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May 24, 2011

K-14 Mandates: Governor's May Revision Proposal

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Assembly Budget Subcommittee No. 2 on Education Finance

Hon. Susan Bonilla, Chair

K-14 Mandate System Broken

- The *2010-11 Budget Act* required our office to convene a work group to consider the future of K-14 mandates.
- Group was nearly unanimous in recognition of several major problems with K-14 mandates system:
  - System not responsive to changing needs.
  - State costs can be higher than anticipated.
  - Regulations can create mandates, increasing costs without legislative input.
  - High percentage of audited claims disallowed.
  - Districts face uncertainty over timing/amount of reimbursement.
  - Reimbursement process ignores effectiveness.
  - Reimbursement process can reward inefficiency.
  - Reimbursement rates vary without justification.
  - Claiming process creates administrative burden for districts.

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Overview of May Revision K-14 Mandate Package

Governor's May Revision Eliminates Over Half of K-14 Mandates

Action	Mandates
Suspend With Intent to Eliminate	
K-12 education	16
Community colleges	6
Shared K-14 education	5
Subtotal	(27)
Preserve	
Reduce Cost	
K-12 education	9
Community colleges	2
Shared K-14 education	2
Subtotal	(13)
Fund	
K-12 education	10
Community colleges	2
Shared K-14 education	1
Subtotal	(13)
Total	**53**

☑ Governor's May proposal:

- Eliminates half of all K-14 mandates.
- Reduces costs of a quarter of all K-14 mandates.
- Achieves $96 million in Proposition 98 savings compared to actual K-14 claims.
- Achieves $41 million in Proposition 98 savings compared to the March budget level.
- Costs $49 million annually.

☑ Governor also recommends developing a K-14 mandates block grant going forward.

Recommend Adopting May Revision K-14 Mandate Package

☑ May Revision package:

- Provides clear framework for identifying which types of activities are worth requiring of all districts.
- Prioritizes activities related to health, public safety, oversight, and accountability that serve a fundamental statewide interest.
- Funds ongoing mandates while reducing costs by more than 50 percent.
- Sets the groundwork for a system that is more transparent and equitable as well as less cumbersome for school districts.
- Does not prevent policy committees from being involved in determining fate of suspended mandates.