

**ITEM 17 M**  
**FINAL STAFF ANALYSIS**  
**PROPOSED AMENDMENTS TO PARAMETERS AND GUIDELINES**

Health and Safety Code Sections 427.12, Subdivision (a), and 427.13

Statutes 1992, Chapter 961

*Pacific Beach Safety: Water Quality and Closures*  
05-PGA-36 (CSM-4432)

State Controller's Office, Requestor

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**EXECUTIVE SUMMARY**

This is a request filed by the State Controller's Office (SCO) to amend the original parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program (CSM-4432) to add language regarding source documentation, and record retention requirements during the period a claim is subject to an audit. If the Commission on State Mandates (Commission) approves the SCO's request, the amendments would be effective for costs incurred beginning on July 1, 2005.

In 2003, upon recommendation from the Bureau of State Audits, direction from the Legislature, and an SCO request, the Commission adopted amendments to parameters and guidelines that clarified what source documentation claimants are required to retain to support the claims they file to obtain reimbursement for mandated programs, and records retention language that identifies the records that must be retained to support an audit initiated by the SCO. The adopted language, commonly referred to as "boilerplate language," has been included in all parameters and guidelines adopted since 2003. In addition, section 1183 of the Commission's regulations require parameters and guidelines to include instruction on claim preparation, notice of the SCO's authority to audit claims, and the amount of time documentation must be retained during the audit period.

The SCO is now requesting that parameters and guidelines adopted prior to 2003 be amended to also include the source documentation and records retention language.

This analysis pertains only to the request to amend the *Pacific Beach Safety: Water Quality and Closures* program. The staff analyses for the other 48 programs will be presented separately.

There is one issue for the Commission's consideration:

- **Should the parameters and guidelines be amended to add the current "boilerplate language"?**

Staff finds that it is appropriate to approve the SCO's request to insert the source documentation and records retention language because it would conform the parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program with the parameters and guidelines adopted for other programs, and is consistent with section 1183.1 of the Commission's regulations. Therefore, staff included the language requested by the SCO.

## **Staff Recommendation**

Staff recommends that the Commission:

- Adopt the SCO's proposed amendments to the parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program, beginning on page 9.
- Authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

## STAFF ANALYSIS

### Requestor

State Controller's Office

### Chronology

01/20/1994	Commission on State Mandates (Commission) adopts Statement of Decision
11/17/1994	Commission adopts parameters and guidelines
02/23/1995	Commission adopts statewide cost estimate
01/23/2003	The Commission, upon the recommendation of the Bureau of State Audits, direction from the Legislature, and upon request from the State Controller's Office (SCO), adopts amendments to the <i>School Bus Safety II</i> parameters and guidelines to include "boilerplate language" that details the documentation necessary to support reimbursement claims. After this date, all adopted parameters and guidelines contain this language
04/07/2006	SCO requests the parameters and guidelines for 49 mandated programs adopted prior to 2003 also be amended to include boilerplate language, including the <i>Pacific Beach Safety: Water Quality and Closures</i> program analyzed here
04/27/2006	Commission deems SCO's request for amendment of parameters and guidelines complete and issues for comment
07/23/2009	Commission reissues SCO's request for amendment of parameters and guidelines for comment
08/18/2009	Department of Finance files comments
10/13/2009	Commission issues draft staff analysis

### Background

This is a request filed by the State Controller's Office (SCO) to amend the original parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program (CSM-4432) to add language regarding source documentation, and record retention requirements during the period a claim is subject to an audit. If the Commission on State Mandates (Commission) approves the SCO's request, the amendments would be effective for costs incurred beginning on July 1, 2005.

#### Board of Control Decision and Parameters and Guidelines

On July 9, 1993, the County of Los Angeles filed a test claim alleging that the test claim statutes imposed a state mandate by requiring local health officers to post conspicuous and informative warning signs along affected portions of coastal beaches and to submit to the State Water Resources Control Board an annual survey documenting all beach postings and closures.

On January 20, 1994, the Commission determined that Health and Safety Code Sections 427.12, Subdivision (a), and 427.13, as added or amended by Statutes 1992, Chapter 961 constituted a reimbursable state-mandated program upon local agencies pursuant to section 6, article XIII B of the California Constitution.<sup>1</sup>

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<sup>1</sup> Exhibit A.

On November 17, 1994, the Commission adopted the parameters and guidelines for this program.<sup>2</sup>

#### Boilerplate Language

On March 28, 2002, the Bureau of State Audits (BSA) issued an audit report on the *School Bus Safety II* program, stating that the parameters and guidelines do not impose sufficient requirements regarding the documentation required to support reimbursement claims, and thus, insufficient documentation was being submitted to support claims.<sup>3</sup> The report recommended, among other things, that the Commission work with the SCO, other affected state agencies, and interested parties to make sure the language in the parameters and guidelines and the claiming instructions for the *School Bus Safety II* program reflects the Commission's intentions as well as the SCO's expectations regarding supporting documentation. On June 10, 2002, the SCO proposed that parameters and guidelines be amended to clarify what documentation is necessary to support reimbursement claims and what records must be retained to support audits initiated by the SCO.

Based on BSA's audit findings and recommendations, the Legislature enacted Statutes 2002, chapter 1167 (AB 2781) to direct the Commission to amend the parameters and guidelines in *School Bus Safety II*, to detail the documentation necessary to support reimbursement claims.

On January 23, 2003, upon recommendation from BSA, direction from the Legislature, and the SCO's request, the Commission adopted the following language regarding source documentation and records retention to the *School Bus Safety II* parameters and guidelines:<sup>4</sup>

#### *IV. Reimbursable Activities*

*To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.*

*Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.*

*The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.*

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<sup>2</sup>Exhibit B.

<sup>3</sup>Exhibit C.

<sup>4</sup> The Commission also adopted other boilerplate language that is not relevant to this request.

## VI. Record Retention

*Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter\* is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. 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.*

The Commission has included this language, commonly referred to as “boilerplate language,” in all parameters and guidelines adopted on or after January 23, 2003.

### SCO Request to Amend Parameters and Guidelines

On April 7, 2006, the SCO requested that the parameters and guidelines for 49 mandated programs that were adopted prior to 2003 be amended to also include the boilerplate language regarding source documentation and records retention that was adopted by the Commission in 2003.<sup>5</sup>

The parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program is one of the 49 programs the SCO is requesting be amended.

### Comments on the Proposal

On April 27, 2006, the Commission issued the SCO’s request to amend the parameters and guidelines for comment. No comments were filed. On July 23, 2009, the Commission reissued the proposal for comment. On August 18, 2009, Department of Finance submitted comments.<sup>6</sup>

In its comments, Finance stated it was neutral on the proposal, because the request to include boilerplate language in the parameters and guidelines for the 49 programs would allow the Controller to complete audit related tasks more efficiently, and provide the claimant with more information and record retention requirements, as well as the statute of limitations for audits.

Commission staff issued the draft staff analysis on October 13, 2009.<sup>7</sup> No comments were filed.

### Related Litigation (*Clovis Unified School Dist., et al. v. State Controller*)

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.<sup>8</sup> The school districts argue that reductions made on the ground that school districts do not have contemporaneous source documents are invalid.

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\* This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

<sup>5</sup> Exhibit D.

<sup>6</sup> Exhibit E.

<sup>7</sup> Exhibit F.

<sup>8</sup> The Commission is not a party to this action.

*Trial Court Ruling.* On January 2, 2009, the Sacramento County Superior Court (Case No. 06CS00748) issued a clarification of ruling and on February 19, 2009, issued a Judgment and Writ, finding that reductions made by the Controller on the ground that claimants did not have contemporaneous source documents supporting their reimbursement claims were invalid as an underground regulation *if* the contemporaneous source document requirement was not in the Commission’s parameters and guidelines. The court held that the Controller has no authority to reduce a claim on the ground that a claimant did not maintain contemporaneous source documents to support their claim, absent statutory or regulatory authority to require contemporaneous source documents, or language in the parameters and guidelines requiring it. Pursuant to Government Code section 17558, the Controller’s claiming instructions shall be derived from the test claim decision and the adopted parameters and guidelines. Thus, the court granted declaratory relief and a writ of mandate requiring the Controller to set aside the reduction and pay the school district plaintiffs the amounts reduced on two mandated programs that did not have parameters and guidelines language requiring claimants to maintain contemporaneous source documents.

*Court of Appeal Filings (Third District Court of Appeal, Case No. C061696).* Notices of appeal and cross-appeal have been filed by the SCO, the community college districts, and the school districts, and opening briefs have been filed. The appeal on the issue of the validity of the contemporaneous source documentation requirement remains pending.

## **Discussion**

The proposed amendments to the parameters and guidelines raise the following issue for determination by the Commission:

**Issue:                   Should the parameters and guidelines be amended to add the Commission’s current “boilerplate language”?**

In 2003, following recommendation from the BSA and direction from the Legislature, the SCO requested, and the Commission adopted amendments to parameters and guidelines that clarify what source documentation claimants are required to retain to support the claims they file to obtain reimbursement for mandated programs, and records retention language that identifies the records that must be retained to support an audit initiated by the SCO.

The adopted language, as detailed on pages 4 and 5 of this analysis, has been included in all parameters and guidelines adopted since 2003.

In addition, section 1183.1, subdivision (a) (5) and (6) require that the parameters and guidelines contain, among other things, the following:

- Claim preparation. Instruction on claim preparation, including instruction for direct and indirect cost reporting, or application of a reasonable reimbursement methodology.
- Record retention. Notice of the Office of the State Controller’s authority to audit claims and the amount of time supporting documents must be retained during period subject to audit.

The SCO is now requesting that parameters and guidelines adopted prior to 2003 be amended to also include the source documentation and records retention language. This analysis pertains to

the parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program.<sup>9</sup>

Inserting the source documentation and records retention boilerplate language would conform the parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program with the parameters and guidelines adopted for other programs, and is consistent with section 1183.1 of the Commission's regulations.

Therefore, staff finds that it is appropriate to approve the SCO's request, and made the following modifications to the parameters and guidelines:

### *III. Period of Reimbursement*

Government Code section 17557, subdivision (d) states that a parameters and guidelines amendment filed on or before the claiming deadline following a fiscal year, shall establish reimbursement eligibility for that fiscal year. This amendment was filed on April 7, 2006, (after the claiming deadline) establishing reimbursement for fiscal year 2005-2006. Therefore, reimbursement for this amendment shall begin on July 1, 2005.

Staff clarified that the proposed amendments would be effective on July 1, 2005.

### *V. Reimbursable Activities and Related Costs*

Staff inserted the following boilerplate language regarding source documentation, as requested by the SCO:

*To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.*

*Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.*

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<sup>9</sup> The SCO only requested that the portions of the boilerplate language regarding source documentation and records retention be added to the parameters and guidelines for the 49 programs. There are other sections of the boilerplate language regarding the remedies available before the Commission, and the legal and factual basis for the parameters and guidelines. Staff did not include these sections because the SCO did not request that they be included.

*The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate*

#### VII. *Records Retention*

At the request of the SCO, staff added the following boilerplate language regarding records retention.

*Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter\* is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. 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.*

#### **Staff Recommendation**

Staff recommends that the Commission:

- Adopt the proposed amendments to parameters and guidelines for the *Pacific Beach Safety: Water Quality and Closures* program, beginning on page 9.
- Authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

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\* This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.



~~Hearing Date: November 17, 1994~~  
~~File Number: CSM 4432~~  
~~Staff: Sharlene T. Steed~~  
~~G:\sts\behSAFE\2ndp&g2~~  
~~Adopted: November 17, 1994~~  
~~Proposed Amendment: January 29, 2010~~

Proposed [Amendment to](#) Parameters and Guidelines  
Health and Safety Code Sections 427.12, Subdivision (a), and 427.13

[Statutes 1992](#), Chapter 961, ~~Statutes of 1992~~

*Pacific Beach Safety: Water Quality and Closures*  
[05-PGA-36 \(CSM-4432\)](#)

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

**I. Summary of Mandate**

The Commission on State Mandates determined that the provisions of Health and Safety Code sections 427.12, subdivision (a), and 427.13, as added by [Statutes 1992](#), chapter 961, ~~Statutes of 1992~~, impose a reimbursable state mandated program by requiring the local health officer to post the beach with conspicuous warning signs and to submit to the State Water Resources Control Board an annual survey documenting all beach postings and closures. (Attachment C)

**II. Commission on State Mandates Decision**

At its November 18, 1993, hearing the Commission on State Mandates (Commission) determined that Health and Safety Code 427.12, subdivision (a), and Health and Safety Code 427.13, as added by [Statutes 1992](#), cChapter 961, ~~Statutes of 1992~~, impose a reimbursable state mandated program. On January 20, 1994, the Commission approved the Statement of Decision related to this program.

**III. Eligible Claimants**

Counties

**IV. Period of Reimbursement**

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

[Statutes 1992](#), cChapter 961, ~~Statutes of 1992~~ was approved by the Governor on September 26, 1992 and became operative on January 1, 1993. Section 17557 of the Government Code states that a test claim must be submitted on or before December 31 following a given fiscal year to establish eligibility for reimbursement for that fiscal year. The test claim for this mandate was filed by the County of Los Angeles on July 9, 1993. Therefore, costs incurred for [Statutes 1992](#), cChapter 961, ~~Statutes of 1992~~, on or after its operative date of January 1, 1993, are eligible for reimbursement.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section

17561, subdivision (d)(3), of the Government Code, all claims for reimbursement of cost shall be submitted within 120 days of notification by the State Controller of the enactment of the claim bill.

If total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

## V. Reimbursable Activities and Related Costs

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

### A. Scope of Mandate

Local agencies shall be reimbursed for costs incurred to complete the annual State survey as required in Health and Safety Code 427.12, subdivision (a), and for costs incurred to post beach warning signs as required in Health and Safety Code 427.13.

For each eligible claimant the following one-time costs and continuing costs are reimbursable:

#### 1. One Time Costs:

- a. One-time, local government, staff costs to update policies and procedures to conform with the special requirements of Health and Safety Code 427.12, subdivision (a), and Health and Safety Code 427.13, the latter being limited to the posting of the beach with conspicuous warning signs.
- b. One time cost to develop and establish cost-effective methods for data collection and documentation of scientific data relating to beach water quality and closures. These methods are to be used to obtain and document data for the State's minimum reporting requirements such as the

location and duration of each beach closure and the suspected sources of contamination that caused the closure, if known.

If the volume and data structure of closure records justifies automation in other than word-processing format, costs may include the purchase of over-the-counter software and/or hardware, but only if surplus software and/or hardware capacity available at the work location is insufficient to meet the needs of this mandate. Attach specific justification for data base software and personal computer hardware purchases. As a general guide, if purchase of data base software and/or a hardware is justified, costs are not expected to exceed \$1,000 for software and \$3,000 for hardware. For amounts exceeding these, specific additional narrative is required to substantiate need. The development of agency-specific software for data collection and documentation would be deemed unusual and would require specific additions narrative to substantiate need.

A county which chooses to collect and retain beach closure data in excess of minimum state requirements is required to prorate costs of data collection and documentation between the state and the county.

If software and/or hardware is purchased or modified for this state mandated program, and is used for any other program, costs shall be prorated.

2. Continuing costs as follows:

- a. Local government staff costs necessary to identify, record, and document beach warning postings and closures due to threats to the public health that occurred during the preceding calendar year, including the location and duration of each beach closure and costs of recording and documenting the suspected sources of the contamination that caused the closure, if known.
- b. Local government staff costs, and related travel costs including mileage, to timely post warning signs along affected portions of coastal beaches and remove them when public health hazard(s) have abated.
- c. Local government service, equipment and supply costs to procure or produce conspicuous and informative warning signs, and replace or repair, as necessary; and to travel to contaminated sites for posting, removal, or replacement of warning signs.
- d. An annual report or survey submitted to the State Water Resources Control Board which documents all beach postings and closures due to threats to the public health that occurred during the preceding calendar year. The survey shall, at a minimum, include the location and duration of each beach closure in its jurisdiction and the suspected sources of the contamination that caused the closure, if known. The first report shall be submitted by March 30, 1994, and therefore, the costs for only one report will be reimbursed for the period between January 1, 1993 and March 30, 1994.

- e. On-going maintenance costs of automated methods of data collection and documentation may be claimed in proportion to this program's shared use of those methods. A county which chooses to collect and retain closure data in excess of minimum state requirements is required to prorate maintenance costs of automated systems between the state and the county.

## **VI. Claim Preparation and Submission**

Each claim for reimbursement pursuant to this mandate must be timely filed and include a listing of each item for which reimbursement is claimed.

Claimed costs should be supported by the following:

### **A. Employee Salaries and Benefits**

Show the job classification of the employee involved, state mandated functions performed, number of hours devoted to the function, productive hourly rates and benefits.

### **B. Services, Equipment and Supplies**

Claimed expenditures must be identified with a reimbursable activity resulting from the subject state mandate. List cost of materials or equipment acquired which have been consumed or expended specifically for the purpose of the subject state mandate.

### **C. Contract Services**

List costs incurred for contract services for the subject state mandate. Contracting costs are reimbursable to the extent that the function performed requires special skills or knowledge that is not readily available from the claimant's staff. Use of contract services must be justified by the claimant.

### **D. Fixed Assets**

List the cost of fixed assets that have been acquired specifically for the purpose of the subject state mandate. If a fixed asset is acquired, but is utilized in some way not directly related to the program, only the pro-rata portion of the asset which is used for purposes of the subject state mandate is reimbursable.

### **E. Allowable Overhead Cost**

1. Allowed for one-time costs and for continuing costs. Cities, counties, and special districts have the option of using 10% of direct labor as indirect costs or preparing a departmental Indirect Cost Rate Proposal.

If the city or county elects to prepare an Indirect Cost Rate Proposal, the Proposal must be prepared in accordance with Office of Management and Budget Circular A-87 (OMB A-87).

## **VII. Records Retention Supporting Data**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter<sup>1</sup> is subject to the initiation of an audit by the Controller no later than three years after the

date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

~~For auditing purposes, all costs claimed shall be traceable to source documents and/or worksheets that show evidence of and validity of claimed costs. All documentation supporting such costs shall be made available to the State Controller or his agent, as may be requested, during the record retention period specified in Government Code section 17558.5, subdivision (a).~~

~~Government Code section 17558.5, subdivision (a), requires that all supporting source documents and worksheets shall be kept on file not less than four years after the end of the calendar year in which the reimbursement claims is filed or last amended, unless no funds are appropriated for the program for the fiscal year for which the claim is made, in which case, the four year retention shall commence to run from the date of initial payment of the claim.~~

### **VIII. Offsetting Savings and Other Reimbursement**

Any offsetting savings the claimant experiences as a direct result of the subject statutes shall be deducted from the costs claimed. In addition, reimbursements for the subject state mandates received from any source, e.g., federal, state, etc., shall be identified and deducted from this claim.

### **IX. State Controller's Office Required Certification**

An authorized representative of the claimant shall be required to provide a certification of the claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained herein.