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- ☒ The *2009-10 Budget Act* recognizes 38 K-12 and 3 California Community College mandates. It defers payment for all these mandates.
- ☒ Annual cost of these mandates is roughly \$210 million.
- ☒ At the end of 2009-10, absent further action, we estimate the state will have accumulated \$3.8 billion in unpaid mandate claims.

Total Outstanding K-12 Mandate Costs Including Pending Mandates^a

(In Millions)

| | |
|---|----------------|
| K-14 mandates with official cost estimates | \$1,300 |
| High school science graduation requirements | 1,867 |
| Behavioral Intervention Plans | 510 |
| Three mandates recently reinstated by the courts ^b | 90 |
| Pupil suspensions and expulsions | 52 |
| Total | \$3,819 |

^a LAO estimates of backlog through June 30, 2010.

^b Includes open meetings act, mandate reimbursements, and school accountability report cards.



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Continuing to Defer Mandate Payments Raises Serious Concerns

- ☒ Courts recently found the practice of deferring mandate payments unconstitutional.
- ☒ Deferring payments does nothing to solve problems created by mandate process:
 - Costs often exceed expectations.
 - Districts claim vastly different amounts for similar activities.
 - Practice results in considerable backlog of claims.
 - Reimbursement process can reward inefficiency.
 - State cannot hold districts accountable for results.



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Governor Has Proposed Suspending All K-14 Mandates

- ☒ Suspending all mandates addresses court case by not requiring mandated activities.
- ☒ Also provides budget solution for duration of suspension.
- ☒ But misses opportunity for long-term reform.
- ☒ And eliminates *all* policies underlying mandates.

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LAO Recommendations

- ☒ While suspending mandates is a better option than deferral, we recommend assessing the costliest mandates based upon their individual merits and treating each accordingly.

| K-12 Education | | | |
|--|---|--|--|
| <i>2009-10 (In Millions)</i> | | | |
| Mandate | Description | Recommendation | Reduction in State Obligation |
| Graduation Requirements | Increases number of science classes required to receive a high school diploma from one to two. | Make simple change to statute to eliminate mandate but preserve graduation requirement. | \$196 |
| Behavioral Intervention Plans | Requires districts to provide specific types of behavioral interventions for students with special needs. | Eliminate mandate by aligning state and federal law. Allow districts more discretion to determine type of intervention. | 65 |
| Notification of Truancy and Habitual Truant | Requires districts to involve parents when a student misses school or is habitually truant. | Eliminate mandate, but require districts involve parents when a student is truant as a condition of receiving certain state funding. | 25 |
| Stull Act | Requires districts to evaluate teachers based on a range of prescribed criteria. | Eliminate mandate by removing specific evaluation criteria but maintaining basic evaluation requirement. | 24 |
| Total Reduction in Annual State Obligations | | | \$310 |

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LAO Recommendations

| California Community Colleges | | | |
|--|--|---|---|
| <i>2009-10 (In Millions)</i> | | | |
| Mandate | Description | Recommendations | Reduction in State Obligations |
| Enrollment Fee Collection and Waivers | Requires districts to collect enrollment fees and waive fees for certain students. | Eliminate and use fiscal incentives for districts to continue program. | \$21 |
| Health Fees/Services | Requires each district to provide students at least level of health services it provided in 1986-87; caps health fee charge. | Eliminate requirement, or retain and fully fund with higher health fees. | 11 |
| Integrated Waste Management Board | Requires districts to divert solid waste from landfills through recycling and other activities. | Retain if no significant net costs to state; otherwise, eliminate. | TBD |
| Total Reduction in Annual State Obligations | | | \$32 |



Same approach could be used for remaining mandates.