Hearing: March 26, 2010 j:meetings/2010/032610/legreport

ITEM 14 LEGISLATIVE UPDATE 2009-2010 Legislation

AB 349 (Silva), as amended on December 15, 2009. Under existing law, no local agency or school district is required to implement or give effect to any statute or executive order that has been determined to be a mandate, and identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. This is otherwise known as suspending mandates.

Under this bill:

- If the Governor's budget proposes to suspend state mandates, the Department of Finance would be required, on or after January 1, 2012, to provide to the Legislature all proposed statutory changes necessary to repeal the mandates proposed for suspension.
- The Budget Act that identifies suspended mandates, shall also, to the extent practicable, identify each affected section of law. However, failure to provide this identification would not halt or otherwise affect suspension of a mandate.

This bill attempts to repeal mandates that are suspended, and to further clarify what laws are being suspended. The author is concerned with the significant number of mandates on the books that have not been funded for several years. The author states that there are currently over two dozen mandates that have been suspended for at least three years, ten of which have been suspended for at least 18 years.

The bill is supported by the California State Association of Counties, California Peace Officer's Association, California Police Chiefs Association, League of California Cities, and California Special Districts Association.

There is no known opposition to the bill. However, last year, the Legislature rejected a budget trailer bill that would have repealed numerous suspended mandates, because they believe that the repeal of mandates should be decided in policy committee. This bill could face the same opposition from the Legislature.

We also point out that this bill only applies to local agency mandates. It does not address school district mandates.

AB 349 passed the Assembly (77-0) and is pending in Senate Budget and Fiscal Review Committee.

AB 548 (Chesbro) would have changed the State Controller's audit period for mandate reimbursement claims. The bill's provisions were deleted and new language was added regarding class size reductions. This bill no longer addresses the mandates process.

AB 917 (Nestande) would have required the Legislature to suspend, rather than defer school district mandates that are not fully funded. Since the last Commission hearing, the bill died in first policy committee.

AB 2082 (Assembly Committee on Education) – As introduced February 18, 2010. This bill would declare legislative intent that statutes creating reimbursable state mandates on local educational agencies be periodically reviewed, and that the Legislature consider recommendations to amend repeal or preserve those statutes. The bill would also expand the current Legislative Analyst Office's (LAO) report on mandates to require the LAO to annually report on each education reimbursable state mandate where (1) the Commission on State Mandates has determined it to be a mandate; (2) reimbursement claims have been filed on the mandate; and (3) no appropriation has been made by the Legislature on the mandate. Pending in Assembly Education Committee.

SB 894 (Senate Committee on Local Government) – As introduced January 25, 2010. This is the 2010 Local Government Omnibus Act. It is the Committee's annual bill to provide technical amendments for local government statutes. It will include the Commission's legislative proposal CSM 10-01, which requires our Reports to the Legislature on Approved Mandates to include information on pending reasonable reimbursement methodologies being proposed as part of pending parameters and guidelines, joint proposals between Finance and local entities to develop reasonable reimbursement methodologies, or joint proposals to seek legislatively determined mandates, and any delays being caused by these alternative processes.

Adding this additional information to the Reports to the Legislature will implement a recommendation from the October 2009 Bureau of State Audits Report 2009-501, *State Mandates: Operational and Structural Changes Have Yielded Limited Improvements in Expediting Processes and Controlling Costs and Liabilities.* Set for hearing in Senate Committee on Local Government on April 21, 2010.