

Introduced by Senator LiuFebruary 17, 2012

An act to amend Section 17557.2 of the Government Code, relating to state mandates.

LEGISLATIVE COUNSEL'S DIGEST

SB 1112, as introduced, Liu. State mandates: procedure.

The California Constitution requires the state to reimburse a local government, including a school district, whenever the Legislature or a state agency mandates a new program or higher level of service on 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. Existing law authorizes the test claimant and the Department of Finance to notify the commission of their intent to develop a reasonable reimbursement methodology and statewide estimate of costs for the initial claiming period and budget year for reimbursement of costs mandated by the state, as specified. Existing law requires the test claimant and the Department of Finance to submit to the commission a joint proposal, which includes, among other things, the reasonable reimbursement methodology and statewide estimate of costs for the initial claiming period and budget year, no later than 60 days before a commission hearing.

This bill would instead require the test claimant and the Department of Finance to submit the proposal to the commission no later than 45 days before a commission hearing.

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 17557.2 of the Government Code is
2 amended to read:

3 17557.2. (a) A reasonable reimbursement methodology
4 developed pursuant to Section 17557.1 or a joint request for early
5 termination of a reasonable reimbursement methodology shall
6 have broad support from a wide range of local agencies or school
7 districts. The test claimant and *the* Department of Finance may
8 demonstrate broad support from a wide range of local agencies or
9 school districts in different ways, including, but not limited to,
10 obtaining endorsement by one or more statewide associations of
11 local agencies or school districts and securing letters of approval
12 from local agencies or school districts.

13 (b) No later than ~~60~~ 45 days before a commission hearing, the
14 test claimant and *the* Department of Finance shall submit to the
15 commission a joint proposal that shall include all of the following:

16 (1) The draft reasonable reimbursement methodology.

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

19 (3) A description of the steps the test claimant and the
20 Department of Finance undertook to determine the level of support
21 by local agencies or school districts for the draft reasonable
22 reimbursement methodology.

23 (4) An agreement that the reasonable reimbursement
24 methodology developed and approved under this section shall be
25 in effect for a period of five years unless a different term is
26 approved by the commission, or upon submission to the
27 commission of a letter indicating the Department of ~~Finance~~
28 *Finance's* and *the* test claimant's joint interest in early termination
29 of the reasonable reimbursement methodology.

30 (5) An agreement that, at the conclusion of the period established
31 in paragraph (4), the Department of Finance and the test claimant
32 will consider jointly whether amendments to the methodology are
33 necessary.

34 (c) The commission shall approve the draft reasonable
35 reimbursement methodology if review of the information submitted
36 pursuant to Section 17557.1 and subdivision (b) of this section
37 demonstrates that the draft reasonable reimbursement methodology
38 and statewide estimate of costs for the initial claiming period and

1 budget year have been developed in accordance with Section
2 17557.1 and meet the requirements of subdivision (a). The
3 commission thereafter shall adopt the proposed statewide estimate
4 of costs for the initial claiming period and budget year. Statewide
5 cost estimates adopted under this section shall be included in the
6 report to the Legislature required under Section 17600 and shall
7 be reported by the commission to the appropriate Senate and
8 Assembly policy and fiscal committees, the Legislative Analyst,
9 and the Department of Finance not later than 30 days after
10 adoption.

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

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

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

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

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

35 (3) Allow the reasonable reimbursement methodology to expire
36 and notify the commission that the test claimant will submit
37 proposed parameters and guidelines to the commission pursuant
38 to 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 (d) 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.

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