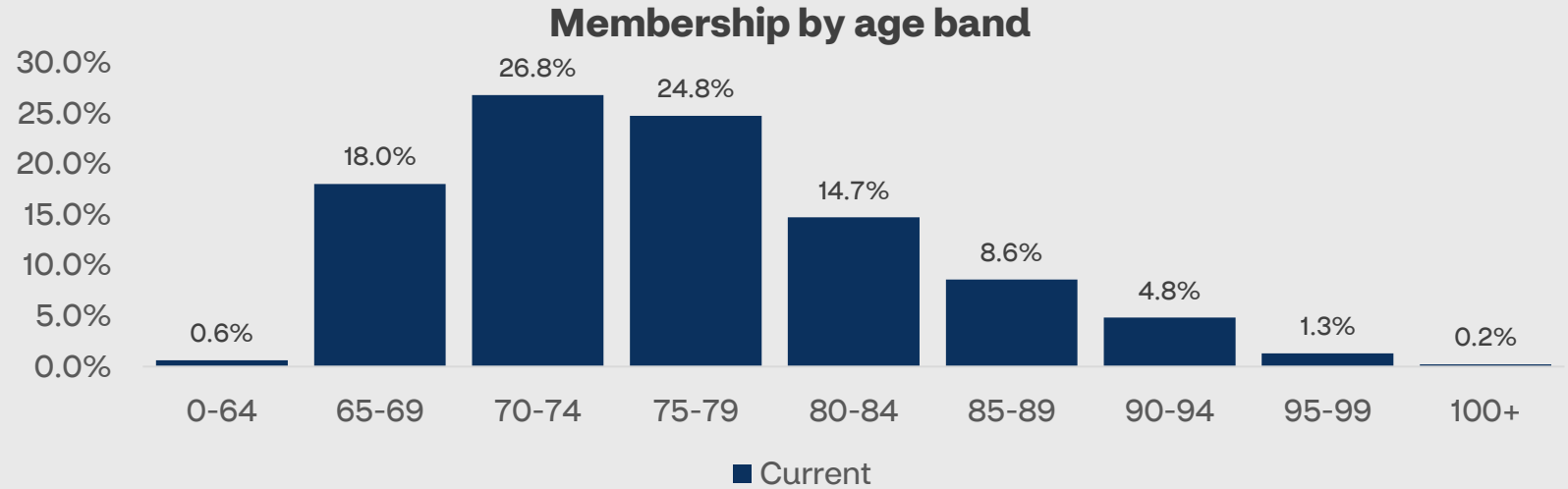
members in 2023

76.5

FUSD average age

75.5

Aetna BoB average age



Breakdown by gender

61%

Female

Aetna BoB: 58%

39%

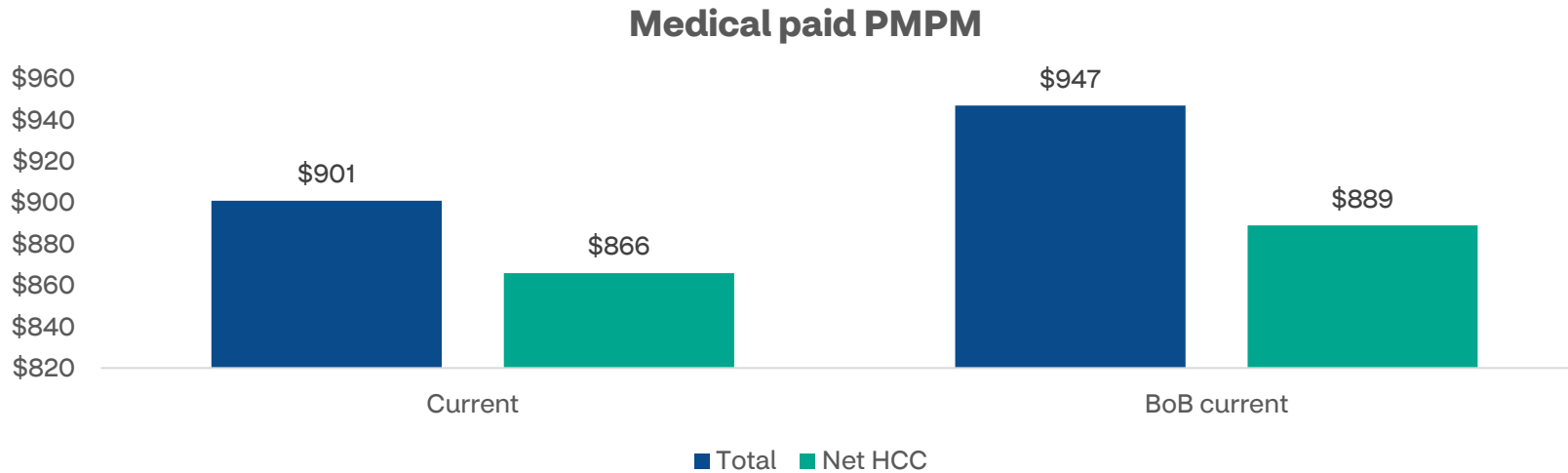
Male

Aetna BoB: 42%

BoB: Book of Business

Cost analysis

	BoB	Current
Total medical paid	N/A	\$16,249,873
Medical paid per member	\$2,840	\$2,702
Medical net HCC per member	\$2,667	\$2,598
Inpatient paid per member	\$863	\$750
Outpatient (all other) paid per member	\$1,977	\$1,952



0%
member cost share*

100%
plan cost share

*BoB is 5%

- HCC threshold is \$100K

Top Diagnostic Categories by Paid Amount

- Cardiac, oncologic, and musculoskeletal make up the top 3 diagnostic categories, which is consistent with BoB.

Diagnosis category	PMPM current*	Visits/1,000 current	Cost/visit current
Musculoskeletal Disorders	\$130	6,385.4	\$245
Cardiac Disorders	\$126	4,230.1	\$358
Oncologic Disorders	\$115	1,913.9	\$722
Neurologic Disorders	\$80	2,490.4	\$388
Skin Disorders	\$52	2,489.8	\$251
Eye Disorders	\$45	1,331.3	\$410
Digestive Disorders	\$42	1,544.8	\$325
Rheumatologic Disorders	\$40	1,024.1	\$469
Infectious Disease	\$36	752.1	\$569
Renal Disorders	\$35	1,481.6	\$286

*Sorted on current paid dollars descending

Utilization – annualized

Key takeaways:

- Specialist office visits are over BoB.
- PCP office visits are well over BoB.
- Teladoc: 10 members
- **MDLive: 1 member**

CURRENT: INCURRED 7/1/2023 - 9/30/2023 WITH 2-MONTH LAG

- All per thousand measures are annualized calculations
- Aetna BoB indicates Aetna Group Medicare book of business

Inpatient facility		
Key metric	Aetna BoB	Current
Admissions/1,000 members	193.5	168.9
Days/1,000 members	808.0	702.2
Average length of stay	4.2	4.2
SNF and other non-acute		
Admissions/1,000 members	54.2	39.2
Days/1,000 members	721.6	598.5
Average length of stay	13.3	15.3
Behavioral health facilities		
Admissions/1,000 members	0.9	0.7
Days/1,000 members	8.9	3.3
Average length of stay	10.1	5.0

Utilization per 1,000		
Key metric	Aetna BoB	Current
Ambulatory facility	3,628.4	1,768.2
Emergency room	407.7	278.6
Ambulatory surgeries	778.5	588.5
PCP office visits	3,089.4	4,139.0
Specialist office visits	6,862.3	7,285.1
Urgent care visits	163.4	25.3
Retail clinic visits	16.9	0.7
Radiology services	8,318.7	5,942.5
Lab services	18,052.7	18,230.4
Mental health visits	562.8	329.2
Home health visits	2,188.6	1,682.5

High-cost claimants

- High-cost claimants (HCCs) have \$100k in medical costs
- 3 HCCs
- Average HCC cost = \$166,076
- Represent 2.9% of total paid
- High Level:
 1. Neurologic \$209,910
 2. Oncologic \$166,378
 3. Musculoskeletal \$121,939

Top 30 providers

Provider Name	City/State	Specialist	Par Status	Number of Claimants	Paid Amount	% of Total Paid Amount
Saint Agnes Medical Center	Fresno, CA	Acute Short Term Hospital	N	659	\$2,045,731	12.0%
Clovis Community Medical Center	Clovis, CA	Acute Short Term Hospital	Y	413	\$1,316,251	7.7%
Community Medical Center-Fresno	Fresno, CA	Acute Short Term Hospital	Y	133	\$721,166	4.2%
Fresno Surgical Hospital	Fresno, CA	Acute Short Term Hospital	Y	110	\$520,214	3.0%
Nighat Sarwar	Fresno, CA	Neurology	Y	33	\$226,742	1.3%
Steven Jeffrey Hager	Fresno, CA	Hematology/Oncology	Y	37	\$187,886	1.1%
KWPH Enterprises Inc	Fresno, CA	Transportation	N	231	\$174,379	1.0%
Ravi Dama Rao	Fresno, CA	Cardiology	Y	51	\$168,850	1.0%
Stanford Medical Center	Stanford, CA	Acute Short Term Hospital	N	61	\$164,149	1.0%
Fresno Heart & Surgical Hospital	Fresno, CA	Acute Short Term Hospital	Y	89	\$150,242	0.9%
Quest Diagnostics	New York, NY	Laboratory Center	Y	2,346	\$146,689	0.9%
Community Ambulatory Infusion Center	Fresno, CA	Home Health Care Agency	Y	24	\$143,867	0.8%
Sachin Gupta	Fresno, CA	Hematology/Oncology	Y	43	\$140,497	0.8%
Summit Surgical	Fresno, CA	Ambulatory Surgical Facility	Y	49	\$137,560	0.8%
Leslie Anne Storey	Loma Linda, CA	Dermatology	Y	306	\$117,446	0.7%
Dexter Toribio Estrada	Fresno, CA	Hematology/Oncology	Y	63	\$115,942	0.7%
Himmat S. Gill	Fresno, CA	Rheumatology	Y	45	\$113,376	0.7%
UCSF Medical Center	San Francisco, CA	Acute Short Term Hospital	N	10	\$105,376	0.6%
Leonard Thomas Hackett	Fresno, CA	Hematology/Oncology	Y	62	\$97,129	0.6%
Edgar S. Macias	Visalia, CA	Dermatology	Y	145	\$83,254	0.5%
CEP America California	Chula Vista, CA	Emergency Physician	Y	339	\$78,108	0.5%
Richard S. Demera	Fresno, CA	Allergy/Immunology	Y	122	\$77,244	0.5%
Oakwood Gardens Care Center	Fresno, CA	Long Term Care Facility	N	4	\$76,127	0.4%
DaVita, Inc.	Concord, CA	Dialysis Center	Y	10	\$75,763	0.4%
Abdul Mustajeeb Haseeb	Fresno, CA	Hematology/Oncology	Y	48	\$75,398	0.4%
George A. Bertolucci	Madera, CA	Ophthalmology	Y	79	\$73,686	0.4%
Amardeep S. Aulakh	Fresno, CA	Internal Medicine	Y	33	\$70,645	0.4%
California Armenian Home	Fresno, CA	Long Term Care Facility	N	9	\$68,080	0.4%
Central California Endoscopy Center	Fresno, CA	Ambulatory Surgical Facility	Y	105	\$67,284	0.4%

6 NonPar providers
in Top 30

Pharmacy utilization



2023 all members

Utilizing members**	5,526
Members in gap phase	1,516
Members in catastrophic phase	279



2023 all pharmacies

Scripts	52,349
Normalized scripts***	110,077
Generic utilization	87.1%
Mail order utilization	2.9%



2023 specialty

Scripts	690
Normalized scripts***	830
Number of unique members	225

*2023 data includes membership and claims incurred July 1 through November 2023

**Utilizing Members: members with claims in that year.

***Normalized Scripts: number of 30-day scripts (ex: 90-day script = 3 scripts).

Outcomes and engagement

Two initiatives prioritizing member health

Healthy Home Visit

Annual home visit available to all members; higher risk members are prioritized.



16%
completion rate

38%
Aetna BoB

Visits	Q3 2023
Members contacted	1,283
Visits completed	201

Health Risk Assessment

Alternate annual survey ensures accurate health status.



12%
completion rate

9%
Aetna BoB

Assessments	Q3 2023
Members contacted	8
Assessments completed	1

****Aetna BoB: Jan 1 through Sept 30**

Care advocacy supports those who need it most

Case management

	Q3 2023	Aetna BoB**
Identification rate	1.4%	10.2%
% Cases declined	11.5%	10.6%
% Unable to reach	57.4%	42.2%
Engaged of reached*	73.1%	81.7%

**Aetna BoB: Jan 1 through Sept 30



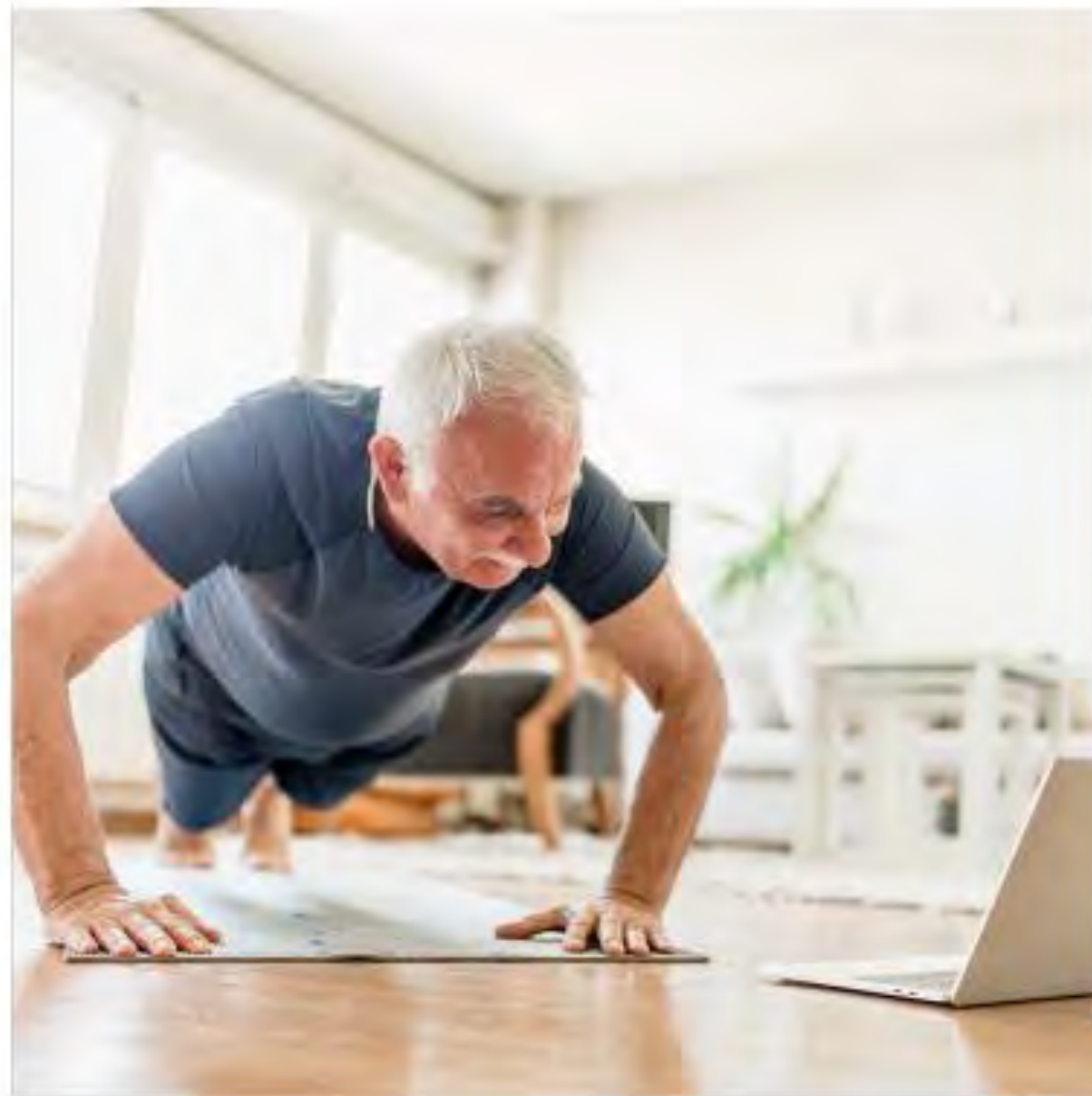


Meal delivery

- Provides **14 healthy, precooked meals** to your members recently discharged from the hospital
- Meals are based on dietary concerns, created by chefs and registered dietitians
- Meets requirements for the American Diabetes Association[®], American Heart Association and dietary recommendations

40
unique members

42
meal deliveries



SilverSneakers® results

121

retirees enrolled

69%

of retirees visited gyms

6.6

average visits per month



**Thank you for your
partnership**

Legal disclaimer

Aetna is the brand name used for products and services provided by one or more of the Aetna group of companies, including Aetna Life Insurance Company and its affiliates (Aetna).

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For a complete list of other participating pharmacies, log in to [Aetna.com](https://www.aetna.com) and use our provider search tool.

Information is believed to be accurate as of the production date; however, it is subject to change.

For more information about Aetna plans, refer to [Aetna.com](https://www.aetna.com).