

ITEM 7
PROPOSED STATEWIDE COST ESTIMATE
\$82,927

(Estimated Cost for Fiscal Year 2015-2016 is \$21.75 Million)

Education Code Section 44691(b) and (c); and Penal Code Section 11165.7(d)

As Added or Amended by:
Statutes 2014, Chapter 797 (AB 1432)

Training for School Employee Mandated Reporters

14-TC-02

STAFF ANALYSIS

Background and Summary of the Mandate

This mandated program imposes new child abuse and neglect training requirements on school districts (K-12 school districts and county offices of education) for employees and persons working on their behalf who are identified as mandated reporters.

On December 3, 2015, the Commission on State Mandates (Commission) adopted the Test Claim Decision¹ finding that Education Code section 44691(b) and (c), and Penal Code section 11165.7(d), as added and amended by Statutes 2014, chapter 797, impose a reimbursable state-mandated program upon school districts (K-12 school districts and county offices of education), within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

The Parameters and Guidelines were adopted on January 22, 2016.²

Eligible claimants were required to file initial reimbursement claims for costs incurred for January 1, 2015 through June 30, 2015 with the State Controller's Office (Controller) by August 24, 2016. Late initial reimbursement claims may be filed until August 24, 2017. Claims for fiscal year 2015-2016 must be filed with the Controller by February 15, 2017. Claims filed more than one year after the filing deadline will not be accepted.

Eligible Claimants and Period of Reimbursement

Any "school district" as defined in Government Code section 17519, except for community colleges, which incurs increased costs as a result of this mandate is eligible to claim reimbursement.

¹ Exhibit A, Test Claim Decision.

² Exhibit B, Decision and Parameters and Guidelines.

Government Code section 17557(e) states that "... A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year." The claimant filed the test claim on June 1, 2015, following fiscal year 2013-2014 to establish the reimbursement period beginning July 1, 2013. However, the operative date of the test claim statute was January 1, 2015, thus, establishing the reimbursement period beginning January 1, 2015.

Reimbursable Activities

The Parameters and Guidelines authorize reimbursement of each eligible claimant for the following activities, beginning January 1, 2015:

1. Provide annually, within the first six weeks of each school year, and within the first six weeks of employment for school personnel hired during the course of the school year, training in the detection of child abuse and neglect, the proper action that school personnel should take in suspected cases of child abuse and neglect, and information that failure to report is a misdemeanor punishable by up to six months in jail and/or up to a fine of one thousand dollars to the following persons:
 - a) Certificated and classified employees of the school district who are mandated reporters identified in the Penal Code, *except* those working for a school district police or security department; and
 - b) Those persons who are mandated reporters identified in the Penal Code who are working on a school district's behalf to carry out the school district's core mandatory function to educate students.

The training may be provided by either using the online training module developed by CDSS or an alternative training program that complies with the test claim statute. The costs to develop child abuse and neglect training are not mandated by the state. (Ed. Code § 44691(b)(1) and (c); Pen. Code § 11165.7(d).)

2. Develop a process for all persons required to receive training to provide proof of completing the training within the first six weeks of each school year or within the first six weeks of that person's employment. The process developed may include, but not necessarily be limited to, the use of a sign-in sheet or the submission of a certificate of completion to the applicable governing board or body of the school district. (Ed. Code § 44691(b)(2).)
3. If the online training provided by CDSS is not used, report to the CDE the training being used in its place. (Ed. Code § 44691(c).)

All other provisions in Education Code section 44691 and Penal Code 11165.7, as added or amended by the 2014 test claim statute, do not impose a reimbursable state-mandated program.

Offsetting Revenues and Reimbursements

The Parameters and Guidelines provide the following:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate

from any source, including but not limited to, service fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

To the extent that the claimant has used fees or any funds provided by the state or federal government, as opposed to proceeds of local taxes, to pay for the cost of the program, those costs are not reimbursable.

Statewide Cost Estimate

Assumptions

Staff reviewed the reimbursement claims submitted by 19 school districts and data compiled by the Controller.³ The unaudited reimbursement claims total \$82,927 for January 1, 2015 through June 30, 2015. Based on the claims data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

- *The annual amount claimed for reimbursement may increase and exceed this Statewide Cost Estimate.*

There are currently 1050 school districts in California. Of those, only 19 school districts filed reimbursement claims, totaling \$82,927 for the initial reimbursement period of January 1, 2015 through June 30, 2015. If other eligible claimants file late or amended claims, the amount of reimbursement claims may exceed the Statewide Cost Estimate. Late initial claims for January 1, 2015 through June 30, 2015 may be filed until August 24, 2017.

There also may be several reasons that non-claiming districts did not file reimbursement claims, including but not limited to: they did not incur costs of more than \$1,000 within the six-month reimbursement period of January 1, 2015 through June 30, 2015.

- *The future annual costs for this program will depend on the time an employee takes to complete the required training.*

The future annual costs of this program have a direct correlation with the time to complete the required training. This assumption is based on the actual claims, which calculate training costs by multiplying the employee's salary by the time to complete the training. The average training time claimed for fiscal year 2014-2015 is 60 minutes. However, the self-paced *Child Abuse Mandated Reporter Training*, School Personnel Training module, offered online by the California Department of Social Services (CDSS)⁴ could take 90-180 minutes.⁵ If a school district provides an alternative training program that complies with the test claim statute and requires more time to complete, then the future annual costs of the program would be higher. If the district's training program takes less time, future annual costs per employee, would be lower.

³ Claims data reported as of August 31, 2016.

⁴ The test claim statute authorizes school districts to use the CDSS's online training module. See Parameters and Guidelines, page 3.

⁵ Exhibit D, See Website on Child Abuse Mandated Reporter Training California provided by CDSS: <http://mandatedreporterca.com/training/training.htm>, as accessed on October 4, 2016.

- *The future annual costs will increase or decrease proportionately with the growth or reduction in the number of personnel, employed with or working on behalf of a school district, who are identified as mandated reporters.*

The growth or reduction in the number of school district personnel will increase or decrease the future annual costs of the program based on the requirement for school districts to provide annual training to all personnel, employed with or working on behalf of a school district, who are identified as mandated reporters.

- *The total amount of reimbursement for this program may be lower than the Statewide Cost Estimate based on the Controller's audit findings.*

The Controller may conduct audits and reduce any claim it deems to be excessive or unreasonable. Therefore, costs may be lower than the Statewide Cost Estimate based on the Controller's audit findings.

- *The future annual costs of this program may vary depending on whether this program is added to the K-12 Mandate Block Grant program, and the level of school district participation in the K-12 Mandate Block Grant program.*

If this mandated program is added to the K-12 Mandate Block Grant **and** a school district voluntarily participates in the block grant program, then costs cannot be claimed through the state's reimbursement process. A school district or county office of education that receives block grant funding is not eligible to submit claims to the Controller for reimbursement pursuant to Government Code section 17560 for any costs of any state mandates included in the statutes and executive orders identified in Government Code section 17581.6(e).⁶ The block grant allows school districts to receive a per pupil allocation to carry out reimbursable mandated activities. In 2013-2014, 84 percent of school districts and 79 percent of county offices of education participated in the block grant.⁷ As a result, the future annual costs of this program may be lower than the Statewide Cost Estimate.

- *At maximum, this mandated program is estimated to cost between \$21.75 million and \$99 million.*

According to the reimbursement claims filed for 2014-2015, the training hours constituted 60 percent of the total program cost, the cost of developing a process to record proof of completing training constituted 25 percent of total costs, the cost of reporting alternative training to CDE was 10 percent of costs claimed, and indirect costs represented 5 percent of costs claimed. Assuming for fiscal year 2015-2016 that every school district in the state trained every one of its employees and submitted a timely reimbursement claim of up to three⁸ training hours per employee, the *maximum* annual

⁶ 17581.6(c)(3).

⁷ Exhibit D, Legislative Analyst's Office *Analysis of Education Mandates*, February 26, 2014, pages 9-10.

⁸ Exhibit D, CDSS' Online Training Instructions estimate between 90-180 minutes for School Personnel Training. See website on Child Abuse Mandated Reporter Training California

cost estimate for fiscal year 2015-2016 could range from \$59 million and \$265 million⁹. However, while such high costs are possible, they are not probable because historically, less than half of eligible school districts have participated in the mandate reimbursement process by submitting reimbursement claims to the Controller.¹⁰ Additionally, it is highly unlikely that school districts will claim as 25 percent of their ongoing costs, the cost of developing a process to record proof of completing training once a process has been established by the district (though this is not limited as a one-time cost). Therefore, the future *maximum* cost of this program is more likely to range between \$21.75 million and \$99 million.

Methodology

The Statewide Cost Estimate for the period of January 1, 2015 through June 30, 2015 is based on the unaudited, reimbursement claims submitted by 19 school districts totaling \$82,927.

Reimbursement Period	Number of Claims Filed	Total Cost
January 1, 2015 through June 30, 2015	19	\$82,927

The Statewide Cost Estimate for fiscal year 2015-2016 was developed by multiplying the total number of school certified and classified employees in California - 589,320 (346,167 certified plus 243,153 classified) as reported by CDE¹¹ by the average hourly salary of school employees - \$55¹², which is then multiplied by the average one training hour for the CDSS online School Personnel module¹³ to equal \$32.4 million in training costs. From the actual claiming data, employee training constitutes 60 percent of the total program cost; developing a process to record proof of completing training is 25 percent; reporting alternative training to CDE is 10 percent; and indirect costs are five percent. Therefore, the total is \$54 million. However, assuming the historical trend that less than half of districts will file reimbursement claims and that it is unlikely that districts will continue to claim as 25 percent of their on-going costs the cost of developing a process to record proof of completing training once a process has been established by the district, the Statewide Cost Estimate for fiscal year 2015-2016 is \$21.75 million.

provided by CDSS: <http://mandatedreporter.ca.com/training/training.htm>, as accessed on October 4, 2016.

⁹ This estimate uses the average school employee salary rate assumed from the claiming data that ranges from \$20-\$90 per hour.

¹⁰ Exhibit D, Legislative Analyst's Office, *Governor's K-12 Mandates Proposal*, February 16, 2012, page 1.

¹¹ Exhibit D, California Department of Education's staffing reports: *Full-Time Equivalent (FTE) of Classified Staff 2015-16*, *State of California with County Information*, and *Certified Staff by Ethnicity for 2014-15*; *State of California, All Certified Staff California*. The 2015-2016 certified staffing data was not available prior to issuing this Statewide Cost Estimate.

¹² The average salary rate is assumed from the claiming data that ranges from \$20-\$90.

¹³ The average time to complete training is assumed from the claiming data.

Fiscal Year 2015-2016	Cost of Employee Training	Cost of Reporting to CDE	Indirect Costs	Annual Total Cost	Historical Trend Total Cost
\$ in millions	\$32.4	\$5.4	\$2.7	\$43.5	\$21.75

Draft Proposed Statewide Cost Estimate

On October 4, 2016, Commission staff issued the Draft Proposed Statewide Cost Estimate.¹⁴ No comments were filed on the Draft Proposed Statewide Cost Estimate

Staff Recommendation

Staff recommends that the Commission adopt this Proposed Statewide Cost Estimate of \$82,927 for the period January 1, 2015 through June 30, 2105 and the estimated cost for fiscal year 2015-2016 of \$21.75 million.

¹⁴ Exhibit C, Draft Proposed Statewide Cost Estimate.