

Hearing: July 29, 2010

ITEM 14

CHIEF LEGAL COUNSEL'S REPORT New Filings, Recent Decisions, Litigation Calendar

This public session report is intended only as an information item for the public.¹ Commission communications with legal counsel about pending litigation or potential litigation are reserved for Closed Executive Session, per the Notice and Agenda.

New Filings

- *County of Santa Clara v. Commission on State Mandates, State Controller's Office, et al.*, Sacramento County Superior Court, Case No. 34-2010-80000592, Filed July 7, 2010

This case addresses an incorrect reduction claim filed with the Commission in April 2010 for reductions made to reimbursement claims on the *Handicapped and Disabled Students* program. Although the incorrect reduction claim is still pending with the Commission, the County seeks a writ of mandate from the court finding that the Controller incorrectly reduced costs or, in the alternative, a writ directing the Controller to stay deductions premised on its audit findings and directing the Commission to hear and decide the incorrect reduction claim within 90 days.

Recent Decisions

None.

Litigation Calendar

<u>Case</u>	<u>Hearing Date</u>
<i>Department of Finance v. Commission on State Mandates, et al.</i> Sacramento County Superior Court, Case No. 03CS01432, [<i>Behavioral Intervention Plans</i>]	December 10, 2010

Cases of Interest (The Commission is not a party to these actions)

- Clovis Unified School Dist., et al. v. State Controller*
Third District Court of Appeal, Case No. C061696
Oral argument is scheduled for August 17, 2010

¹ Based on information available as of July 16, 2010. Release of this litigation report shall not be deemed to be a waiver of any privileged communication or act, including, but not limited to, the attorney-client privilege and the attorney work product doctrine.

This case involves a challenge by school districts and community college districts on reductions made by the State Controller's Office to reimbursement claims for several mandated programs. The school districts argue that reductions made on the ground that school districts did not have contemporaneous source documents were invalid.

b. California School Board's Association v. State of California

Fourth District Court of Appeal, Case No. D055659

Appeal Filed: July 30, 2009

Briefing is underway

This case involves a challenge by school districts to the practice of deferring mandate reimbursement payments. Since 2001-2002, the State has been nominally funding certain state mandated school programs and deferring payment of the balance. The trial court found that the State's practice of deferring payment for state-mandated programs is an unreasonable and unconstitutional restriction on the school districts and county offices of education's constitutional rights under article XIII B, section 6 of the California Constitution.