

May 17, 2012

K-14 Mandates: May Revision Proposal

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Senate Budget and Fiscal Review Subcommittee No. 1 on Education
Hon. Carol Liu, Chair





Comparing May Revision to Governor’s Earlier Proposals

Three Versions of Education Mandates Proposal			
	Version 1 (January)	Version 2 (February)	Version 3 (May)
Number of K-14 mandates targeted for elimination	31	31	32 ^a
Number of K-14 mandates included in block grant	23	26 ^b	28 ^c
Block grant activities still mandated?	No	Yes	Yes
Claims process still allowed?	No	Yes	No
Block grant (in millions)			
K-12 block grant amount:	\$178	\$178	\$167
CCC block grant amount:	22	22	33
Totals	\$200	\$200	\$200
Per-student block grant rate (in dollars)			
K-12 districts:	\$30	\$30	\$28
Charter Schools:	30	26	28
County Offices of Education:	30	89	28
CCCs:	20	20	28
Compliance audits for block grant activities?	Yes	Yes	Yes
^a Includes one newly identified CCC mandate. ^b Includes three CCC mandates that the earlier version (January) would have retained as mandates. ^c Includes two newly identified CCC mandates.			

May Revision Changes

- Unlike earlier proposals, the May Revision (1) retains some activities as formal mandates but eliminates the formal mandate reimbursement process and (2) provides a uniform per-student block grant rate for all local educational agencies (LEAs).
- The May Revision also (1) immediately eliminates six of the costliest K-12 mandates and (2) addresses three newly identified mandates for community colleges.



Governor's Proposed Treatment of K-14 Mandates

May Revision Proposal	
Mandates Eliminated	
<p>Active</p> <ul style="list-style-type: none"> Absentee Ballots^a Agency Fee Arrangements^a Mandate Reimbursement Process^a Threats Against Peace Officers^a Health Fees/Services^b Reporting Improper Governmental Activities^b Caregiver Affidavits Financial and Compliance Audits Habitual Truants Law Enforcement Agency Notifications 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 	<p>Suspended</p> <ul style="list-style-type: none"> Grand Jury Proceedings^a Health Benefits for Survivors of Peace Officers and Firefighters^a Law Enforcement Sexual Harassment Training^a Integrated Waste Management^b Law Enforcement Jurisdiction Agreements^b Sexual Assault Response Procedures^b Student Records^b County Treasury Withdrawals Physical Education Reports Pupil Residency Verification Removal of Chemicals School Bus Safety I and II Scoliosis Screening <p>Pending Cost Estimate/Under Litigation</p> <ul style="list-style-type: none"> Behavioral Intervention Plans Graduation Requirements <p>CCC Mandates Identified at May Revision</p> <ul style="list-style-type: none"> Discrimination Complaint Procedures
Mandates in Block Grant	
<ul style="list-style-type: none"> California State Teachers Retirement System Services Credit^a Collective Bargaining^a Open Meetings/Brown Act^a Prevailing Wage^a Cal Grant Grade Point Average^b Enrollment Fee Collection and Waivers^b Sex Offenders: Disclosure Requirements^b Tuition Fee Waivers (Exemption From Nonresident Tuition)^b AIDS Instruction and AIDS Prevention Instruction Annual Parent Notification California High School Exit Exam Charter Schools I, II, and III Comprehensive School Safety Plans County Office of Education Fiscal Accountability Reporting Criminal Background Checks I and II 	<ul style="list-style-type: none"> Differential Pay and Reemployment Immunization Records I and II Intradistrict Attendance Juvenile Court Notices II 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 <p>CCC Mandates Identified at May Revision</p> <ul style="list-style-type: none"> Community College Construction Minimum Conditions for State Aid
<p>^a Applies to both school districts and community colleges.</p> <p>^b Applies only to community colleges. Unless otherwise indicated, remaining mandates apply only to school districts.</p>	



Governor's Approach Continues to Have Notable Benefits

- Most mandates proposed for elimination do not serve a compelling, statewide purpose, such as ensuring accountability or protecting public health and safety.
- LEAs would have incentives to perform activities more efficiently under a block grant approach.
- LEAs would receive block grant funding in the same fiscal year in which they perform the activities. (Currently, LEAs must wait at least two years for reimbursements.)
- The state likely would have more information on compliance than under the current mandate reimbursement process.



May Revision Proposal Has a Few Notable Shortcomings

- Proposal retains activities as formal mandates but eliminates the formal reimbursement process. This approach significantly raises the risk of litigation.
- Proposal provides a uniform rate of \$28 per students for all LEAs even though claims data suggests that the cost of required activities could differ by agency type and size.
- Proposal still does not address certain details, such as how block grant funding would be adjusted moving forward.



LAO Recommendations



Adopt List of Mandates Proposed for Elimination

- Activities proposed for elimination do not serve core state functions or districts already have a strong incentive to perform anyway.
- For community colleges, consider also eliminating (1) Enrollment Fee Collection and Waivers, (2) Community College Construction, and (3) Minimum Conditions for State Aid.
- Further review needed for California Community Colleges' Discrimination Complaint Procedures mandate.



Make Participation in Block Grant Discretionary (as in January Proposal)

- Suspend all mandates included in the block grant; activities would be required as a condition of receiving block-grant funding. In contrast to the Governor's May Revision proposal, such an approach would have minimal legal risk.
- K-12 claims data suggests between 75 percent and 95 percent of LEAs likely would participate in the block grant. For example, Los Angeles Unified School District would receive six times as much funding through the block grant to perform the activities than it currently receives through mandate claiming.



LAO Recommendations

(Continued)

- ☑ **Modify Per-Student Rate to Encourage More LEAs to Participate in Block Grant**
 - K-12 claims data suggests that the LEAs most likely not to participate in the block grant are very small. Setting a minimum grant amount could encourage these LEAs to participate.
 - Claims data also indicates that community college and county offices of education face different costs than districts. Consider different rates for these LEAs.