

ITEM 13

JOINT REQUEST TO EXTEND TERM OF REASONABLE REIMBURSEMENT METHODOLOGY

Welfare and Institutions Code Section 8103, Subdivisions (f) and (g)
Statutes 1999, Chapter 578

Firearm Hearings for Discharged Inpatients
07-RRM-01 (99-TC-11)

County of Los Angeles and Department of Finance, Joint Requestors

Executive Summary

Summary of the Mandate

On April 26, 2006, the Commission on State Mandates adopted its Statement of Decision finding that subdivisions (f) and (g) of Welfare and Institutions Code section 8103, as amended by Statutes 1999, chapter 578 imposed 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.

The test claim statutes 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) of the test claim statutes.

Background

The County of Los Angeles (County) and the Department of Finance (Finance) filed the first Joint Request for a Reasonable Reimbursement Methodology and Statewide Estimate of Costs pursuant to AB 1222 (Gov. Code, §§ 17557.1-17557.2) on this mandate. 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 must be supported by document(s) showing the names of the petitioners and their hearing dates.

On June 26, 2008, the Commission approved this RRM. The two-year term for this RRM will expire on June 30, 2010, unless extended.

Finance and the County jointly request that the term of the RRM remain in effect until June 30, 2011.

Staff Analysis

Section IV of the agreement provides that the terms may be renewed if Finance and the County jointly propose amendments, or propose the RRM remain in effect.

Since the Finance and the County are in agreement as to a one-year extension of the term of the RRM, and the current agreement provides for the extension and the amendment, staff concludes that the Commission may approve this request by the adoption of the agreement, as amended, beginning on page 3.

The proposed amendments are as follows:

Section III. Terms of Agreement – extends term of agreement from “two” to “three” years, with an expiration date of “June 30, 2011.”

Section IV. Amendment of Agreement – changes expiration date to “June 30, 2011.”

Recommendation

Staff recommends approval of this request by the adoption of the agreement, as amended.

Proposed 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
Proposed for Amendment: 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 ~~two~~ three years and expire on June 30, ~~2010~~ 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, ~~2010~~ 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.



DEPARTMENT OF
FINANCE

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

March 30, 2010

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

The Department of Finance, in collaboration with Los Angeles County, proposes that the jointly-developed reasonable reimbursement methodology (RRM) for the Firearm Hearings For Discharged Inpatients mandate (99-TC-11) remain in effect for an additional year. The RRM would then be extended to June 30, 2011.

As required by the Commission's regulations, and consistent with the directions in your February 26, 2010 letter, we are submitting an Adobe Acrobat PDF file reflecting these comments.

If you have any questions regarding this letter, please contact Carla Shelton, Associate Budget Analyst at (916) 445-8913.

Sincerely,

A handwritten signature in cursive script that reads "Nona Martinez".

Nona Martinez
Associate Program Budget Manager

Enclosure

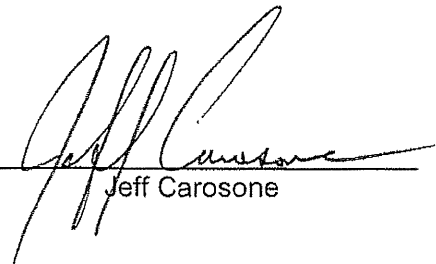
Enclosure A

DECLARATION OF JEFF CAROSONE
DEPARTMENT OF FINANCE
CLAIM NO. CSM—99-TC-11

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

3-30-10

at Sacramento, CA



Jeff Carosone

PROOF OF SERVICE

Test Claim Name: Firearm Hearings for Discharged Inpatients
Test Claim Number: CSM—99-TC-11

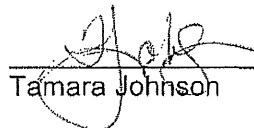
I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 8 Floor, Sacramento, CA 95814.

On March 30, 2010, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 8 Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 30, 2010 at Sacramento, California.



Tamara Johnson



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
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MARIA M. OMS
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JUDI E. THOMAS

March 30, 2010

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, California 95814

Dear Ms. Higashi:

**LOS ANGELES COUNTY'S PROPOSAL
TO EXTEND THE RRM FOR
CHAPTER 578, STATUTES OF 1999
FIREARM HEARINGS FOR DISCHARGED INPATIENTS**

The County of Los Angeles would like to request the Commission on State Mandates to extend the Reasonable Reimbursement Methodology (RRM) period for the subject program for an additional year. The additional time is necessary to analyze the statistics and other variables associated with this reimbursement claim.

If you have any questions, please contact Hasmik Yaghobyan at (213) 893-0792 or via e-mail at hyaghobyan@auditor.lacounty.gov.

Very truly yours,


Wendy L. Watanabe
Auditor-Controller

WLW:MMO:JN:CY:hy
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