

ITEM 8
LEGISLATIVE UPDATE
2016 LEGISLATION

Commission staff continues to monitor for legislation that affects the mandates process or impacts mandate funding:

The Education Omnibus Trailer Bill

The Education Omnibus Trailer Bill would affect the mandates process. Specifically, this bill would make changes to the reasonable reimbursement methodology process. This bill proposes to add a new subdivision (e) to Section 17518.5 of the Government Code which specifies as follows:

A reasonable reimbursement methodology that is based on, in whole or in part, costs that have been included in claims submitted to the Controller for reimbursement shall only use costs that have been audited by the Controller.

Current subdivision (e) is proposed to be renumbered as a new subdivision (f).

AB 2851 – State Mandates

AB 2851 was introduced by Assembly member Maienschein on February 19, 2016. This bill proposes a technical, nonsubstantive change to Government Code section 17560(b).

AB 2851 is a spot bill that could be amended in the future to propose substantive changes to Government Code section 17560, which currently addresses reimbursement claims, or to make other changes to the mandates process.

AB 575 - Teachers: best practices teacher evaluation system.

AB 575 would not impact the mandates process but it does include language to amend Government Code 17581.6(e), the education mandates block grant.

Introduced by Assembly member O'Donnell on February 24, 2015, AB 575 proposes adding sections to the Education Code, relating to teacher evaluation. The bill proposes, as of July 1, 2018, to add the best practices teacher evaluation system to the state-mandated local programs supported by the block grant funding. Thus, if enacted, this bill would create a legislatively determined mandate, funded through the education block grant. Specifically, it would add the following subsection to the list of programs currently found under Government Code section 17581.6(e):

(44) The best practices teacher evaluation system described in Sections 44661 and 44662 of the Education Code.

On June 18, 2015, this bill was referred to the Senate Committee on Education.

State Mandated Program Cost Report of Unpaid Claims and Deficiency Pursuant to Government Code Section 17562(b)(2)

On May 3, 2016, the Commission received the State Controller's Office (Controller) annual deficiency report which states that the amount appropriated for reimbursement of state-mandated programs is insufficient to fully pay the claims filed with the Controller. In summary, the total amount owed to local agencies, school districts, and community college districts decreased from \$7.7 billion to \$6.5 billion as compared to last year's report. The \$6.5 billion liability does not yet reflect \$3.4 billion in estimated offsets for school districts and community college districts as enumerated in Statutes 2015, chapters 10 (AB 93) and 13 (AB 104). After applying the estimated offsets, the state's liability will be reduced to \$3.1 billion.

Governor's May Revise

At the time of this report, the Governor had yet to issue the May revision to the budget. Commission staff will provide any additional information at the hearing.