

AMENDED IN SENATE APRIL 26, 2011

AMENDED IN SENATE APRIL 6, 2011

SENATE BILL

No. 64

Introduced by Senator Liu

January 5, 2011

An act to amend Sections 17553, 17554, 17557, 17557.1, 17557.2, and 17574 of, and to add Sections 17553.1 and 17553.2 to, the Government Code, relating to state mandates.

LEGISLATIVE COUNSEL'S DIGEST

SB 64, as amended, Liu. State mandates: school district test claims: procedure.

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law establishes a test claim procedure for local governmental agencies to file claims for reimbursement of these costs with the Commission on State Mandates.

This bill would revise these provisions to require the commission to adopt procedures for receiving test claims from school districts that eliminate specified existing requirements. The bill would require the commission to create a school district test claim advisory committee, with a prescribed membership, for the purpose of consulting with commission staff regarding specified information relating to a school district test claim. The bill would require the commission staff to prepare an analysis of the test claim and a proposed statement of decision for consideration by the commission, as specified. The bill would also require the advisory committee to prepare and submit the parameters

and guidelines for an approved test claim to the commission for approval on behalf of a school district claimant, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17553 of the Government Code is
2 amended to read:
- 3 17553. (a) The commission shall adopt procedures for
4 receiving claims filed by a local agency pursuant to this article
5 and Section 17574 and for providing a hearing on those claims.
6 The procedures shall do all of the following:
- 7 (1) Provide for presentation of evidence by the claimant, the
8 Department of Finance, and any other affected department or
9 agency, and any other interested person.
- 10 (2) Ensure that a statewide cost estimate is adopted within 12
11 months after receipt of a test claim, when a determination is made
12 by the commission that a mandate exists. This deadline may be
13 extended for up to six months upon the request of either the
14 claimant or the commission.
- 15 (3) Permit the hearing of a claim to be postponed at the request
16 of the claimant, without prejudice, until the next scheduled hearing.
- 17 (b) All test claims shall be filed by a local agency on a form
18 prescribed by the commission and shall contain at least the
19 following elements and documents:
- 20 (1) A written narrative that identifies the specific sections of
21 statutes or executive orders and the effective date and register
22 number of regulations alleged to contain a mandate and shall
23 include all of the following:
- 24 (A) A detailed description of the new activities and costs that
25 arise from the mandate.
- 26 (B) A detailed description of existing activities and costs that
27 are modified by the mandate.
- 28 (C) The actual increased costs incurred by the claimant during
29 the fiscal year for which the claim was filed to implement the
30 alleged mandate.
- 31 (D) The actual or estimated annual costs that will be incurred
32 by the claimant to implement the alleged mandate during the fiscal

1 year immediately following the fiscal year for which the claim
2 was filed.

3 (E) A statewide cost estimate of increased costs that all local
4 agencies will incur to implement the alleged mandate during the
5 fiscal year immediately following the fiscal year for which the
6 claim was filed.

7 (F) Identification of all of the following:

8 (i) Dedicated state funds appropriated for this program.

9 (ii) Dedicated federal funds appropriated for this program.

10 (iii) Other nonlocal agency funds dedicated for this program.

11 (iv) The local agency's general purpose funds for this program.

12 (v) Fee authority to offset the costs of this program.

13 (G) Identification of prior mandate determinations made by the
14 Commission on State Mandates or a predecessor agency that may
15 be related to the alleged mandate.

16 (H) Identification of a legislatively determined mandate pursuant
17 to Section 17573 that is on the same statute or executive order.

18 (2) The written narrative shall be supported with declarations
19 under penalty of perjury, based on the declarant's personal
20 knowledge, information, or belief, and signed by persons who are
21 authorized and competent to do so, as follows:

22 (A) Declarations of actual or estimated increased costs that will
23 be incurred by the claimant to implement the alleged mandate.

24 (B) Declarations identifying all local, state, or federal funds, or
25 fee authority that may be used to offset the increased costs that
26 will be incurred by the claimant to implement the alleged mandate,
27 including direct and indirect costs.

28 (C) Declarations describing new activities performed to
29 implement specified provisions of the new statute or executive
30 order alleged to impose a reimbursable state-mandated program.
31 Specific references shall be made to chapters, articles, sections,
32 or page numbers alleged to impose a reimbursable state-mandated
33 program.

34 (D) If applicable, declarations describing the period of
35 reimbursement and payments received for full reimbursement of
36 costs for a legislatively determined mandate pursuant to Section
37 17573, and the authority to file a test claim pursuant to paragraph
38 (1) of subdivision (c) of Section 17574.

39 (3) (A) The written narrative shall be supported with copies of
40 all of the following:

1 (i) The test claim statute that includes the bill number or
2 executive order, alleged to impose or impact a mandate.
3 (ii) Relevant portions of state constitutional provisions, federal
4 statutes, and executive orders that may impact the alleged mandate.
5 (iii) Administrative decisions and court decisions cited in the
6 narrative.
7 (B) State mandate determinations made by the Commission on
8 State Mandates or a predecessor agency and published court
9 decisions on state mandate determinations made by the
10 Commission on State Mandates are exempt from this requirement.
11 (4) A test claim shall be signed at the end of the document,
12 under penalty of perjury by the claimant or its authorized
13 representative, with the declaration that the test claim is true and
14 complete to the best of the declarant’s personal knowledge,
15 information, or belief. The date of signing, the declarant’s title,
16 address, telephone number, facsimile machine telephone number,
17 and electronic mail address shall be included.
18 (c) If a completed test claim is not received by the commission
19 within 30 calendar days from the date that an incomplete test claim
20 was returned by the commission, the original test claim filing date
21 may be disallowed, and a new test claim may be accepted on the
22 same statute or executive order.
23 (d) In addition, the commission shall determine whether an
24 incorrect reduction claim is complete within 10 days after the date
25 that the incorrect reduction claim is filed. If the commission
26 determines that an incorrect reduction claim is not complete, the
27 commission shall notify the local agency that filed the claim stating
28 the reasons that the claim is not complete. The local agency shall
29 have 30 days to complete the claim. The commission shall serve
30 a copy of the complete incorrect reduction claim on the Controller.
31 The Controller shall have no more than 90 days after the date the
32 claim is delivered or mailed to file any rebuttal to an incorrect
33 reduction claim. The failure of the Controller to file a rebuttal to
34 an incorrect reduction claim shall not serve to delay the
35 consideration of the claim by the commission.
36 (e) The term “local agencies” does not include a school district,
37 which shall submit a test claim in the manner prescribed by Section
38 17553.1.
39 SEC. 2. Section 17553.1 is added to the Government Code, to
40 read:

1 17553.1. (a) The commission shall adopt procedures for
2 receiving claims filed by a school district pursuant to this article
3 and Section 17574 and for providing a hearing on those claims.
4 The procedures shall do all of the following:

5 (1) Provide for presentation of evidence by the claimant, the
6 Department of Finance, and any other affected department or
7 agency, and any other interested person.

8 (2) Ensure that a statement of decision, including a statewide
9 cost estimate, is adopted within 12 months after receipt of a test
10 claim, when a determination is made by the commission that a
11 mandate exists.

12 (3) Permit the hearing of a claim to be postponed at the request
13 of the claimant, without prejudice, until the next scheduled hearing.

14 (b) All test claims shall be filed by the school district on a form
15 prescribed by the commission and shall contain at least the
16 following elements and documents:

17 (1) A written narrative that identifies the specific sections of
18 statutes or executive orders and the effective date and register
19 number of regulations alleged to contain a mandate and shall
20 include a detailed description of the new activities and costs that
21 arise from the mandate.

22 (2) The written narrative shall be supported with declarations
23 under penalty of perjury, based on the declarant's personal
24 knowledge, information, or belief, and signed by persons who are
25 authorized and competent to do so, as follows:

26 (A) Declarations of actual or estimated increased costs that will
27 be incurred by the claimant to implement the alleged mandate.

28 (B) Declarations describing new activities performed to
29 implement specified provisions of the new statute or executive
30 order alleged to impose a reimbursable state-mandated program.

31 (3) A test claim shall be signed at the end of the document,
32 under penalty of perjury by the claimant or its authorized
33 representative, with the declaration that the test claim is true and
34 complete to the best of the declarant's personal knowledge,
35 information, or belief. The date of signing, the declarant's title,
36 address, telephone number, facsimile machine telephone number,
37 and electronic mail address shall be included.

38 (c) If a completed test claim is not received by the commission
39 within 30 calendar days from the date that an incomplete test claim
40 was returned by the commission, the original test claim filing date

1 may be disallowed, and a new test claim may be accepted on the
2 same statute or executive order.

3 (d) In addition, the commission shall determine whether an
4 incorrect reduction claim is complete within 10 days after the date
5 that the incorrect reduction claim is filed. If the commission
6 determines that an incorrect reduction claim is not complete, the
7 commission shall notify the school district that filed the claim
8 stating the reasons that the claim is not complete. The school
9 district shall have 30 days to complete the claim. The commission
10 shall serve a copy of the complete incorrect reduction claim on
11 the Controller. The Controller shall have no more than 90 days
12 after the date the claim is delivered or mailed to file any rebuttal
13 to an incorrect reduction claim. The failure of the Controller to
14 file a rebuttal to an incorrect reduction claim shall not serve to
15 delay the consideration of the claim by the commission.

16 SEC. 3. Section 17553.2 is added to the Government Code, to
17 read:

18 17553.2. (a) The commission shall establish a school district
19 test claim advisory ~~committee~~; *committee comprised of no more*
20 *than seven members. The focus of the advisory committee shall be*
21 *to provide the commission with recommendations relating to school*
22 *district test claims, incorrect reduction claims, and other duties*
23 *as prescribed in this chapter.* The membership of the advisory
24 committee shall be selected by, and serve at the pleasure of, the
25 commission, and include officials from the Department of Finance,
26 the State Department of Education, and the Controller’s office,
27 and representatives of school agencies, including, but not limited
28 to, chief business officials, board members, and superintendents.
29 Commission staff shall provide technical expertise and other
30 support for the advisory committee.

31 (b) Within three months of a school district filing a test claim,
32 the commission staff shall consult with the advisory committee
33 regarding each of the following:

34 (1) Any new activities and costs, or modifications of existing
35 activities and costs, that allegedly arise from the specific statutes
36 or executive orders that are identified in the test claim.

37 (2) A statewide cost estimate of increased costs that school
38 districts will incur to implement the alleged mandate during the
39 fiscal year for which the claim was filed.

40 (3) Identification of all of the following:

1 (A) Dedicated state funds appropriated for this program.

2 (B) Dedicated federal funds appropriated for this program.

3 (C) Other nonlocal agency funds dedicated for this program.

4 (4) Identification of prior mandate determinations made by the
5 commission or a predecessor agency that may be related to the
6 alleged mandate.

7 (5) Identification of a legislatively determined mandate pursuant
8 to Section 17573 that is on the same statute or executive order.

9 (c) The commission staff shall prepare an analysis and a
10 proposed statement of decision for consideration by the commission
11 for each test claim filed by a school district. Commission staff
12 shall provide the legal analysis necessary for the commission to
13 make a determination whether the statutes or executive orders
14 specified in the test claim contain reimbursable mandates. The
15 analysis shall include, where appropriate, recommendations from
16 the advisory committee regarding activities and costs arising from
17 the statutes or executive orders identified in the test claim,
18 including, but not limited to, the information contained in
19 paragraphs (2) to (5), inclusive, of subdivision (b).

20 (d) The commission shall issue a statement of decision, including
21 a statewide cost estimate, within 12 months of the filing of a test
22 claim by a school district, as required by Section 17553.1, if the
23 commission determines that a mandate exists.

24 SEC. 4. Section 17554 of the Government Code is amended
25 to read:

26 17554. With the agreement of all parties to the claim, the
27 commission may waive the application of any procedural
28 requirement imposed by this chapter or pursuant to Sections 17553,
29 17553.1, and 17553.2. The authority granted by this section
30 includes the consolidation of claims and the shortening of time
31 periods.

32 SEC. 5. Section 17557 of the Government Code is amended
33 to read:

34 17557. (a) If the commission determines there are costs
35 mandated by the state pursuant to Section 17551, it shall determine
36 the amount to be subvended to local agencies and school districts
37 for reimbursement. In so doing it shall adopt parameters and
38 guidelines for reimbursement of any claims relating to the statute
39 or executive order. For purposes of a test claim filed by a local
40 agency, the successful test claimants shall submit proposed

1 parameters and guidelines within 30 days of adoption of a statement
2 of decision on a local agency test claim. For purposes of a test
3 claim filed by a school district, the advisory committee established
4 pursuant to Section 17553.2 shall develop proposed parameters
5 and guidelines on behalf of a school district claimant and shall
6 submit the proposed parameters and guidelines within 30 days of
7 adoption of a statement of decision on a school district test claim,
8 for final adoption by the commission within the timeframe
9 established by paragraph (2) of subdivision (a) of Section 17553.1.
10 The proposed parameters and guidelines may include proposed
11 reimbursable activities that are reasonably necessary for the
12 performance of the state-mandated program. At the request of a
13 successful local agency test claimant or the school district test
14 claim advisory committee, the commission may provide for one
15 or more extensions of this 30-day period at any time prior to its
16 adoption of the parameters and guidelines. For purposes of a local
17 agency test claim, if proposed parameters and guidelines are not
18 submitted within the 30-day period and the commission has not
19 granted an extension, then the commission shall notify the test
20 claimant that the amount of reimbursement the test claimant is
21 entitled to for the first 12 months of incurred costs will be reduced
22 by 20 percent, unless the test claimant can demonstrate to the
23 commission why an extension of the 30-day period is justified.

24 (b) In adopting parameters and guidelines, the commission may
25 adopt a reasonable reimbursement methodology. For purposes of
26 a school district test claim, it shall be the policy of the state for the
27 commission to adopt parameters and guidelines reflecting the
28 following preferences in serial order:

29 ~~(1) A unit rate reasonable reimbursement methodology.~~

30 ~~(2) A standard rate reasonable reimbursement methodology as
31 appropriate to a particular mandate.~~

32 ~~(3) Actual cost parameters and guidelines.~~

33 *(1) A unit rate reimbursement methodology including, but not*
34 *limited to, a uniform reimbursement amount per average daily*
35 *attendance or specified activity.*

36 *(2) A standard reimbursement methodology including, but not*
37 *limited to, reimbursement for costs related to defined amounts of*
38 *employee time per specified activities or based on a uniform*
39 *formula or formulas for costs related to specified activities.*

1 (3) *An actual cost reimbursement methodology, with*
2 *reimbursement only for actual costs related to specified activities.*

3 (c) The parameters and guidelines adopted by the commission
4 shall specify the fiscal years for which local agencies and school
5 districts shall be reimbursed for costs incurred. However, the
6 commission may not specify in the parameters and guidelines any
7 fiscal year for which payment could be provided in the annual
8 Budget Act.

9 (d) (1) A local agency, school district, the advisory committee
10 established by Section 17553.2, or the state may file a written
11 request with the commission to amend the parameters or guidelines.
12 The commission may, after public notice and hearing, amend the
13 parameters and guidelines. A parameters and guidelines amendment
14 submitted within 90 days of the claiming deadline for initial claims,
15 as specified in the claiming instructions pursuant to Section 17561,
16 shall apply to all years eligible for reimbursement as defined in
17 the original parameters and guidelines. A parameters and guidelines
18 amendment filed more than 90 days after the claiming deadline
19 for initial claims, as specified in the claiming instructions pursuant
20 to Section 17561, and on or before the claiming deadline following
21 a fiscal year, shall establish reimbursement eligibility for that fiscal
22 year.

23 (2) For purposes of this subdivision, the request to amend
24 parameters and guidelines may be filed to make any of the
25 following changes to parameters and guidelines, consistent with
26 the statement of decision:

27 (A) Delete any reimbursable activity that has been repealed by
28 statute or executive order after the adoption of the original or last
29 amended parameters and guidelines.

30 (B) Update offsetting revenues and offsetting savings that apply
31 to the mandated program and do not require a new legal finding
32 that there are no costs mandated by the state pursuant to subdivision
33 (e) of Section 17556.

34 (C) Include or amend a reasonable reimbursement methodology
35 for all or some of the reimbursable activities.

36 (D) Clarify what constitutes reimbursable activities.

37 (E) Add new reimbursable activities that are reasonably
38 necessary for the performance of the state-mandated program.

39 (F) Define what activities are not reimbursable.

1 (G) Consolidate the parameters and guidelines for two or more
2 programs.

3 (H) Amend the boilerplate language. For purposes of this
4 section, “boilerplate language” means the language in the
5 parameters and guidelines that is not unique to the state-mandated
6 program that is the subject of the parameters and guidelines.

7 (e) A test claim shall be submitted on or before June 30
8 following a fiscal year in order to establish eligibility for
9 reimbursement for that fiscal year. The claimant may thereafter
10 amend the test claim at any time, but before the test claim is set
11 for a hearing, without affecting the original filing date as long as
12 the amendment substantially relates to the original test claim.

13 (f) In adopting parameters and guidelines, the commission shall
14 consult with the Department of Finance, the affected state agency,
15 the Controller, the fiscal and policy committees of the Assembly
16 and Senate, the Legislative Analyst, and the claimants to consider
17 a reasonable reimbursement methodology that balances accuracy
18 with simplicity.

19 (g) The advisory committee established pursuant to Section
20 17553.2 shall review the parameters and guidelines for a school
21 district test claim at least once every three years. If the advisory
22 committee determines that the parameters and guidelines require
23 revision, the advisory committee shall propose revisions to be
24 considered by the commission by filing a written request in the
25 manner prescribed by this section.

26 SEC. 6. Section 17557.1 of the Government Code is amended
27 to read:

28 17557.1. (a) Notwithstanding any other provision of this part,
29 within 30 days of the commission’s adoption of a statement of
30 decision on a test claim, the Department of Finance and either the
31 local agency test claimant or the school district test claim advisory
32 committee, respectively, may notify the executive director of the
33 commission in writing of their intent to follow the process
34 described in this section to develop a reasonable reimbursement
35 methodology and statewide estimate of costs for the initial claiming
36 period and budget year for reimbursement of costs mandated by
37 the state in accordance with the statement of decision. The letter
38 of intent shall include the date on which the Department of Finance
39 and the local agency test claimant or the school district test claim
40 advisory committee will submit a plan to ensure that costs from a

1 representative sample of eligible local agency or school district
2 claimants are considered in the development of a reasonable
3 reimbursement methodology.

4 (b) This plan shall also include all of the following information:

5 (1) The date on which the Department of Finance and the local
6 agency test claimant or the school district test claim advisory
7 committee will provide to the executive director an informational
8 update regarding their progress in developing the reasonable
9 reimbursement methodology.

10 (2) The date on which the Department of Finance and the local
11 agency test claimant or the school district test claim advisory
12 committee will submit to the executive director the draft reasonable
13 reimbursement methodology and proposed statewide estimate of
14 costs for the initial claiming period and budget year. This date
15 shall be no later than 180 days after the date the letter of intent is
16 sent by the test claimant and Department of Finance to the
17 executive director.

18 (c) At the request of the Department of Finance and the local
19 agency test claimant or the school district test claim advisory
20 committee, the executive director may provide for up to four
21 extensions of this 180-day period.

22 (d) The Department of Finance, the local agency test claimant,
23 or the school district test claim advisory committee may notify the
24 executive director at any time that the claimant, advisory
25 committee, or Department of Finance no longer intends to develop
26 a reasonable reimbursement methodology pursuant to this section.
27 In this case, paragraph (2) of subdivision (a) of Section 17553 and
28 Section 17557 shall apply to a local agency test claim, and
29 paragraph (2) of subdivision (a) of Section 17553.1 and Section
30 17557 shall apply for a school district test claim. Upon receipt of
31 this notification, the executive director shall notify the local agency
32 test claimant or the school district test claim advisory committee,
33 as appropriate, of the duty to submit proposed parameters and
34 guidelines within 30 days under subdivision (a) of Section 17557.

35 SEC. 7. Section 17557.2 of the Government Code is amended
36 to read:

37 17557.2. (a) A reasonable reimbursement methodology
38 developed pursuant to Section 17557.1 or a joint request for early
39 termination of a reasonable reimbursement methodology shall
40 have broad support from a wide range of local agencies or school

1 districts. The Department of Finance and the local agency test
2 claimant or the school district test claim advisory committee may
3 demonstrate broad support from a wide range of local agencies or
4 school districts in different ways, including, but not limited to,
5 obtaining endorsement by one or more statewide associations of
6 local agencies or school districts and securing letters of approval
7 from local agencies or school districts.

8 (b) No later than 60 days before a commission hearing, the
9 Department of Finance and the local agency test claimant or the
10 school district test claim advisory committee shall submit to the
11 commission a joint proposal that shall include all of the following:

12 (1) The draft reasonable reimbursement methodology.

13 (2) The proposed statewide estimate of costs for the initial
14 claiming period and budget year.

15 (3) A description of the steps the Department of Finance and
16 the local agency test claimant or the school district test claim
17 advisory committee undertook to determine the level of support
18 by local agencies or school districts for the draft reasonable
19 reimbursement methodology.

20 (4) An agreement that the reasonable reimbursement
21 methodology developed and approved under this section shall be
22 in effect for a period of five years unless a different term is
23 approved by the commission, or upon submission to the
24 commission of a letter indicating the Department of Finance and
25 the local agency test claimant's or school district test claim
26 advisory committee's joint interest in early termination of the
27 reasonable reimbursement methodology.

28 (5) An agreement that, at the conclusion of the period established
29 in paragraph (4), the Department of Finance and the local agency
30 test claimant or the school district test claim advisory committee
31 will consider jointly whether amendments to the methodology are
32 necessary.

33 (c) The commission shall approve the draft reasonable
34 reimbursement methodology if review of the information submitted
35 pursuant to Section 17557.1 and subdivision (b) of this section
36 demonstrates that the draft reasonable reimbursement methodology
37 and statewide estimate of costs for the initial claiming period and
38 budget year have been developed in accordance with Section
39 17557.1 and meet the requirements of subdivision (a). The
40 commission thereafter shall adopt the proposed statewide estimate

1 of costs for the initial claiming period and budget year. Statewide
2 cost estimates adopted under this section shall be included in the
3 report to the Legislature required under Section 17600 and shall
4 be reported by the commission to the appropriate Senate and
5 Assembly policy and fiscal committees, the Legislative Analyst,
6 and the Department of Finance not later than 30 days after
7 adoption.

8 (d) Unless amendments are proposed pursuant to this
9 subdivision, the reasonable reimbursement methodology approved
10 by the commission pursuant to this section shall expire after either
11 five years, any other term approved by the commission, or upon
12 submission to the commission of a letter indicating the Department
13 of Finance's and the local agency test claimant's or school district
14 test claim advisory committee's joint interest in early termination
15 of the reasonable reimbursement methodology.

16 (e) The commission shall approve a joint request for early
17 termination of a reasonable reimbursement methodology if the
18 request meets the requirements of subdivision (a). If the
19 commission approves a joint request for early termination, the
20 commission shall notify the local agency test claimant or school
21 district test claim advisory committee of the duty to submit
22 proposed parameters and guidelines to the commission pursuant
23 to subdivision (a) of Section 17557.

24 (f) At least one year before the expiration of a reasonable
25 reimbursement methodology, the commission shall notify the
26 Department of Finance and the test claimant or school district test
27 claim advisory committee that they may do one of the following:

28 (1) Jointly propose amendments to the reasonable reimbursement
29 methodology by submitting the information described in paragraphs
30 (1), (3), and (4) of subdivision (b), and providing an estimate of
31 the mandate's annual cost for the subsequent budget year.

32 (2) Jointly propose that the reasonable reimbursement
33 methodology remain in effect.

34 (3) Allow the reasonable reimbursement methodology to expire
35 and notify the commission that the local agency test claimant or
36 school district test claim advisory committee will submit proposed
37 parameters and guidelines to the commission pursuant to
38 subdivision (a) of Section 17557 to replace the reasonable
39 reimbursement methodology.

1 (g) The commission shall either approve the continuation of the
2 reasonable reimbursement methodology or approve the jointly
3 proposed amendments to the reasonable reimbursement
4 methodology if the information submitted in accordance with
5 paragraph (1) of subdivision (f) demonstrates that the proposed
6 amendments were developed in accordance with Section 17557.1
7 and meet the requirements of subdivision (a) of this section.

8 SEC. 8. Section 17574 of the Government Code is amended
9 to read:

10 17574. (a) A local agency or school district agrees to the
11 following terms and conditions when it accepts reimbursement for
12 a legislatively determined mandate pursuant to Section 17573:

13 (1) Any unpaid reimbursement claims the local agency or school
14 district has previously filed with the Controller pursuant to Section
15 17561 and derived from parameters and guidelines or reasonable
16 reimbursement methodology shall be deemed withdrawn if they
17 are on the same statute or executive order of a legislatively
18 determined mandate and for the same period of reimbursement.

19 (2) The payment of the amount agreed upon pursuant to Section
20 17573 constitutes full reimbursement of its costs for that mandate
21 for the applicable period of reimbursement.

22 (3) The methodology upon which the payment is calculated is
23 an appropriate reimbursement methodology for the term specified
24 in subdivision (e) of Section 17573.

25 (4) A test claim filed with the commission by a local agency or
26 school district on the same statute or executive order as a
27 legislatively determined mandate shall be withdrawn.

28 (5) A test claim on the same statute or executive order as a
29 legislatively determined mandate will not be filed with the
30 commission except as provided in subdivision (c).

31 (b) If a local agency or school district rejects reimbursement
32 for a legislatively determined mandate pursuant to Section 17573,
33 a local agency or school district may take over a withdrawn test
34 claim within six months after the date the test claim is withdrawn,
35 by substitution of parties and compliance with the filing
36 requirements in subdivision (b) of Section 17553 or subdivision
37 (b) of Section 17553.1, as specified in the commission's notice of
38 withdrawal.

39 (c) (1) Notwithstanding Section 17551 and subdivision (b) of
40 Section 17573, a local agency or school district may file a test

1 claim on the same statute or executive order as a legislatively
2 determined mandate if one of the following applies:

3 (A) The Legislature amends the reimbursement methodology
4 and the local agency or school district rejects reimbursement.

5 (B) The term of the legislatively determined mandate, as defined
6 in subdivision (e) of Section 17573, has expired.

7 (C) The term of the legislatively determined mandate, as defined
8 in subdivision (e) of Section 17573, is amended and the local
9 agency or school district rejects reimbursement under the new
10 term.

11 (D) The mandate is subject to subdivision (b) of Section 6 of
12 Article XIII B and the Legislature does both of the following:

13 (i) Fails to appropriate in the Budget Act funds to reimburse
14 local agencies for the full payable amount that has not been
15 previously paid based on the reimbursement methodology enacted
16 by the Legislature.

17 (ii) Does not repeal or suspend the mandate pursuant to Section
18 17581.

19 (2) A test claim filed pursuant to the authority granted by this
20 subdivision shall be filed within six months of the date an action
21 described in subparagraph (A), (B), (C), or (D) of paragraph (1)
22 occurs.

23 (d) Notwithstanding any other provision of this section, a local
24 agency or school district shall not file a test claim pursuant to this
25 section if the statute of limitations specified in subdivision (c) of
26 Section 17551 expired before the date a legislatively determined
27 mandate was adopted by the Legislature pursuant to Section 17573.

28 (e) Notwithstanding the period of reimbursement specified in
29 subdivision (e) of Section 17557, a test claim filed pursuant to this
30 section shall establish eligibility for reimbursement beginning with
31 the fiscal year of an action described in subparagraph (A), (B),
32 (C), or (D) of paragraph (1) of subdivision (c).