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### K-12 Flexibility Provisions

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#### K-12 Flexibility Provisions Included in February Budget Package

*2008-09 to 2012-13 (Unless Otherwise Noted)*

Provision	Description
<b>Flexibility in Use of Categorical Program Funding</b>	Creates categorical "flex item" whereby districts can use funds from roughly 40 programs for any purpose.
<b>Lesser Penalties for Exceeding K-3 Class Size Reduction Program Guidelines</b>	Allows districts to exceed 20 students per K-3 classroom without losing as much funding as under previous penalties.
<b>Reduced Requirement for Routine Maintenance Deposit</b>	Lowers the percentage districts must set aside for maintenance of school buildings from 3 percent to 1 percent of expenditures.
<b>Elimination of Local Spending Requirement to Qualify for State Deferred Maintenance Match</b>	Eliminates requirement that districts spend their own funds on deferred maintenance in order to qualify for state dollars.
<b>Access to Categorical Fund Balances</b>	Allows districts to spend leftover categorical funding from 2007-08 or prior years for any purpose (seven program exceptions). (2008-09 and 2009-10 only.)
<b>Postponement of Instructional Material Purchase Timeline</b>	Postpones requirement that districts purchase new instructional material packages. (2008-09 and 2009-10 only.)

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Additional K-12 Flexibility Options	
Type	Description
<b>Governor's Proposals</b>	
<b>Decrease Instructional Time Requirements</b>	Provide school districts an option to reduce the length of the school year. (Governor is proposing to reduce minimum requirement by 7.5 days a year for next three years.)
<b>Remove Restrictions on Contracting Out for Noninstructional Services</b>	Waive the current restrictions and allow districts to contract out for noninstructional services (such as food service, maintenance, and clerical functions).
<b>Other Options</b>	
<b>Include Additional Programs in K-12 Categorical "Flex Item"</b>	Place additional programs in the flex item, such as the K-3 Class Size Reduction (CSR) program, Home-to-School Transportation, and/or three vocational education programs.
<b>Extend Access to Categorical Fund Balances</b>	Allow access to all categorical fund balances on an ongoing basis.
<b>Eliminate K-3 CSR Penalties</b>	If not placed in flex item, remove all penalties and provide districts full funding regardless of class size (equates to general purpose K-3 funding).
<b>Increase Class-Size Maximum Limits</b>	Provide school districts the option to increase K-8 class sizes (current state cap is 30-33 students depending on grade).
<b>Modify Layoff Notice Laws</b>	Modify statutory requirement governing certificated staff layoff timelines.
<b>Further Relax Instructional Materials Requirements</b>	Eliminate requirement that textbooks be state-approved or extend the adoption cycle.
<b>Modify Physical Education Requirements</b>	Provide districts the option to provide less physical education instruction (current requirement is at least 200 minutes each ten school days for grades 1 <sup>st</sup> -6 <sup>th</sup> and at least 400 minutes each ten school days for grades 7 <sup>th</sup> -12 <sup>th</sup> ).
<b>Suspend Routine Maintenance Set-Aside Requirement</b>	Suspend remaining requirement that districts set aside 1 percent of expenditures for maintenance.
<b>Eliminate Mandates</b>	Eliminate some or all K-12 state mandated activities.