

AMENDED IN SENATE MARCH 7, 2011

SENATE BILL

No. 112

Introduced by Senator Liu

January 18, 2011

An act to amend ~~Section~~ *Sections 17557 and 17558* of the Government Code, relating to state mandates.

LEGISLATIVE COUNSEL'S DIGEST

SB 112, as amended, Liu. State mandates: claiming instructions.

Existing law requires the Commission on State Mandates to adopt parameters and guidelines for reimbursement of claims by local agencies and school districts for state mandates pursuant to statute. Existing law authorizes a local agency, school district, or the state to file a claim asking the commission to amend, modify, or supplement the parameters or guidelines. Existing law authorizes the request to amend parameters and guidelines to be filed to make specified changes to parameters and guidelines, including amending the boilerplate language.

This bill would require that any amendment of the boilerplate language that does not increase or decrease the reimbursable costs to limit the eligible filing period commencing with the fiscal year in which the amended parameters and guidelines were adopted.

Existing law requires the Commission on State Mandates to submit adopted parameters and guidelines to the Controller. Existing law requires the Controller, within 60 days after receiving the adopted parameters and guidelines from the commission, to issue claiming instructions for each mandate that requires state reimbursement, and within 60 days after receiving amended parameters and guidelines, to prepare and issue revised claiming instructions for state mandates that

require state reimbursement that have been established by the commission.

This bill would increase the amount of time to within 90 days after receiving the adopted parameters and guidelines or amended parameters and guidelines that the Controller is required to issue claim instructions for each state mandate that requires reimbursement, and to prepare and issue revised claiming instructions for state mandates.

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 17557 of the Government Code is
2 amended to read:

3 17557. (a) If the commission determines there are costs
4 mandated by the state pursuant to Section 17551, it shall determine
5 the amount to be subvended to local agencies and school districts
6 for reimbursement. In so doing it shall adopt parameters and
7 guidelines for reimbursement of any claims relating to the statute
8 or executive order. The successful test claimants shall submit
9 proposed parameters and guidelines within 30 days of adoption of
10 a statement of decision on a test claim. The proposed parameters
11 and guidelines may include proposed reimbursable activities that
12 are reasonably necessary for the performance of the state-mandated
13 program. At the request of a successful test claimant, the
14 commission may provide for one or more extensions of this 30-day
15 period at any time prior to its adoption of the parameters and
16 guidelines. If proposed parameters and guidelines are not submitted
17 within the 30-day period and the commission has not granted an
18 extension, then the commission shall notify the test claimant that
19 the amount of reimbursement the test claimant is entitled to for
20 the first 12 months of incurred costs will be reduced by 20 percent,
21 unless the test claimant can demonstrate to the commission why
22 an extension of the 30-day period is justified.

23 (b) In adopting parameters and guidelines, the commission may
24 adopt a reasonable reimbursement methodology.

25 (c) The parameters and guidelines adopted by the commission
26 shall specify the fiscal years for which local agencies and school
27 districts shall be reimbursed for costs incurred. However, the
28 commission ~~may~~ shall not specify in the parameters and guidelines

1 any fiscal year for which payment could be provided in the annual
2 Budget Act.

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

16 (2) For purposes of this subdivision, the request to amend
17 parameters and guidelines may be filed to make any of the
18 following changes to parameters and guidelines, consistent with
19 the statement of decision:

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

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

27 (C) Include a reasonable reimbursement methodology for all or
28 some of the reimbursable activities.

29 (D) Clarify what constitutes reimbursable activities.

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

32 (F) Define what activities are not reimbursable.

33 (G) Consolidate the parameters and guidelines for two or more
34 programs.

35 (H) Amend the boilerplate language. For purposes of this
36 section, “boilerplate language” means the language in the
37 parameters and guidelines that is not unique to the state-mandated
38 program that is the subject of the parameters and guidelines. *Any*
39 *amendment that does not increase or decrease reimbursable costs*
40 *shall limit the eligible filing period commencing with the fiscal*

1 *year in which the amended parameters and guidelines were*
2 *adopted.*

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

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

15 ~~SECTION 1.~~

16 *SEC. 2.* Section 17558 of the Government Code is amended
17 to read:

18 17558. (a) The commission shall submit the adopted
19 parameters and guidelines or a reasonable reimbursement
20 methodology approved pursuant to Section 17557.2 to the
21 Controller. As used in this chapter, a “reasonable reimbursement
22 methodology” approved pursuant to Section 17557.2 includes all
23 amendments to the reasonable reimbursement methodology. When
24 the Legislature declares a legislatively determined mandate in
25 accordance with Section 17573 in which claiming instructions are
26 necessary, the Department of Finance shall notify the Controller.

27 (b) Not later than 90 days after receiving the adopted parameters
28 and guidelines, a reasonable reimbursement methodology from
29 the commission, or notification from the Department of Finance,
30 the Controller shall issue claiming instructions for each mandate
31 that requires state reimbursement, to assist local agencies and
32 school districts in claiming costs to be reimbursed. In preparing
33 claiming instructions, the Controller shall request assistance from
34 the Department of Finance and may request the assistance of other
35 state agencies. The claiming instructions shall be derived from the
36 test claim decision and the adopted parameters and guidelines,
37 reasonable reimbursement methodology, or statute declaring a
38 legislatively determined mandate.

39 (c) The Controller shall, within 90 days after receiving amended
40 parameters and guidelines, an amended reasonable reimbursement

1 methodology from the commission or other information
2 necessitating a revision of the claiming instructions, prepare and
3 issue revised claiming instructions for mandates that require state
4 reimbursement that have been established by commission action
5 pursuant to Section 17557, Section 17557.2, or after any decision
6 or order of the commission pursuant to Section 17559, or after any
7 action by the Legislature pursuant to Section 17573. In preparing
8 revised claiming instructions, the Controller may request the
9 assistance of other state agencies.

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