

ITEM 17
Staff Report
Implementation of AB 2856

On September 29, 2004, the Governor signed AB 2856 (Laird, Stats. 2004, ch. 890). Commission staff has begun implementing the provisions of AB 2856 and will conduct its first implementation workshop with affected state agencies and claimants and representatives on December 8, 2004. Staff will continue to keep the Commission informed as implementation progresses.

AB 2856 makes numerous changes to the mandates process that:

- Specify the content of a test claim filing with the Commission on State Mandates (CSM).
- Authorize the CSM to reject duplicate test claims filed by local governments.
- Reduce from three years to one year the time under which local governments may file test claims with the CSM.
- Revise deadlines for local governments to amend test claims.
- Require the CSM to notify appropriate Senate and Assembly policy and fiscal committees of test claim decisions.
- Require the CSM, when adopting parameters and guidelines, to adopt a reasonable reimbursement methodology that balances accuracy and simplicity, and would define reasonable reimbursement methodology.
- Codify in statute the CSM's regulations on amendments to parameters and guidelines.
- Recast existing law to prohibit the CSM from finding a reimbursable mandate for programs that are implementing federal legislation or regulations, when the federal legislation or regulations were enacted before or after the state statute or executive order.

Commission staff is in the process of completing the following actions to implement AB 2856:

- Establish and implement a process for notifying the Legislature of test claim decisions.
- Compare new statutory language with the Commission's current regulations to determine regulatory changes that are needed.

- Prepare the rulemaking calendar for 2005 so that regulatory changes may be processed in 2005.
- Design new Test Claim form so that claimants may file test claims that include the AB 2856 requirements.
- Schedule meetings with affected state agencies, and claimants; and representatives to discuss approach for developing reasonable reimbursement methodologies.
- Incorporate reasonable reimbursement methodologies into new parameters and guidelines.
- Revise boilerplate language for parameters and guidelines to include new requirements.
- Continue to conduct workshops to discuss AB 2856 implementation.