

Hearing: September 30, 2010

**ITEM 15**

**CHIEF LEGAL COUNSEL'S REPORT  
New Filings, Recent Decisions, Litigation Calendar**

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This public session report is intended only as an information item for the public.<sup>1</sup> Commission communications with legal counsel about pending litigation or potential litigation are reserved for Closed Executive Session, per the Notice and Agenda.

**New Filings**

None.

**Recent Decisions**

None.

**Litigation Calendar**

<b><u>Case</u></b>	<b><u>Hearing Date</u></b>
<i>County of Santa Clara v. Commission on State Mandates, State Controller's Office, et al.</i> , Sacramento County Superior Court, Case No. 34-2010-80000592 [Incorrect Reduction Claim, <i>Handicapped and Disabled Students</i> ]	November 19, 2010 (Hearing on demurrer/motion to strike)
<i>Department of Finance v. Commission on State Mandates, et al.</i> Sacramento County Superior Court, Case No. 03CS01432, [ <i>Behavioral Intervention Plans</i> ]	December 10, 2010 (Hearing on petition for writ of mandate)

**Cases of Interest (The Commission is not a party to these actions)**

- a. Clovis Unified School Dist., et al. v. State Controller*  
Third District Court of Appeal, Case No. C061696  
**Case heard and submitted on August 17, 2010**  
**Court to issue decision within 90 days**

This case involves a challenge by school districts and community college districts on reductions made by the State Controller's Office to reimbursement claims for

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<sup>1</sup> Based on information available as of September 15, 2010. Release of this litigation report shall not be deemed to be a waiver of any privileged communication or act, including, but not limited to, the attorney-client privilege and the attorney work product doctrine.

several mandated programs. The school districts argue that reductions made on the ground that school districts did not have contemporaneous source documents were invalid. The schools also challenge the Controller's interpretation of offset provisions related to the *Health Fee Elimination* program and the indirect cost rate applied to the claim.

***b. California School Board's Association v. State of California***

Fourth District Court of Appeal, Case No. D055659

Appeal Filed: July 30, 2009

**Briefing is underway**

This case involves a challenge by school districts to the practice of deferring mandate reimbursement payments. Since 2001-2002, the State has been nominally funding certain state mandated school programs and deferring payment of the balance. The trial court found that the State's practice of deferring payment for state-mandated programs is an unreasonable and unconstitutional restriction on the school districts and county offices of education's constitutional rights under article XIII B, section 6 of the California Constitution.