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State's 45 K-12 Mandates Generate Substantial Costs

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- ☒ State currently imposes 45 K-12 mandates on school districts, each with as many as a dozen associated requirements.
- ☒ Types of claimable district activities include ensuring children are immunized before entering school, submitting physical education reports to the state, and filing the mandate claims themselves.
- ☒ Annual K-12 claims are growing and could almost double if administration loses appeal regarding the high school science graduation requirement mandate.
 - Annual K-12 mandate claims total about \$190 million excluding graduation requirement mandate, \$370 million including graduation requirement mandate.
- ☒ Rather than pay these mandate claims on an annual basis, the state has been deferring payment until later years.
- ☒ This practice has resulted in a significant mandate claims backlog.
 - As of the end of 2009-10, the backlog is about \$1 billion excluding graduation requirement mandate, \$3.2 billion including it.







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Virtually Every Aspect of State's Education Mandate System Broken

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- ☒ Mandates have several major, long-recognized fiscal and policy shortcomings:

Problems With Current K-14 Mandate System

-  Mandates often do not serve a compelling purpose.
-  Costs can be higher than anticipated.
-  Recent court ruling likely to make containing costs even more difficult.
-  Reimbursement rates can vary greatly without justification.
-  Reimbursement process can reward inefficiency.
-  Reimbursement process ignores effectiveness.

- ☒ In addition, a 2008 Superior Court ruling found the state's practice of deferring payments unconstitutional.

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Comparing K-12 Mandate Plans

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- ☒ **Governor's Plan.** Suspends all but three K-12 mandates. Under suspension, districts do not need to undertake most mandated activities in 2010-11. Future legislative action would determine if activities need to be resumed in 2011-12.
- ☒ **Assembly Plan.** Continues deferring mandate payments. Under this scenario, districts need to undertake mandated activities in 2010-11 but would receive no corresponding funding.
- ☒ **Senate Plan.** Funds 12 mandates deemed critical, eliminates 5 mandates deemed nonessential, and suspends the remainder. Creates work group to make recommendations on how suspended mandates should be treated moving forward.
- ☒ **LAO Recommendation.** Adopt Senate plan. Largely based on the framework we laid out in our recent comprehensive review and assessment of education mandates. Ensures districts mandated to undertake only high priority activities. Ensures Proposition 98 funding—now and in the future—is used for high priorities.
- ☒ Additional detail on the Senate plan is attached.

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Senate K-12 Mandates Package

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(In Thousands)

Fund (12)	Cost
High School Exit Exam	\$8,458
Inter- and Intra-District Attendance	7,768
Immunization Records - Hepatitis B	6,160
Immunization Records - Original	4,821
Charter Schools I-III	2,325
Pupil Health Screenings	1,570
School District Fiscal Accountability Reporting	2,612
County Office Fiscal Accountability Reporting	404
Differential Pay and Reemployment	11
School District Reorganization	9
Pupil Safety Notices	6
Missing Children Reports	3
Total	\$34,147
Eliminate (5)	Savings
Law Enforcement Agency Notifications	\$1,894
Pupil Residency Verification	348
Agency Fee Arrangements	20
Teacher Incentive Program	6
Physical Education Reports	2
Total	\$2,270

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(In Thousands)

Suspend/Work Group Review (22)	Savings
Collective Bargaining	\$41,816
Stull Act	19,166
Notification of Truancy	15,900
Annual Parent Notification	10,148
Habitual Truants	6,883
Notification to Teachers of Mandatory Expulsion	6,818
Comprehensive School Safety	5,041
Pupil Suspensions, Expulsions, Appeals	3,849
Scoliosis Screening	3,652
Pupil Promotion and Retention	3,129
School Accountability Report Cards	3,057
Physical Performance Tests	2,325
AIDS Prevention I-II	1,495
Removal of Chemicals	1,289
Criminal Background Checks I	1,289
Juvenile Court Notices II	1,230
Caregiver Affidavits	975
Financial and Compliance Audits	427
Criminal Background Checks II	424
CalSTRS Service Credit	65
Expulsion Transcripts	13
Prevailing Wage Rate	Unknown
Total	\$128,991

Note: Senate package excludes high school science graduation requirement mandate, five general local government mandates, and five mandates already suspended.