

Governor's K-12 Mandates Proposal

LEGISLATIVE ANALYST'S OFFICE

Presented to: Senate Budget and Fiscal Review Committee Hon. Mark Leno, Chair





Background

- The state is required to reimburse school districts and county offices of education (COEs) for new programs or higher levels of service the state imposes on them. Charters schools must perform some state mandated activities but are not eligible for reimbursement.
- The state has about 40 active K-12 mandates. Another ten mandates have been suspended in recent years.
- The 2011-12 budget included \$80 million for K-12 mandate claims. Due to years in which the state provided no mandate funding or less than needed to cover total mandate costs, the state has a \$3.3 billion backlog in K-12 claims.
- The state performs a full audit on roughly 5 percent of K-12 dollars claimed. The state disallows about 75 percent of dollars claimed as a result of these audits.
- For most mandates, less than half of districts and COEs file claims.

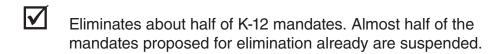


Problems With Current K-12 Mandate System





Governor's Proposal



- Provides \$178 million for a new optional block grant to fund the remaining mandated activities. Permits charters to apply for block grant.
- Sets a per pupil rate of: \$30 for districts; \$89 for COEs; and \$26 for charters. These amounts are based on each local education agency's (LEA's) proportion of total state revenue limits funding.
- Allows LEAs to choose either to participate in the block grant or to submit mandate claims through the reimbursement process. Prohibits LEAs from doing both.
- Requires LEAs receiving block grant funds to undertake all associated activities. (Those LEAs selecting not to receive block grant funds would need to file separate reimbursement claims for all applicable mandates.)
- Subjects block grant funding to existing financial and compliance audits.



Governor's Proposal

(Continued)

Governor's K-12 Mandates Proposal

Mandates Eliminated

Active

Absentee Ballots

Agency Fee Arrangements

Caregiver Affidavits

Financial and Compliance Audits

Habitual Truants

Law Enforcement Agency Notifications

Mandate Reimbursement Process

Missing Children Reports

Notification of Truancy

Notification to Teachers: Pupil Discipline Records

Notification to Teachers: Pupil Suspension or Expulsion I and II

Physical Performance Tests

Pupil Suspensions, Expulsions, Expulsion Appeals

Threats Against Peace Officers

Suspended

County Treasury Withdrawals

Grand Jury Proceedings

Health Benefits for Survivors of Peace Officers and Firefighters

Law Enforcement Sexual Harassment Training

Physical Education Reports

Pupil Residency Verification

Removal of Chemicals

School Bus Safety I and II

Scoliosis Screening

Pending Cost Estimate/Under Litigation

Behavioral Intervention Plans

Graduation Requirements

Mandates in Block Grant

AIDS Instruction and AIDS Prevention Instruction

Annual Parent Notification California High School Exit Exam

California State Teachers Retirement System Services Credit

Charter Schools I, II, and III Collective Bargaining

Comprehensive School Safety Plans

County Office of Education Fiscal Accountability Reporting

Criminal Background Checks I and II

Differential Pay and Reemployment

Immunization Records I and II

Intradistrict Attendance

Juvenile Court Notices II

Open Meetings/Brown Act

Prevailing Wage

Pupil Health Screenings

Pupil Promotion and Retention

Pupil Safety Notices

School Accountability Report Cards II and III

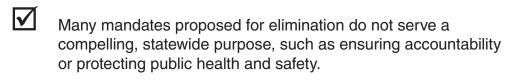
School District Fiscal Accountability Reporting

School District Reorganization

The Stull Act



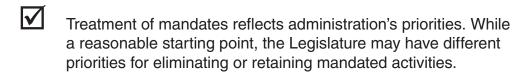
Proposal Addresses Many Mandate Problems



- Some mandates proposed for elimination are already required under federal law or likely would be performed even if not mandated.
- The LEAs participating in the block grant would be incentivized to perform activities more efficiently.
- Although fiscal incentives would vary by LEA, proposed funding level would encourage most, if not all, to choose the block grant.
- The state likely would have more information on compliance than under the current mandate reimbursement process.



Proposal Raises Some Concerns



- Proposal still allows LEAs to file claims. This means the problems with the current claims system could continue and costs could increase if some LEAs receive more funding by filing claims than they otherwise would through the grant.
- Block grant formula provides about three times as much funding, on a per pupil basis, to COEs as compared to districts and charters. There is no apparent reason why it would be more costly for COEs to perform the activities.
- Proposal does not address certain out-year issues. For example, it is unclear how (1) block grant funding might change in the future, and (2) whether new mandates would be included in the block grant.



Recommendations

Adopt proposed block grant approach, but modify proposal so that (1) LEAs could not file mandate reimbursement claims and (2) all LEAs participating in the block grant receive the same per pupil rate.

Establish a working group to (1) review the list of mandates proposed for elimination and (2) address remaining implementation details.