

## COMMISSION ON STATE MANDATES

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June 4, 2010

Mr. Jeff Carosone  
Department of Finance  
915 L Street, 11<sup>th</sup> Floor  
Sacramento, CA 95814

Mr. Leonard Kaye  
Los Angeles County  
Auditor-Controller's Office  
500 West Temple Street, Room 603  
Los Angeles, CA 90012

Ms. Jill Kanemasu  
State Controller's Office  
Division of Accounting and Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

Mr. Allan Burdick  
CSAC-SB 90 Service  
Maximus  
4320 Auburn Boulevard, Suite 2000  
Sacramento, CA 95841

*And Interested Parties and Affected State Agencies (See Enclosed Mailing List)*

RE: **Adoption of Extension of Term for Reasonable Reimbursement Methodology**  
*Firearm Hearings for Discharged Inpatients (99-TC-11)*  
County of Los Angeles, Test Claimant  
Welfare and Institutions Code Section 8103, Subdivisions (f) and (g)  
Statutes 1999, Chapter 578

Dear Mr. Carosone, Mr. Kaye, Ms. Kanemasu, and Mr. Burdick:

On May 27, 2010, the Commission on State Mandates approved the enclosed extension of term for the reasonable reimbursement methodology for the above-named program.

Please contact Nancy Patton at (916) 323-8217 if you have questions.

Sincerely,

A handwritten signature in black ink that reads "Paula Higashi".

PAULA HIGASHI  
Executive Director

Enclosure

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BEFORE THE  
STATE OF CALIFORNIA  
COMMISSION ON STATE MANDATES

IN RE REASONABLE REIMBURSEMENT  
METHODOLOGY AND STATEWIDE  
ESTIMATE OF COSTS ON:

Welfare and Institutions Code Section 8103,  
Subdivisions (f) and (g),

Statutes 1999, Chapter 578

Jointly Developed by County of  
Los Angeles, Test Claimant and the  
Department of Finance.

Case No.: 07-RRM-01 (99-TC-11)

*Firearm Hearings for Discharged Inpatients*

EXTENSION OF TERM OF  
REASONABLE REIMBURSEMENT  
METHODOLOGY AND STATEWIDE  
ESTIMATE OF COSTS PURSUANT TO  
GOVERNMENT CODE SECTIONS  
17557.1 AND 17557.2

Approved on May 27, 2010

**DECISION**

On May 27, 2010, the Commission on State Mandates approved the extension of the term of the attached Reasonable Reimbursement Methodology to June 30, 2011.

  
Paula Higashi, Executive Director

Date: June 4, 2010

**Reasonable Reimbursement Methodology**  
**Jointly Requested by the County of Los Angeles and Department of Finance**

**Statement of Decision: Firearm Hearings for Discharged Inpatients (99-TC-11)**

**Welfare and Institutions Code Section 8103 Subdivisions (f) and (g)**

**Chapter 578, Statutes of 1999**

**Adopted: June 26, 2008**

**Amended: May 27, 2010**

**Initial Period of Reimbursement: July 1, 1998 through June 30, 2007**

**Budget Year: 2009-2010**

**Counties and City and County (Eligible Claimants)**

**I. Summary of the Mandate**

On April 26, 2006, the Commission adopted its Statement of Decision finding that subdivisions (f) and (g) of Section 8103 of the Welfare and Institutions Code (test claim legislation) impose a reimbursable state-mandated program on county or city and county district attorney offices within the meaning of Section 6 of Article XIII B of the California Constitution and Section 17514 of the Government Code for the district attorney's activities in representing the People of the State of California in civil hearings.

Chapter 578, Statutes of 1999 established hearing procedures for persons detained for mental health treatment and evaluation, and eventually discharged, to challenge the firearm prohibition law through a civil hearing in superior court. Under the firearm prohibition law, the detained patient shall not own, possess, control, receive, or purchase a firearm for five years except as permitted pursuant to subdivisions (f) and (g) (subject hearings) of the test claim legislation.

Reimbursable Activities

Any county or city and county that has a district attorney's office that incurs increased costs may claim reimbursement for the activities identified below at the rates established by the RRM:

1. District attorney services required to process a case related to the subject hearings. Activities include, but are not limited to, performing necessary legal tasks to prepare and plead case at the hearing.
2. Legal secretary/paralegal services required to process a case related to the subject hearings. Activities include, but are not limited to, performing administrative functions necessary to process documents for the hearing.
3. Expert witness services required to provide consultation on a case related to the subject hearings. Activities include consulting services provided at the hearing.

These activities are reasonable methods of complying with a mandate pursuant to paragraph (4) of subdivision (a) of Section 1183.1, Title 2, of the California Code of Regulations.

#### Reimbursement Period

The reimbursement period for the mandate begins September 29, 1999 for subdivision (f) of section 8103 of the Welfare and Institutions Code and begins July 1, 1998 for subdivision (g) of section 8103 of the Welfare and Institutions Code.

## II. Reasonable Reimbursement Methodology

A reasonable reimbursement methodology means a formula for reimbursing local agencies for costs mandated by the state, as defined in section 17514 of the Government Code. A reasonable reimbursement methodology shall be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies, or other projections of local costs. A reasonable reimbursement methodology shall consider the variation in costs among local agencies to implement the mandate in a cost-efficient manner. Whenever possible, a reasonable reimbursement methodology shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs. (Gov. Code, § 17518.5)

The Department of Finance (Finance) and the County of Los Angeles (county claimant) collaboratively developed the following reasonable reimbursement methodology (RRM) rates to reimburse eligible claimants for all direct and indirect costs for the reimbursable activities specified in Section I above, pursuant to Government Code sections 17557.1-17557.2.

RRM Rates  
For Fiscal Years 1998-99 to 2007-08

Fiscal Year	<i>RRM Rate /Petitioned Case</i>
1998-1999	\$36
1999-2000	\$41
2000-2001	\$46
2001-2002	\$51
2002-2003	\$56
2003-2004	\$61
2004-2005	\$66
2005-2006	\$71
2006-2007	\$76
2007-2008	\$81

The RRM allows each eligible claimant to be reimbursed based on the rates per petitioned case. The rate for subsequent years will be adjusted by the implicit price deflator.

State reimbursement shall be calculated by multiplying the RRM rate by the number of subject hearings pursuant to the test claim statutes for the specified year. The number of subject hearings shall be supported by document(s) showing the names of the petitioners and their hearing dates.

An eligible claimant may file a reimbursement claim pursuant to the Controller's claiming instructions. Pursuant to Section 17561 of the Government Code, reimbursement for state-mandated costs may be claimed as follows:

1. For initial reimbursement claims for fiscal years 1998-1999 through 2006-2007, eligible claimants shall submit claims based on the RRM to the Controller within 120 days of the date the claiming instructions are issued.
2. An eligible claimant may, by February 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim based on the RRM for costs incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of Section 17558 of the Government Code between November 15 and February 15, an eligible claimant filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

If total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Section 17564 of the Government Code.

There also shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

### **III. Terms of Agreement**

The terms of the RRM agreement shall be in effect for three years and expire on June 30, 2011, unless Finance and the county claimant submit a joint request for early termination of the RRM pursuant to subdivision (a) of Section 17557.2 of the Government Code or the test claim statutes are repealed.

The terms of subdivision (b) of Section 6 of the Article XIII B of the California Constitution also shall apply to this agreement, and require that beginning in fiscal year 2009-2010, the Legislature shall suspend the mandate for that fiscal year, or provide reimbursement in the annual Budget Act.

### **IV. Amendment of Agreement**

The terms of the agreement may be renewed, pursuant to Section 17557.2 of the Government Code, if Finance and the county claimant jointly propose amendments or, after the term expiration date, propose the RRM remain in effect. The parties may also elect to allow the RRM to expire on June 30, 2011 by notifying the Commission on State Mandates (Commission) that the county claimant will submit proposed parameters and guidelines subject to the Commission's procedures.

## **V. Record Retention**

The document(s) used to support the application of a reasonable reimbursement methodology is subject to an audit by the State Controller's Office (Controller). The number of subject hearings claimed for reimbursement is subject to verification with records on file with the Department of Justice. The Controller may initiate an audit within three years of the date that the actual reimbursement claim is filed or last amended, whichever is later. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.