

Introduced by Senator LiuJanuary 19, 2011

An act to amend Section 17557 of the Government Code, relating to state mandates.

LEGISLATIVE COUNSEL'S DIGEST

SB 113, as introduced, Liu. State mandates: reimbursement.

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 shall limit the eligible filing period commencing with the fiscal year in which the amended parameters and guidelines were adopted.

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

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

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

20 (c) The parameters and guidelines adopted by the commission
21 shall specify the fiscal years for which local agencies and school
22 districts shall be reimbursed for costs incurred. However, the
23 commission ~~may~~ *shall* not specify in the parameters and guidelines
24 any fiscal year for which payment could be provided in the annual
25 Budget Act.

26 (d) (1) A local agency, school district, or the state may file a
27 written request with the commission to amend the parameters or
28 guidelines. The commission may, after public notice and hearing,
29 amend the parameters and guidelines. A parameters and guidelines
30 amendment submitted within 90 days of the claiming deadline for
31 initial claims, as specified in the claiming instructions pursuant to
32 Section 17561, shall apply to all years eligible for reimbursement
33 as defined in the original parameters and guidelines. A parameters
34 and guidelines amendment filed more than 90 days after the
35 claiming deadline for initial claims, as specified in the claiming
36 instructions pursuant to Section 17561, and on or before the
37 claiming deadline following a fiscal year, shall establish
38 reimbursement eligibility for that fiscal year.

39 (2) For purposes of this subdivision, the request to amend
40 parameters and guidelines may be filed to make any of the

1 following changes to parameters and guidelines, consistent with
2 the statement of decision:

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

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

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

12 (D) Clarify what constitutes reimbursable activities.

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

15 (F) Define what activities are not reimbursable.

16 (G) Consolidate the parameters and guidelines for two or more
17 programs.

18 (H) Amend the boilerplate language. For purposes of this
19 section, “boilerplate language” means the language in the
20 parameters and guidelines that is not unique to the state-mandated
21 program that is the subject of the parameters and guidelines. *Any*
22 *amendment that does not increase or decrease reimbursable costs*
23 *shall limit the eligible filing period commencing with the fiscal*
24 *year in which the amended parameters and guidelines were*
25 *adopted.*

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

32 (f) In adopting parameters and guidelines, the commission shall
33 consult with the Department of Finance, the affected state agency,
34 the Controller, the fiscal and policy committees of the Assembly
35 and Senate, the Legislative Analyst, and the claimants to consider
36 a reasonable reimbursement methodology that balances accuracy
37 with simplicity.

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