

ITEM 12
LEGISLATIVE UPDATE
2009-2010 Legislation

Commission staff is tracking three bills that may affect the Commission: SB 894, AB 349, and AB 2082. Following are summaries of the bills:

AB 2082 (Assembly Committee on Education) – As amended April 14, 2010. This bill would (1) transfer the authority to decide incorrect reduction claims from the Commission on State Mandates to the Education Audit Appeals Panel;(2) expand the reporting requirements on mandated programs for the Legislative Analyst; and (3) require Legislative Counsel to include language in bills that impose mandates on school districts, that automatically repeals or sunsets the provisions in five years.

This bill was heard in Senate Education Committee on June 30. The Senate Education Committee Analysis recommended that the provisions that transfer authority to hear and determine K-12 incorrect reduction claims from the Commission to the Education Audit Appeals Panel be deleted from the bill and that language be added to require the CSM to annually report to the Assembly and Senate Committees on Education and the fiscal committees of the Legislature on (a) how many IRCs exist, including brief narrative; (b) the status of the IRCs; (c) how many and which IRCs have been resolved; and (d) a proposed schedule for addressing IRCs.

In her opening statement, Julia Brownley, Chair Assembly Education Committee, spoke about her commitment to mandate reform and the BSA audit report then requested that the bill be held in committee. Speakers for the bill included: PTA, Association of California School Administrators, School Innovations and Advocacy; and speakers opposed, Education Mandated Cost Network, Fullerton Union High School District, and Commission. The State Controller's Office was also in opposition to the bill.

Senator Liu (and Senator Huff) gave the Commission notice that there would be oversight hearings in the fall on the mandates process and problems. Senator Liu offered to work with the Assembly Education Committee in addressing mandate reform. Both Senators Liu and Huff are familiar with the Legislative Analyst's Report and recommendations on K-12 mandates and other pending mandate issues in conference committee.

Commission Position: The Commission opposes AB 2082 unless amended to strike all provisions related to the transfer of authority to decide incorrect reduction claims to the Education Audit Appeals Panel.

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.

AB 349 passed the Assembly (77-0). Testimony was taken, and remains pending in Senate Budget and Fiscal Review Committee.

Commission Position: The Commission voted on May 27, 2010, to take no position on AB 349.

SB 894 (Senate Committee on Local Government) – As amended June 7, 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 includes 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*.

SB 894 passed the Senate (30-0) on May 10, 2010; passed Assembly Local Government Committee (9-0) on June 30, 2010; pending in the Assembly Appropriations Committee, no hearing scheduled.

Commission Position: The Commission supports SB 894.