

ACTIONS**ASSEMBLY BUDGET SUBCOMMITTEE NO. 2
ON EDUCATION FINANCE**

Assembly Member Susan A. Bonilla, Chair

TUESDAY, MAY 24, 2011

9:00 AM - STATE CAPITOL ROOM 4202

ITEMS FOR VOTE ONLY		
ITEM	DESCRIPTION	
6110	DEPARTMENT OF EDUCATION	2
ISSUE 1	MAY REVISION CARRYOVER OF FEDERAL FUNDING	2
ISSUE 2	CAPITAL OUTLAY	3
ISSUE 3	CHILD NUTRITION APRIL AND MAY LETTERS	4
ISSUE 4	ADULT EDUCATION APRIL LETTER	6
ISSUE 5	FEDERAL SPECIAL EDUCATION FUNDS	7
ISSUE 6	CAREER TECHNICAL EDUCATION	7
ISSUE 7	MAY FEDERAL FUND ADJUSTMENTS	8
ISSUE 8	MAY REVISION TECHNICAL UPDATES	9

ITEMS TO BE HEARD		
ITEM	DESCRIPTION	
6110	DEPARTMENT OF EDUCATION	10
ISSUE 1	PROPOSITION 98 OVERVIEW	10
ISSUE 2	CALPADS AND CALTIDES	11
ISSUE 3	FEDERAL CHILD NUTRITION PROGRAMS	14
ISSUE 4	CHARTER SCHOOLS	15
ISSUE 5	CLEAN TECHNOLOGY PARTNERSHIP ACADEMIES	17
ISSUE 6	MANDATES	18

ITEMS FOR VOTE ONLY

ITEM 6110 DEPARTMENT OF EDUCATION

VOTE-ONLY ISSUE 1: MAY REVISION CARRYOVER OF FEDERAL FUNDING

The Department of Finance has requested the following appropriations of one time carryover funding in a May Revision fiscal letter:

One-time Carryover for the Striving Readers Comprehensive Literacy Program

(Issue 570)—It is requested that Item 6110-001-0890 be increased by \$500,000

Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds for the Striving Readers Comprehensive Literacy Program.

The Striving Readers Comprehensive Literacy Program provides support to the State Literacy Team in developing California's State Literacy Plan and applying for a federal implementation grant. Due to the compressed timeline for developing the plan and submitting the application to the United States Department of Education, the entire grant amount of approximately \$841,000 will not be expended in the current year. The SDE anticipates using the \$500,000 to implement the grant award in fiscal year 2011-12.

Action: Adopt May Revision Letter, Vote 3-2 (No Berryhill, Nestande)

One-Time Carryover Authority for School Violence and Substance Abuse

Prevention (Issue 752)—It is requested that Item 6110-001-0890 be increased by

\$100,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds from the Building State Capacity for Preventing Youth Substance Use and Violence Prevention grant, a "bridge" grant received in 2010 after the Title IV Safe and Drug-Free Schools (SADFS) Program ended. These funds will be used to close-out the SADFS Program and to sustain other substance abuse and violence prevention services.

Action: Adopt May Revision Letter, Vote 5-0

One-time Carryover for County Court Schools Special Education Technical

Assistance (Issue 808)—It is requested that Item 6110-001-0890 be increased by

\$201,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds for technical assistance for county court schools on special education issues. In 2008-09, \$1,250,000 in one-time federal special education carryover funding was provided over three fiscal years to contract for special education instructional training and technical assistance for county court schools. This request would allow an additional year, until June 30, 2012, for the completion of the project and expenditure of the remaining funds.

Action: Adopt May Revision Letter, Vote 5-0

VOTE-ONLY ISSUE 2: CAPITAL OUTLAY

The Department of Finance requests a reappropriation for four projects at the California School for the Deaf, Riverside until June 15, 2015. These four projects were first funded in 2005, but were delayed as a result of a freeze of disbursements by the Pooled Money Investment Board in 2008 due to the State's cash crisis.

DOF TECHNICAL CHANGE

The Department of Finance has requested that the proposal be updated to reflect the need to reappropriate working drawing funding in addition to the funding requested in the May Revision as noted below:

- **\$23,974,000** for the New Gymnasium and Pool Center Project – Working Drawings, Construction and Equipment.
- **\$19,449,000** for the Career and Technical Education Complex and Service Yard Project – Working Drawings, Construction and Equipment.
- **\$13,087,000** for the Kitchen and Dining Hall Renovation Project – Working Drawings, Construction and Equipment.
- **\$9,757,000** for the Academic Support Core, Bus Loop and Renovation Project – Working Drawings, Construction and Equipment.

STAFF COMMENT

These projects have previously been approved; this request is allow them to continue because of the impact of the cash crisis on capital projects. Other capital projects overseen by other departments have experience similar project delays for the same reason.

Action: Adopt May Revision Letter, as Amended, Vote 5-0

VOTE-ONLY ISSUE 3: CHILD NUTRITION APRIL AND MAY LETTERS

The Department of Finance has issued several fiscal letters regarding child nutrition funding. These proposals are:

Support for Child Nutrition Reauthorization Workload (Issue 722)—It is requested that Item 6110-001-0890 be increased by \$200,000 Federal Trust Fund and that Item 6110-001-0001 be amended to support 2.0 existing positions on a limited-term

basis through June 30, 2013, and associated travel and technical assistance costs for the purpose of assisting School Food Authorities with implementation of new requirements contained in the federal Healthy, Hunger-Free Kids Act of 2010.

Child Nutrition Compliance Monitoring Workload (Issue 751)—It is requested that Item 6110-001-0890 be increased by \$500,000 Federal Trust Fund and that Item 6110-001-0001 be amended to support an increase in the frequency of required compliance reviews of federal child nutrition programs. This funding is available through the child nutrition State Administrative Expense (SAE) Fund and reflects estimated half-year costs associated with staff needed to support the anticipated workload increase.

The federal Healthy, Hunger-Free Kids Act passed by Congress in December 2010 requires each National School Lunch Program and School Breakfast Program to be reviewed once every three years. Previously, only lunch programs were reviewed once every five years. The United States Department of Agriculture (USDA) is expected to release a final rule this winter, including an implementation timeline and, possibly, revisions that will streamline the compliance review process. Therefore, it is proposed that the use of this funding be contingent on additional justification from the SDE, based upon the final rule issued by the USDA.

One-Time Carryover Authority for Child Nutrition SAE Funding (Issue 753)—It is requested that Item 6110-001-0890 be increased by \$2.0 million Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds from the child nutrition SAE Fund. These funds will be used for one-time projects that will support the efficiency and quality of child nutrition program administration, including the development of a Fresh Fruit and Vegetable Program payment module within the Child Nutrition Information and Payment System and revising the SDE's nutrition education curriculum to align with new standards and requirements contained in the federal Healthy, Hunger-Free Kids Act passed by Congress in December 2010.

Item 6110-201-0890, Local Assistance, Federal Child Nutrition Programs (Issue 755)—It is requested that Schedule (2) of this item be increased by \$2.0 million Federal Trust Fund due to the anticipated increase in meals served through the Summer Food Service Program. Sponsors of this federal entitlement program include public or private nonprofit schools; local, municipal, county or tribal governments; residential camps; and private nonprofit organizations.

Action: Adopt May and April Revision Letters, Vote 5-0

VOTE-ONLY ISSUE 4: ADULT EDUCATION APRIL LETTER

The Department of Finance requested the appropriation of federal funds for Adult Education. This request includes a change to the budget bill provision regarding this item.

Item 6110-156-0890, Local Assistance, Adult Education Program (Issues 482 and 483)—It is requested that Provision 1 of this item be amended to delete the reference to the 25 percent advance payment process and to clarify that Reimbursements would be provided on a quarterly basis. The SDE transitioned to a reimbursement-only funding process for the federal Adult Education Program.

The budget bill language would be changed in the following manner:

~~“1. Under any grant awarded by the The State Department of Education shall reimburse claims from under this item to a qualifying community-based organizations to provide that provide adult basic education under this item in English as a Second Language and English as a Second Language Citizenship classes, the department shall make an initial payment to the organization of 25 percent of the amount of the grant. In order to qualify for an advance payment, a community-based organization shall submit an expenditure plan and shall guarantee that appropriate standards of educational quality and fiscal accountability are maintained. In addition, reimbursement of claims shall be distributed on a quarterly basis. The department shall withhold 10 percent of the final payment of a grant as described in this provision until all claims for that community-based organization have been submitted for final payment.”~~

STAFF COMMENT

The Department of Education has recommended technical changes to the proposed provisional language to delete the last line in the provisional language. Now that funds provided by these funds are issued on a reimbursement basis only, there is no need for a 10 percent withholding of payments stated in the language. The Department of Finances agreed to this change.

Action: Adopt April Letter with a technical change to Provisional Language noted in comments Vote 5-0

VOTE-ONLY ISSUE 5: FEDERAL SPECIAL EDUCATION FUNDS

The Department of Finance has requested to reflect changes to federal special education funding in an April Fiscal Letter:

Item 6110-161-0890, Local Assistance, Special Education (Issues 681 and 682)—It is requested that this item be decreased by \$23,747,000 federal special education funds. This adjustment includes a decrease of \$24,267,000 in Schedule (1) to align it with the anticipated federal IDEA, Part B grant award for 2011-12 and an increase in Schedule (6) to reflect the availability of \$520,000 in one-time federal State Improvement Grant carryover funds. These carryover funds will be distributed to LEAs for innovative professional development ideas.

Action: Adopt May Revision Letter Vote 5-0

VOTE-ONLY ISSUE 6: CAREER TECHNICAL EDUCATION

The Department of Finance has requested to carryover career technical funding in an April Fiscal Letter:

Item 6110-170-0001, Local Assistance, Add Carryover for the Career Technical Education Program (Issue 485)—It is requested that this item be increased by \$3,486,000 to reflect one-time reimbursement carryover for the Career Technical Education Program, which would allow the completion of four projects that could not be completed in the current year due to contract delays.

Action: Adopt April Fiscal Letter Vote 5-0

VOTE-ONLY ISSUE 7: MAY FEDERAL FUND ADJUSTMENTS

The Department of Finance has several May Revision fiscal letters that reflect changes in expected federal funds. These letters are:

Item 6110-136-0890, Local Assistance, Federal Title I Even Start Program (Issue 309)—It is requested that Schedule (2) of this item be decreased by \$7,088,000 federal Title I funds to reflect the elimination of the Even Start Program at the federal level. Although all 2011-12 base funding is eliminated, \$970,000 in prior year carryover funding will remain available for allocation during 2011-12.

Item 6110-166-0890, Local Assistance, Decrease Vocational Education (Issue 503)—It is requested that this item be decreased by \$10.0 million federal Title I funds to reflect a reduction in available Vocational Education funding due to the elimination of the Tech Prep component of the program. The Tech Prep program is an articulated, planned sequence of study in vocational education beginning in high school and extending through at least two years of postsecondary education or an apprenticeship program. Federal budget reductions eliminated funding for the Tech Prep program.

Item 6110-180-0890, Local Assistance, Education Technology (Issue 310)—It is requested that this item be decreased by \$10,983,000 Federal Trust Fund to reflect the elimination of the Enhancing Education Through Technology Program at the federal level. This adjustment includes a decrease of \$5,452,000 to Schedule (1), a decrease of \$5,452,000 to Schedule (2), and a decrease of \$79,000 to Schedule (3). While all 2011-12 base funding is eliminated, one-time prior year carryover funding of \$258,000 in Schedule (1), \$5,000 in Schedule (2), and \$230,000 in Schedule (3) will remain available for allocation in 2011-12.

Item 6110-240-0890, Local Assistance, Advanced Placement Fee Waiver Program (Issue 758)—It is requested that this item be increased by \$2,853,000 Federal Trust Fund to align the appropriation with the federal grant award of \$7,231,000 for the Advanced Placement (AP) Fee Waiver Program, which reimburses school districts for specified costs of AP and International Baccalaureate (IB) test fees paid on behalf of eligible students. The AP and IB programs allow students to pursue college-level course work while still in secondary school.

STAFF COMMENT

CDE and Finance have recently received better data regarding California's allocations for some of these federal funds. The agenda for the May Revision hearing on Friday, May 27th will include a recommendation to adopt these additional technical adjustments.

Action: Adopt Fiscal Letter Vote 5-0

VOTE-ONLY ISSUE 8: MAY REVISION TECHNICAL UPDATES

The Department of Finance requests several technical adjustments to the budget in the May Revision. These adjustments are:

Item 6110-101-0231, Local Assistance, Tobacco-Use Prevention Education Program (Issue 759)—It is requested that this item be increased by \$68,000 Health Education Account funds to reflect increased revenue estimates from the Cigarette and Tobacco Products Surtax Fund (Proposition 99). These funds are used for health education efforts aimed at the prevention and reduction of tobacco use. Activities may include tobacco-specific student instruction, reinforcement activities, special events, and cessation programs for students.

Item 6110-113-0001, Local Assistance, Restore California High School Exit Exam Funding Erroneously Eliminated from the Governor's Budget (Issue 083)—It is requested that Schedule (4) of this item be increased by \$425,000 Proposition 98 General Fund to fully fund the California High School Exit Exam (CAHSEE) contract. During development of the Governor's Budget, the SDE's request for CAHSEE was incorrectly decreased by \$350,000 due to a Department of Finance miscalculation. This requested action will net to an increase of \$350,000 Proposition 98 General Fund after a budget adjustment is made per Control Section 12.42.

Item 6110-161-0001, Local Assistance, Special Education (Issues 642 and 644)—It is requested that this item be decreased by \$6,838,000 Proposition 98 General Fund. This adjustment includes a decrease of \$7,237,000 to reflect offsetting property tax revenues and an increase of \$399,000 to reflect growth in average daily attendance estimates.

Items 6110-492 and 6110-001-3085, Support, Reappropriation, Mental Health Services Act, Proposition 63 (Issue 641)—It is requested that \$111,000 Mental Health Services Fund appropriated in Item 6110-001-3085 of the 2010 Budget Act be reappropriated in 2011-12. These funds will be provided to contract with an outside source to develop an on-line professional development-training program for LEA staff regarding youth suicide issues and prevention, which was delayed in the current year due to contract issues.

Action: Adopt Fiscal Letters Vote 5-0

Items To Be Heard

ITEM 6110 DEPARTMENT OF EDUCATION

ISSUE 1: PROPOSITION 98 OVERVIEW

The Legislative Analyst's Office has prepared a presentation to provide an overview of the impact of the Governor's May Revision on Proposition 98.

The presentation will include a handout that provides the relevant background that would normally be included in the agenda.

The presentation will be handed out at the hearing and is also available on the Legislative Analyst's website at www.lao.ca.gov.

STAFF COMMENT

Possible questions to consider:

How does the May Revision treat K-12 versus other Proposition 98 uses, such as community colleges and child development?

The Proposition 98 guarantee is increased because of higher revenues projected in the budget year and the administration's rebenching of the calculation for the gas tax swap and the AB 3632 shift proposal. To what extent does each factor play in the overall increase?

Why does the May Revision include \$628 million credit to the Maintenance Factor, despite the fact the 2011-12 Revenues are lower than 2010-11?

What is the outlook for 2012-13 given recent projections? Will the budget year increase in revenues continue, improve, or is the increase projected in May more of a one-time event?

No Action

6110 DEPARTMENT OF EDUCATION
6360 COMMISSION ON TEACHER CREDENTIALING**ISSUE 2: CALPADS AND CALTIDES**

The May Revision proposes to eliminate funding for the CALPADS and CALTIDES systems. This action results in a savings to Proposition 98 of \$5.4 million and the loss of federal funds.

BACKGROUND

CALPADS: The California Longitudinal Pupil Achievement Data System (CALPADS) a longitudinal data system that was established in state statute in 2002. CALPADS is intended to maintain individual-level data including student demographics, course data, discipline, assessments, staff assignments, and other data for state and federal reporting. Three of five of the phases of CALPADS implementation have been completed—with local districts and the state already using data from the system as a core part of their reporting and operations.

CALTIDES: In 2006, the Legislature passed legislation to develop the California Longitudinal Teacher Integrated Data Education System (CALTIDES) to facilitate teacher assignment monitoring through automation and enable monitoring of Highly Qualified Teacher requirements under NCLB. Development of CALTIDES will follow successful implementation of CALPADS. The federal government has provided \$6 million to implement CALTIDES.

CSIS: California School Information Services (CSIS) is the agency charged with building the capacity of local education agencies (LEAs) to collect, maintain, and report granular level data to facilitate reporting to CALPADS. Once the CALPADS project is complete, all technical assistance and training to LEAs, system maintenance and system support desk functions will lie with CSIS.

RATIONALE TO ELIMINATE

The Administration proposes to eliminate funding for the CALPADS system because of a concern that testing and data management by schools are uncoordinated, redundant, and distracting focus from the classroom. The Administration wants to “pause” these systems to allow a policy discussion to take place regarding the use of data and testing before moving forward on funding.

STAFF COMMENT

The Administration's proposal references a "pause" in the system to allow a great policy discussion to take place. However, the proposal is more of a "rewind" of the system because it destroys an existing system that district currently use for their administrative needs. This would disrupt several vital functions performed by local districts including:

- 1.3 million children who automatically received federal school lunch eligibility because they were currently receiving food stamps would cease to automatically receive this food. Districts would have to have these families use the paper-based eligibility process for these families.
- Districts would no longer be able to use the CALPADS data to automatically fill out reports needed to claim funding and meet other state and federal reporting requirements. Instead, districts would have to use cumbersome manual processes to complete these reports.
- New students would not have a unique ID number going forward, which would mean that any type of longitudinal data measurements would have to be done ad hoc. This means the State could not get accurate statewide graduation rates or track the number of English language learners.

In addition, CDE reports that the State would likely not be able to recapture the \$7 million pledged to IBM as part of the CALPADS development contract. CDE also believes that potential federal sanctions could be levied, as the State would not be providing functionality pledged to the federal government in return for the funding that was provided for the initial development of the system and in the SFSF ARRA funding.

CDE believes that if the system is completely defunded the Department would have difficulty reassembling the team that is implementing the system.

CDE states that the State could lose the \$6 million of federal funds dedicated for CALTIDES unless funds are expended in 2011-12.

OPTIONS

There are three basic options for the CALPADS/CALTIDES systems

1. Hit the Rewind Button—Adopt May Revision.

Adopting the May Revision proposal will undo the entire CALPADS system, including existing functionality. As stated above, this would be disruptive for both the State and local districts, but it would allow times for a debate of the need for testing and data tracking.

2. Hit the Pause Button—Keep Existing Functionality for CALPADS, but Do Not Expand System Further or Begin CALTIDES.

If the goal is to have a discussion on data and testing in the short term, then a pause could be adopted to allow time for this discussion, but without the destructive impacts of eliminating a system that so many districts already rely upon for their operations.

CDE believes this option may not result in any savings as it would be difficult to recapture the \$7 million remaining in the IBM contract. In addition, as noted before, a lack of performance on CALTIDES could result in the loss of federal funds.

3. Hit the Play Button—Fund CALPADS and CALTIDES.

CDE's preferred option is to continue to fund both systems. This results in the least disruption path forward for both systems, but doesn't address the Administration's concerns about testing and data processing. However, the Subcommittee could commit to language or further hearings to further deliberate these policy issues without a contingency involving the two computer systems.

CSIS REAPPROPRIATION

The May Revision includes a reappropriation of \$5.2 million Proposition 98 funds to support the California School Information Services (CSIS) activities. The Administration's rationale is that these funds will allow CSIS to provide technical support to local districts with meeting federal and state student data collection and reporting after the potential termination of CALPADS. CDE also supports the reappropriation, as CSIS operations need the funding in the event CALPADS is maintained.

Action: Adopt CSIS Reappropriation May Fiscal Letter, Vote 5-0

ISSUE 3: FEDERAL CHILD NUTRITION PROGRAMS

The Department of Education requested \$4.8 million in growth funding for the state portion of child nutrition funding. This request was denied by the Department of Finance (DOF). DOF cited the State's budget situation as the rationale for denying the request.

In less dire fiscal times, the budget usually provides Growth and COLA adjustments to education allocations. The 2011-12 budget does not include COLA funding and only a few programs received growth adjustments. The state portion of child nutrition did not receive this adjustment.

STAFF COMMENT

This is one of three requests made by the Department of Education in May that were not approved by the Department of Finance.

No Action

ISSUE 4: CHARTER SCHOOLS

The DOF has issued both May and April letters regarding charter schools. There are three issues for discussion regarding charter schools related to funding for new schools, the Brokers of Expertise website, and CDE's unmet request for new positions.

FUNDING FOR NEW CHARTERS

The May Revision provides \$8 million categorical funding for new charter schools. This funding provides new charter schools with a supplemental grant of \$127 per pupil in lieu of categorical funding that charter schools were eligible for prior to categorical flexibility and in addition to what is included in the charter categorical block grant. The Administration's rationale is that these charter schools did not exist prior to categorical flexibility; they have no access to funding for these programs under current law. This supplemental fund source ensures that funding for new charter schools is commensurate with that of charter schools that existed prior to 2008-09. The May Revision also includes trailer bill language that would require districts to provide similar funding for conversion charter school.

The May Revision also provides \$19.5 million Proposition 98 for attendance increases to pay for the Charter Categorical Block Grant, funded in Schedule (1), and Charter Economic Impact Aid, funded in Schedule (2), provides charter schools with categorical funding in lieu of separate funding for specific categorical programs and funding for disadvantaged students, respectively.

BROKERS OF EXPERTISE

The Department of Finances issued the following two fiscal letters concerning the use of federal funds for charter school technical assistance, including funding a best-practices website called "Brokers of Expertise".

April Public Charter Schools Grant Program (Issue 801)—It is requested that Item 6110-001-0890 be increased by \$1,225,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect an increase in the federal grant award. The Public Charter Schools Grant Program (PCSGP) provides planning and implementation grants to new charter schools. Up to 15 percent of PCSGP funds may be used for state-level activities including contracting for an independent evaluation of the program, providing technical assistance to sub-grantees, and awarding best practices dissemination sub-grants.

One-Time Carryover for the Federal Public Charter School Grant Program (Issue 809)—It is requested that Item 6110-001-0890 be increased by \$530,000 Federal Trust Fund and that Item 6110-001-0001 be amended to reflect the availability of one-time carryover funds for the Public Charter School Grant Program. Of this amount, \$150,000 would be provided for an independent evaluation of the program, and \$380,000 would be for charter school best practices dissemination through the Brokers of Expertise website. This carryover is the result of a late grant award notification and subsequent delays in the contracting process.

CDE POSITION REQUEST

CDE requested, and was denied, \$734,000 General Fund for three positions in 2011-12 to staff the state charter school office. CDE comments that its staff of 23 is insufficient to support the needs of this rapidly growing program. Most of these positions are federal funded, but the state-only workload has increased and cannot be supported with federal positions. CDE was authorized to use three unfunded positions in past years for this purpose, but was unable to identify funding to support them. As a result, the Department recently lost the authority for these three positions in the March budget.

STAFF COMMENT

The Subcommittee has heard this issue in prior years. The concern is that "new" and growing charter schools receive categorical funding for their growth while traditional schools receive no such increase. The DOF and LAO both note that traditional schools have also been held harmless in categorical funding for decreases in enrollment, while charters have not.

Staff requested LAO calculate an alternative mechanism that would fund growth for both charter and non-charter schools, but would hold both harmless as a possible alternative. The estimated costs of such an approach was not available when this agenda was written, but should be ready by the time the hearing occurs.

Action: Adopt Public Charter School Grant Letters (Issues 801 and 809 Brokers of Expertise)

ISSUE 5: CLEAN TECHNOLOGY PARTNERSHIP ACADEMIES

In the May Revision, the DOF has requested \$3.2 million to support the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Program established pursuant to SB 1 X1, (Steinberg), Chapter 2, Statutes of 2011. The new program creates school-business partnerships that provide occupational training for at-risk high school students. The training focuses on job skills in clean technology such as energy conservation, renewable energy, and pollution reduction.

This funding would be in addition to \$8 million of Renewable Resources Trust Fund (RRTF) provided for in the bill.

STAFF COMMENT

SB1 X1 did not include an urgency clause, and as such, will not be in effect until 90 days after the 1x Special Session is adjourned, per Article 4 Section 8 of the Constitution. After it is effective, the Energy Commission will have 60 days to create guidelines for the program. Therefore, given this timeline this program will only be implemented for a portion of the 2011-12 fiscal year and is unlikely to need an appropriation beyond the \$8 million of Renewable Resource Trust Funds already allocated to this purpose.

Action: Reject proposed May Revision Letter, Vote 5-0

ISSUE 6: MANDATES

The Governor's May Revision proposes to save \$32.3 million Prop 98 General Fund by first suspending and then eliminating 15 existing mandates. This proposal adopts one of the scenarios explored by the K-14 Mandate working group, which was created in the 2010 Education Trailer Bill.

The specific mandates are as follows:

(2) 98.01.009-894-Caregiver Affidavits (Ch. 98, Stats. 1994) (CSM 4497)

(4) 98.01.049.802-Notification of Truancy (Ch. 498, Stats. 1983) (CSM 4133)

(5) 98.01.049.803-Pupil Suspensions, Expulsions, Expulsion Appeals (Ch. 498, Stats. 1983, et al) (CSM 4455, 4456, and 4463)

(10) Physical Performance Tests (Ch. 975, Stats. 1995) (96-365-01)

(12) 98.01.110.784-Removal of Chemicals (Ch. 1107, Stats. 1984) (CSM 4211, 4298)

(13) 98.01.111.789-Consolidation of Law Enforcement Agency Notifications (LEAN) and Missing Children Reports (MCR) (Ch. 1117, Stats. 1989) (CSM 4505, 4505-2)

(15) 98.01.118.475-Habitual Truants (Ch. 1184, Stats. 1975) (CSM 4487, 4487-A)

(16) 98.01.130.689-Consolidation of Notification to Teachers: Pupils Subject to Suspension or Expulsion I and II, and Pupil Discipline Records (Ch. 1306, Stats. 1989) (CSM 4452)

(17) 98.01.134.780-Scoliosis Screening (Ch. 1347, Stats. 1980) (CSM 4195)

(18) 98.01.030.995-Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995) (96-384-

01)

(20) 98.01.083.194-School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994;

Ch. 739, Stats. 1997) (97-TC-22)

(22) 98.01.361.977-Financial and Compliance Audits (Ch. 36, Stats. 1977) (CSM 4498, 4498-A)

(23) 98.01.064.097-Physical Education Reports (Ch. 640, Stats. 1997) (98-TC-08)

(24) 98.01.112.096-Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)

(27) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)

(28) 98.01.078.495-County Treasury Withdrawals (Ch. 784, Stats. 1985) (96-365-03)

(33) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)

(38) 98.01.089.300-Agency Fee Arrangements (Ch. 893, Stats. 2000; Ch. 805, Stats. 2001) (00-TC-17 and 01-TC-14)

(39) 98.01.498.083-The Stull Act (Ch. 498, Stats. 1983; Ch. 4, Stats. 1999) (98-TC-25)

(45) 98.01.124.978-Prevailing Wage (Ch. 1249, Stats. 1978) (01-TC-28)"

MANDATES WORKING GROUP

As noted in the May 10, agenda for this Subcommittee, the Mandates working group met throughout 2010-11 to discuss possible consensus on the elimination of mandates. The group did not reach consensus on an approach, with the Assembly staff participants favoring a policy process to resolve the mandate issues.

Three bills, AB 202 (Brownley), SB 64 (Liu), and SB 887 (Emmerson) are currently moving through the policy process to address mandate reform issues.

STAFF COMMENT

While the concept of reviewing and eliminating obsolete mandates is appealing, the compressed timeframe of the May Revision process makes it impossible to thoroughly vet the proposal. Therefore, staff recommends that the Subcommittee refer this proposal to the policy committee.

Action: Refer Issue to Policy Committee Process; Do not adopt May Revision Letter, Vote 4-1 (No: Nstande)
