

ITEM 11
LEGISLATIVE UPDATE
2016 LEGISLATION

Budget Act of 2016, SB 826

On June 27, 2016, the Governor adopted the 2016-2017 Budget Act which makes the following changes from last year's budget to reimbursement of state-mandated programs:

K-12 School Districts

A one-time \$1.28 billion increase in Proposition 98 funds to reimburse school districts for state-mandated programs. According to the Legislative Analyst's Office, the funds would be distributed based on student attendance, with the rate increasing to \$236 per student (up from the January estimate of \$214 per student). The May Revision makes no other changes to the mandate backlog payment. If an LEA has outstanding mandate claims, the funding would be scored against those claims.¹

Community College Districts

A one-time \$105.5 million increase in Proposition 98 funds to reimburse community college districts for state-mandated programs.

The Budget Act also newly adds the following to the list of suspended mandates:

- *Sex Offenders: Disclosure Requirement* (97-TC-15)
- *Absentee Ballots* (02-PGA-02)
- *Open Meetings/Brown Act Reform* (CSM 4257)
- *Mandate Reimbursement Process I and II* (CSM-4202, CSM-4485, and 05-TC-05)

Local Government

The Budget Act also newly adds the following to the list of funded mandates:

- *Post Election Manual Tally* (10-TC-08)

2016-2017 Budget Trailer Bills

AB 1608 – State Government

This State Government trailer bill makes various changes to General Government and Local Government provisions of the code. With regard to mandates, this bill requires that, until July 1, 2019, reasonable reimbursement methodologies (RRMs), based in whole or in part on costs included in reimbursement claims submitted to the State Controller, only use costs that have been audited by the State Controller. This bill further requires the State Controller, in coordination with the Commission and Department of Finance, to prepare a report on the implementation of the new

¹ <http://www.lao.ca.gov/reports/2016/3458/prop98-may-051616.pdf>

RRM process and specifies that the appropriate policy committees of the Legislature will hold hearings on the report.

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

AB 2851 – State Mandates

AB 2851 was introduced by Assembly member Maienschein on February 19, 2016. This bill proposed a technical, nonsubstantive change to Government Code section 17560(b) and was a spot bill. This bill did not make it out of its house of origin prior to the deadline, and it is now dead.

AB 575 - Teachers: best practices teacher evaluation system.

On June 20, 2016, this bill was gutted and amended and no longer affects the mandates process.