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K-12 Mandates Overview

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Joint Oversight Hearing: Education Mandates

Hon. Julia Brownley, Chair

Hon. Susan Bonilla, Chair

Hon. Carol Liu, Chair





Mandate Backlog Continues to Grow

- ☑ State imposes 39 K-12 mandates (of which five also apply to community colleges).
- ☑ K-12 mandates currently cost about \$150 million annually.
- ☑ Due to years in which the state provided no mandate funding or less than needed to cover total mandate costs, state has a K-12 mandate backlog totaling \$3.4 billion.
- ☑ In addition to the mandate backlog, state has \$19 billion in other outstanding Proposition 98 obligations.

Tracking the Costs of K-12 Mandates Over Last Five Years^a

(In Millions)

	2007-08	2008-09	2009-10	2010-11	2011-12
Prior-year backlog	\$2,146	\$2,486	\$2,849	\$3,237	\$3,307
Annual cost	340	363	388	150	153
Annual appropriation	—	—	—	80	80
Backlog at Year End	\$2,486	\$2,849	\$3,237	\$3,307	\$3,380

^a Reflects LAO estimates. Includes mandate costs associated with high school science graduation requirements and behavioral intervention plans through 2009-10. Thereafter, excludes new annual costs for these two mandates, as statutory changes were made to eliminate them moving forward.



Other Widely Recognized Problems With K-12 Mandate System

Problems With the Current Education Mandate System

- ✓ System not responsive to changing needs.
- ✓ State costs can be higher than anticipated.
- ✓ Regulations also can create mandates, further increasing state costs without legislative input.
- ✓ High percentage of audited district claims ultimately disallowed.
- ✓ Districts face considerable uncertainty regarding timing and amount of reimbursements.
- ✓ Reimbursement process ignores effectiveness.
- ✓ Reimbursement process can reward inefficiency.
- ✓ Reimbursement rates can vary greatly without justification.
- ✓ Claiming process creates significant administrative burden for districts.



K-12 Mandate Finance Options



Options for Reducing Mandate Costs:

- Continue requiring specific activity(ies) but modify fund source.
- Maintain only overall policy goal and modify fund source.
- Suspend mandate.
- Eliminate mandate.



Options for Funding Activities That Remain Mandated:

- Pay for more mandates using Reasonable Reimbursement Methodology.
- Replace existing reimbursement system with block grant.



K-12 Mandate Policy Options



Retain Only Those Mandates That Serve A Compelling Statewide Interest:

- Narrow definition: fund only those mandates related to parental notification.
- Broader definition: fund those mandates related to parental notification, finance and oversight, health, and safety.
- Broadest definition: retain virtually all existing mandates.