

Assembly Bill No. 392

CHAPTER 77

An act to amend Sections 17567 and 17613 of the Government Code, relating to state mandates.

[Approved by Governor August 12, 2013. Filed with
Secretary of State August 12, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 392, Jones-Sawyer. State mandates: prorated claims.

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, requires a subvention of funds to reimburse the local government, with specified exceptions. Existing law requires the Controller to prorate claims if the amount appropriated for reimbursement is not sufficient to pay all of the claims approved by the Controller. Existing law requires the Controller to report to the Department of Finance and various legislative entities when it is necessary to prorate claims.

This bill would delete that reporting requirement and would require the Controller to determine the most cost-effective allocation method if \$1,000 or less is appropriated for a program. This bill would also make a conforming statutory change.

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

SECTION 1. Section 17567 of the Government Code is amended to read:

17567. In the event that the amount appropriated for reimbursement purposes pursuant to Section 17561 is not sufficient to pay all of the claims approved by the Controller, the Controller shall prorate claims in proportion to the dollar amount of approved claims timely filed and on hand at the time of proration. The Controller shall adjust prorated claims if supplementary funds are appropriated for this purpose. Notwithstanding any other law, if one thousand dollars (\$1,000) or less is appropriated for a program, the Controller shall determine the most cost-effective allocation method.

SEC. 2. Section 17613 of the Government Code is amended to read:

17613. (a) The Director of Finance may authorize the augmentation of the amount available for expenditure to reimburse costs mandated by the state, as defined in Section 17514, as follows:

(1) For augmentation of (A) any schedule in any item to reimburse costs mandated by the state in any budget act, or (B) the amount appropriated in a local government claims bill for reimbursement of the claims of local

agencies, as defined by Section 17518, from the unencumbered balance of any other item to reimburse costs mandated by the state in that budget act or another budget act or in an appropriation for reimbursement of the claims of local agencies in another local government claims bill.

(2) For augmentation of (A) any schedule in any budget act item, or (B) any amount appropriated in a local government claims bill, when either of these augmentations is for reimbursement of mandated claims of school districts, as defined in Section 17519, when the source of this augmentation is (A) the unencumbered balance of any other scheduled amount in that budget act or another budget act, or (B) an appropriation in another local government claims bill, when either of these appropriations is for reimbursement of mandate claims of school districts. This paragraph applies only to appropriations that are made for the purpose of meeting the minimum funding guarantee for educational programs pursuant to Section 8 of Article XVI of the California Constitution.

(b) No authorization for an augmentation pursuant to this section may be made sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.