

Item 4
STAFF REPORT
Implementation of AB 1222

EXECUTIVE SUMMARY

AB 1222

On October 8, 2007, AB 1222 (Stats. 2007, ch. 329, Laird)¹ was enacted to make three substantive changes to the mandates process:

- Amend the definition of "reasonable reimbursement methodology" (RRM) by eliminating conditions that have made it impossible for any party to propose an RRM and the Commission from adopting parameters and guidelines with an RRM.
- Authorize the successful test claimant to negotiate an RRM with the Department of Finance for submittal to the Commission in lieu of the Commission adopting parameters and guidelines and statewide cost estimates. This simplified approach to reimbursement would eliminate detailed parameters and guidelines, claimant documentation of actual costs, and define the criteria for Commission adoption.
- Codify a procedure for the Department of Finance and a local agency, school district, or statewide association of local agencies or school districts to request a legislatively determined mandate, a reimbursement methodology, and appropriation.

At the Commission's September 27, 2007 hearing, staff committed to completing the following steps to implement AB 1222:

Task to Complete	Status
1. Establish an advisory working group to assist staff in developing its work plan to implement AB 1222. The working group should consist of representatives of the Department of Finance, State Controller's Office, CSAC SB 90 Group, League of California Cities, School Districts and Community Colleges, Education Coalition, and the Legislature.	Complete
2. Meet with advisory working group to develop regulatory package to implement AB 1222 and to develop and organize workshops and training sessions.	Complete
3. Submit proposed regulatory package to the Commission on November 22, 2007 so the Commission may consider adoption of Order to initiate regulatory process at the December 6, 2007 hearing.	Complete
4. Publish Notice of Rulemaking.	Complete

¹ Exhibit A.

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| 5. | Update statutes in CSM Reference Binders. | Complete |
| 6. | Brief local agencies, school districts, legislative staff, state agencies, and Commission members on new steps necessary to implement AB 1222. | January 31, 2008 |
| 7. | Hold public hearing for comment on proposed regulations if requested. | No Request for Hearing |
| 8. | Develop and issue final proposed regulations. | March 13, 2008 |
| 9. | Schedule final proposed regulations for adoption. | March 27, 2008 |
| 10. | Staff training. | Ongoing |

Training

Staff with the Commission and Department of Finance will brief Commission members, claimants, state agencies and any interested persons on the new steps necessary to implement AB 1222. This will complete step 6 of the implementation plan. An outline of the briefing follows:

- I. Overview of three components of AB 1222
- II. Review of Proposed Regulations to Implement AB 1222²
- III. New Requirements
 - A. For Commission Members
 - B. For Claimants
 - C. For State Agencies
- IV. Questions

² Exhibit B.