

ITEM 18

EXECUTIVE DIRECTOR’S REPORT

Workload Update, Strategic Plan, Budget, and Tentative Agenda Items for the March and May Meetings (info/action)

I. WORKLOAD¹ (info)

A. COMPLETED WORKLOAD SUMMARY

Type of Caseload	Completed in 2013/2014	Completed in 2014/2015
Test Claims	13	5
Parameters & Guidelines	8	1
Parameters and Guidelines Amendments	10	4
Requests for Reconsideration	.5 ²	0
Statewide Cost Estimates	12	5
Request to Review Claiming Instructions	0	0
Mandate Redetermination Requests	2	1.5
Incorrect Reduction Claims	22	17

B. COMMISSION WORKLOAD REPORT

Type of Action	Pending on 7/1/2014	Filed Since 7/1/2014	Completed Since 7/1/2014	Pending on 1/5/2015
Test Claims	17 ³	1	5	13 ⁴
Parameters and Guidelines	1	3 ⁵	1	3

¹ As of January 5, 2015.

² There was one request for reconsideration filed in 2012-2013. Such requests require two hearings. The first hearing was held on May 24, 2013 and the second was on July 26, 2013.

³ Includes two new regional water quality control board permit claims filed on June 30, 2014.

⁴ All but one of the currently pending test claims were filed by local agencies. All of the 13 local agency claims are regarding regional water quality control board permits, which have been placed on inactive status pending the outcome of litigation regarding the extent of the federal clean water mandate.

⁵ Proposed parameters and guidelines may be submitted by the test claimant or expedited and issued by Commission staff upon the adoption of an approved test claim or upon the expiration of a joint reasonable reimbursement methodology.

Type of Action	Pending on 7/1/2014	Filed Since 7/1/2014	Completed Since 7/1/2014	Pending on 1/5/2015
Joint Reasonable Reimbursement Methodologies	0	0	0	0
Pending Requests To Jointly Develop Legislatively Determined Mandates	0	0	0	0
Requests for Reconsideration	0	0	0	0
Requests to Review Claiming Instructions	0	0	0	0
Statewide Cost Estimates	10	1 ⁶	5	6
Test Claim Reconsiderations or Reinstatements Based on Court Action	0	0	0	0
Parameters and Guidelines to be Amended, Set Aside, or Reinstated, as Directed by the Legislature or Court Action	0	0	0	0
Proposed Parameters and Guidelines Amendments	4	2 ⁷	4	2
Requests for Mandate Redetermination	2	1	1.5	1.5
Incorrect Reduction Claims	74	9	17 ⁸	66
Incorrect Reduction Claims to be Reconsidered Based on Court Action	0	0	0	0
Appeals of Executive Director's Decisions	0	0	0	0
Regulatory Actions Pending	1	0	0	1 ⁹

⁶ Statewide cost estimates are not filed, but are issued by the Commission after claiming instructions have been issued and initial claims have been received by the State Controller's Office.

⁷ Proposed parameters and guidelines amendments may be submitted by an affected local or state agency for any of the reasons specified by section 1183.17 of the Commission's regulations or they may expedited and issued by Commission staff upon the adoption of new test claim decision under the redetermination process.

⁸ 8 decided; 7 withdrawn; 2 dismissed.

⁹ This is a Conflict-of-Interest Code package that requires the approval of the Fair Political Practices Commission.

Type of Action	Pending on 7/1/2014	Filed Since 7/1/2014	Completed Since 7/1/2014	Pending on 1/5/2015
Applications for Findings of Significant Financial Distress Pending	0	0	0	0

II. PROPOSED STRATEGIC PLAN (info/action)

On December 7, 2012 the Commission on State Mandates (Commission) adopted its strategic plan for January 2013-December 2015. Commission staff has developed an updated proposed strategic plan for January 2015-December 2017 which is proposed for adoption at the January 23, 2015 Commission meeting. The majority of the goals in the recently expired plan has been met or required updating. Therefore, Commission staff have expanded upon and updated the strategic plan proposed for adoption by the Commission. See attached proposed Strategic Plan in Exhibit A.

Recommendation: Staff recommends that the Commission adopt the attached proposed Strategic Plan.

III. 2015-16 PROPOSED BUDGET

On January 9, 2015, the Governor released the proposed state budget. As of the writing of this report, detailed budget information is not available. However, the *Budget Summary* published on January 9, 2015 included the following significant adjustments in the proposed 2015-16 Governor's Budget concerning local government mandate funding:¹⁰

- **Status of Trigger Mechanism**

The 2014 Budget Act made a \$100 million repayment on pre 2004 mandate debt owed to counties, cities, and special districts. For the remaining \$800 million pre 2004 mandate debt, the 2014 Budget Act includes a trigger mechanism that will be used if, at the 2015 May Revision, estimated General Fund revenues for the 2013 14 and 2014 15 fiscal years exceed the 2014 May Revision estimate for those same revenues. After satisfying the Proposition 98 guarantee, additional revenues, up to \$800 million, will pay down the remainder of the state's pre 2004 mandate debt. Current estimates indicate that the trigger mechanism will result in a \$533 million payment toward this mandate debt. These funds will provide counties, cities, and special districts with general purpose revenue. It is the Administration's expectation that local governments use these funds for core services such as public safety and improving the implementation of 2011 Realignment.

- **Funded Mandates**

In June 2014, California voters approved Proposition 42 which placed the Public Records Act in the Constitution and removed the state's ongoing responsibility to fund the Public Records Act mandate. The Budget makes a one time payment of \$9.6 million to fund the

¹⁰ As published in the *2015-16 Governor's Budget Summary* (<http://www.ebudget.ca.gov/fullbudgetsummary.pdf>)

back costs local agencies accrued from 2001 to 2013 performing activities under the Public Records Act mandate. The Budget also provides \$218,000 to fund the Accounting for Local Revenue Realignment mandate which involves county administration of funding changes in 2003 2004 that addressed budget shortfalls at that time.

- **Interagency Child Abuse and Neglect Investigation Reports Mandate**

This mandate requires certain local agencies to conduct various activities related to child abuse investigations and to provide reported child abusers due process protections. The Commission on State Mandates adopted a \$90.3 million statewide cost estimate which reflects the affected agencies' costs to comply with this mandate from 1999 to 2011. The Budget suspends this mandate because these activities are long established and involve the agencies' core missions. The Budget creates a \$4 million optional grant program, administered by the Department of Social Services, as a substitute funding mechanism for these activities.

IV. TENTATIVE AGENDA ITEMS (info)

The tentative agenda items are subject to change based on Commission workload, litigation, requests for extensions of time to file comments on draft proposed decisions, hearing postponements, informal conferences, and the complexity of the matters.

March or May Meetings

A. MANDATE REDETERMINATIONS

1. *CPR Pocket Masks* 14-MR-01 (CSM-4291)
Second Hearing – New Test Claim Decision
Department of Finance, Requester

B. PARAMETERS AND GUIDELINES AMENDMENTS

1. **Tentative:** *CPR Pocket Masks* 14-MR-01, (CSM-4291)
2. **Tentative:** *Open Meetings Act/Brown Act Reform* 13-MR-02, (CSM-4257/4469)
3. *Sheriff Court-Security Services*, 09-TC-02
County of Los Angeles, Claimant

C. STATEWIDE COST ESTIMATES

4. *Race to the Top*, 10-TC-06
Twin Rivers Unified School District, Claimant
5. *Sexually Violent Predators*, CSM-4509 (12-MR-01)
Department of Finance, Requester

D. INCORRECT REDUCTION CLAIMS

1. *Collective Bargaining*, 05-4425-I-09
San Mateo Community College District, Claimant

2. *Collective Bargaining*, 05-4425-I-10
Foothill De Anza Community College District, Claimant
3. *Handicapped and Disabled Students*, 05-4282-I-03
County of San Mateo, Claimant
4. *Health Fee Elimination*, 05-4206-I-06
Los Rios Community College District, Claimant
5. *Health Fee Elimination*, 05-4206-I-10
Foothill-De Anza Community College District, Claimant
6. *Health Fee Elimination*, 06-4206-I-13
Pasadena Area Community College District, Claimant
7. *Health Fee Elimination*, 07-4206-I-15
Rancho Santiago Community College District, Claimant
8. *Health Fee Elimination*, 07-4206-I-16
Sierra Joint Community College District, Claimant
9. *Health Fee Elimination*, 08-4206-I-17
Santa Monica Community College District, Claimant
10. *Health Fee Elimination*, 08-4206-I-18
Los Rios Community College District, Claimant
11. *Health Fee Elimination*, 09-4206-I-21 and 10-4206-I-36
Kern Community College District, Claimant
12. *Health Fee Elimination*, 09-4206-I-22
Long Beach Community College District
13. *Health Fee Elimination*, 09-4206-I-24 and 10-4206-I-34
Foothill-De Anza Community College District
14. *Health Fee Elimination*, 09-4206-I-25
Yosemite Community College District
15. *Health Fee Elimination*, 09-4206-I-29
San Diego Community College District
16. *Investment Reports*, 02-9635802-I-27
County of Marin, Claimant
17. *Investment Reports*, 02-9635802-I-67
City of Stockton, Claimant



Commission on State Mandates Proposed Strategic Plan

January 2015 – December 2017

Vision

The Commission on State Mandates timely renders sound decisions, in compliance with article XIII B, section 6 of the California Constitution, to resolve disputes regarding reimbursement for state-mandated local programs and to relieve unnecessary congestion of the courts.

Mission

To fairly and impartially:

- Hear and determine matters filed by state and local government;
- Resolve complex legal questions in a deliberative and timely manner; and
- Produce well-reasoned and lawful decisions.

Values

We act with professionalism, integrity, objectivity, and efficiency in making determinations.
We value:

- Parties. We treat all parties with courtesy and respect and we consider their views with objectivity.
- Quality. We produce sound, well-reasoned decisions, in a timely manner, using innovative tools and techniques to improve our efficiency.
- Integrity. We demonstrate fair, honest, and ethical behavior.
- Safety. We provide a safe and healthy work environment to promote the physical and mental well-being of staff.
- Teamwork. We encourage cooperation and collaboration, and support personal and professional development.
- Sustainability. We ensure that our practices are protective of the environment and human health and are energy and resource efficient.

Goals and Implementing Objectives

1. Eliminate Caseload Backlog
 - a. Continue to implement the Commission's backlog reduction plan with a goal of hearing and deciding all incorrect reduction claims filed through fiscal year 2013-2014 by the end of fiscal year 2015-2016.
 - b. Work to ensure any newly filed test claims are completed within 12 months of filing.
 - c. Work to increase automation of repetitive administrative functions and eliminate duplication of efforts to ensure the efficient completion of workload.
2. Provide Superior Customer Service
 - a. Complete implementation of an interactive, user-friendly web based system for retrieving mandate-related documents and matter information by July 1, 2015.
 - b. Provide a user-friendly e-filing system to reduce the burden of service and filing requirements.
 - c. Meet with parties to gather input on Commission processes.
3. Promote Staff Development
 - a. Take appropriate steps to recruit and retain high quality staff.
 - b. Provide career development and training opportunities to enhance the skills and performance of staff and to prepare staff for promotion.
4. Organize Business Processes
 - a. Update duty statements by July 1, 2015 to reflect the goals and objectives stated in this strategic plan.
 - b. Annually review and revise Commission regulations, as necessary, for clarity and ease of use for participants in Commission processes.
 - c. Annually review and update, as necessary, and ensure staff annually reviews, all Commission policies and procedures.
5. Promote Sustainability
 - a. Continue to reduce paper usage through e-filing and e-service and reduction of printing.
 - b. Continue to look for new ways to exceed requirements for eco-sensitive procurement.
 - c. Encourage staff to individually reduce energy consumption and environmental impact throughout the workday.