

ITEM 17
STAFF REPORT
2011 LEGISLATION

There are currently three bills that propose to revise the mandates process:

AB 202 (Brownley). Government Code section 17562 requires a variety of reports on mandates be submitted by the State Controller, Legislative Analyst, and Department of Finance each year.

This bill would amend section 17562 to require the Legislative Analyst, at least once each legislative session, to review and make recommendations whether or not to amend or repeal each education-related reimbursable state mandate approved by the Commission that meet the following criteria:

- School districts have filed reimbursement claims on the mandate; and
- The Legislature has not yet funded the mandate.

This is an Assembly Education Committee-sponsored bill and appears to be a spot bill. Last year, the Committee sponsored AB 2082, which would have transferred the responsibility for adjudicating incorrect reduction claims from the Commission to the Education Audit Appeals Panel. That bill died in the Senate.

AB 202 could be amended to include more substantive mandate reform for school districts. Staff will monitor the bill and update the Commission at the May 26, 2011 hearing.

SB 64 (Liu). Government Code section 17553 and the Commission's regulations establish procedures that govern filing of test claims for local agencies and school districts.

SB 64 would remove school districts from this process and establish a new process for school districts to file test claims. The bill would require the Commission to establish a school district test claim advisory committee. The membership of the advisory committee shall be selected by, and serve at the pleasure of, the Commission, and include officials from the Department of Finance, the State Department of Education, the Controller's Office, and representatives of school agencies, including, but not limited to, chief business officials, board members, and superintendents.

The advisory committee shall review, prior to a hearing by the Commission, any test claim filed by a school district. As part of the review, the advisory committee shall prepare and deliver to the Commission a report and recommendation for the school district test claim.

Commission staff shall provide technical expertise and other support for the advisory committee.

Commission staff met with the sponsors of the bill (California Association of School Business Officials, California School Boards Association, and School Innovations and Advocacy) and the author's staff, and provided technical information about the mandates process. The sponsors are contemplating amendments to the bill.

SB 112 (Liu). Government Code section 17557 requires the Commission to adopt parameters and guidelines on approved mandates. Section 17557 authorizes local agencies, school districts, and state agencies to submit requests to amend existing parameters and guidelines to: (1) delete reimbursable activities that have been repealed by the Legislature; (2) update offsetting revenue and offsetting savings language; (3) include or amend a reasonable reimbursement methodology; (4) clarify what constitutes or does not constitute reimbursable activities; (5) add new activities; (6) consolidate two or more parameters and guidelines; or (7) amend the boilerplate language (the language in the parameters and guidelines that is not unique to each program).

Government Code section 17558 requires the State Controller's Office to issue claiming instructions 60 days after it receives the adopted parameters and guidelines, and revised claiming instructions 60 days after it receives the adopted amendments to parameters and guidelines. Issuance of the claiming instructions begins the process for the claimants to file reimbursement claims. When amendments to the parameters and guidelines are adopted and revised claiming instructions are issued, the claimants are entitled to file revised reimbursement claims.

SB 112 would clarify that any amendment to the boilerplate language in the parameters and guidelines that does not increase or decrease reimbursable costs shall limit the eligible filing period commencing with the fiscal year in which the parameters and guidelines are amended by the Commission.

This bill is sponsored by the State Controller's Office. Controller's staff states that issuance of revised claiming instructions after adoption of parameters and guidelines amendments allows claimants to file revised reimbursement claims, even if the amendments to the parameters and guidelines did not increase or decrease any costs to the claimant. This bill would clarify that if amendments are made to boilerplate language that result in no increase or decrease in costs, claimants may not file revised reimbursement claims for past years.

The author's staff and staff with the Senate Governance and Finance Committee requested to meet with our staff to discuss this bill. Commission staff will report the outcome of this meeting at the hearing.