

**ITEM 1
PROPOSED MINUTES**

COMMISSION ON STATE MANDATES

State Capitol, Room 126
Sacramento, California
September 27, 2005

Present: Chairperson Anne Sheehan
 Representative of the Director of the Department of Finance
 Member Nicholas Smith
 Representative of the State Controller
 Member Francisco Lujano
 Representative of the State Treasurer
 Member Jan Boel
 Representative of the Director of the Office of Planning and Research
 Member Paul Glaab
 City Council Member

Vacant: Local Elected Official
 Public Member

CALL TO ORDER AND ROLL CALL

Chairperson Sheehan called the meeting to order at 9:34 a.m. She stated that the Commission should have a full contingency by the next meeting.

CLOSED EXECUTIVE SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 11126 and 17526.

PENDING LITIGATION

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matters pursuant to Government Code section 11126, subdivision (e)(1):

New Cases

1. *Yuba City Unified School District v. State of California, et al.*, Sacramento Superior Court Case No. 05CS01237, CSM Case No. 05-L-01 [*Graduation Requirements IRC*]
2. *John Swett Unified School District v. State of California, et al.*, Sacramento Superior Court Case No. 05CS01262, CSM Case No. 05-L-02 [*Graduation Requirements, IRC*]
3. *West Contra Costa Unified School District, et al. v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 05CS01253 CSM Case No. 05-L-03 [*Graduation Requirements, IRC*]
[Filed on behalf of 12 school districts: West Contra Costa USD, Anderson Union High School District, Center USD, Lake Tahoe USD, Lincoln USD, Linden USD, Novato USD, Ojai USD, Placer Union High School District, San Juan USD, Stockton USD, Vallejo City USD]

Other Cases

4. *State of California, Department of Finance v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01069, CSM Case No. 03-L-01, consolidated with *County of Los Angeles v. Commission on State Mandates, et al.*, Los Angeles Superior Court Case No. BS087959, transferred to Sacramento Superior Court, Case No. 05CS00865, CSM Case No. 03-L-11 [*Animal Adoption*]
5. *State of California, Department of Finance v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01432, CSM Case No. 03-L-02 [*Behavioral Intervention Plans*]
6. *San Diego Unified School District v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01401, CSM Case No. 03-L-03 [*Graduation Requirements IRC*]
7. *Castro Valley Unified School District v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01568, CSM Case No. 03-L-04 [*Graduation Requirements IRC*]
8. *San Jose Unified School District v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01569, CSM Case No. 03-L-05 [*Graduation Requirements IRC*]
9. *Sweetwater Union High School District v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01570, CSM Case No. 03-L-06 [*Graduation Requirements IRC*]
10. *Clovis Unified School District v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01702, CSM Case No. 03-L-09 [*Graduation Requirements IRC*]
11. *Grossmont Union High School District v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 04CS00028, CSM Case No. 03-L-10 [*Graduation Requirements IRC*]
12. *CSAC Excess Insurance Authority v. Commission on State Mandates, et al.*, Los Angeles Superior Court Case No. BS092146, CSM Case No. 04-L-01 [*Cancer Presumption for Law Enforcement and Firefighters and Lower Back Injury Presumption for Law Enforcement*], consolidated with *City of Newport Beach v. Commission on State Mandates, et al.*, Los Angeles Superior Court Case No. BS095456, CSM Case No. 04-L-02 [*Skin Cancer Presumption for Lifeguards*]
13. *County of Los Angeles, et al. v. Commission on State Mandates, et al.*, Second District Court of Appeal [Los Angeles] Case Number B183981, CSM Case No. 04-L-03, (Los Angeles Superior Court Nos. BS089769, BS089785) [*Transit Trash Receptacles, et al./Waste Discharge Requirements*]
14. *Southern California Association of Governments, et al. v. Commission on State Mandates*, Sacramento Superior Court Case No. 05CS00956, CSM Case No. 04-L-04 [*Regional Housing Needs Determination-Councils of Government*]

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matter pursuant to Government Code section 11126, subdivision (e)(2):

- Based on existing facts and circumstances, there is a specific matter which presents a significant exposure to litigation against the Commission on State Mandates, its members and/or staff (Gov. Code, § 11126, subd. (e)(2)(B)(i).)

PERSONNEL

To confer on personnel matters pursuant to Government Code sections 11126, subdivision (a) and 17526. Discussion and action, if appropriate, on recommendation of Personnel Sub-Committee on:

- Appointment of Interim Chief Legal Counsel
- Testing, Selection and Appointment of Chief Legal Counsel (CEA IV)

Hearing no further comments, Chairperson Sheehan adjourned into closed executive session pursuant to Government Code section 11126, subdivision (e), to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the published notice and agenda; and Government Code sections 11126, subdivision (a), and 17526, to confer on personnel matters listed on the published notice and agenda.

REPORT FROM CLOSED EXECUTIVE SESSION

Chairperson Sheehan reported that the Commission met in closed executive session pursuant to Government Code section 11126, subdivision (e), to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the published notice and agenda; and Government Code sections 11126, subdivision (a), and 17526, to confer on personnel matters listed on the published notice and agenda.

Chairperson Sheehan noted that this was Paul Starkey's last hearing as Chief Legal Counsel. Thus, effective October 1, 2005, the Commission appointed Senior Commission Counsel, Camille Shelton, as acting Chief Legal Counsel until appointment of a new counsel.

APPROVAL OF MINUTES

Item 1A July 28, 2005

Upon motion by Member Boel and second by Member Smith, the minutes were unanimously adopted.

Item 1B August 23, 2005

Upon motion by Member Smith and second by Member Lujano, the minutes were adopted. Member Boel abstained.

PROPOSED CONSENT CALENDAR

**INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF REGULATIONS,
TITLE 2, CHAPTER 2.5, ARTICLE 8 (action)**

**ADOPTION OF PROPOSED PARAMETERS AND GUIDELINES AND
AMENDMENTS TO PARAMETERS AND GUIDELINES**

- Item 7 *The Stull Act, 98-TC-25*
Denair Unified School District and Grant Joint Union High School District,
Claimants
Education Code Sections 44660 – 44665 (formerly Ed. Code §§ 13485-13490)
Statutes 1975, Chapter 1216 (SB 777); Statutes 1983, Chapter 498 (SB 813);
Statutes 1986, Chapter 393 (AB 3878); Statutes 1995, Chapter 392 (AB 729);
Statutes 1999, Chapter 4 (SB 412)

- Item 8 *Mandate Reimbursement Process, CSM-4485*
Statutes 1975, Chapter 486 (AB 1375), Statutes 1984, Chapter 1459 (SB
2337); Statutes 1995, Chapter 303 (AB 903 - Budget Act of 1995); Statutes
1996, Chapter 162 (SB 1393 - Budget Act of 1996); Statutes 1997, Chapter
282 (AB 107 - Budget Act of 1997); Statutes 1998, Chapter 324 (AB 1656 -
Budget Act of 1998); Statutes 1999, Chapter 50 (SB 160 - Budget Act of
1999); Statutes 2000, Chapter 52 (AB 1740 - Budget Act of 2000); Statutes
2001, Chapter 106 (SB 739 –Budget Act of 2001); Statutes 2002, Chapter 379
(AB 425 - Budget Act of 2002); Statutes 2003, Chapter 157 (AB 1765 -
Budget Act of 2003); Statutes 2004, Chapter 208 (SB 1113 - Budget Act of
2004); Statutes 2005, Chapter 38 (SB 77 - Budget Act of 2005)

**SET ASIDE PARAMETERS AND GUIDELINES, AS DIRECTED BY THE
LEGISLATURE, STATUTES 2004, CHAPTER 72, (AB 138)**

- Item 9 *Brown Act Reform, 04-PGA-08 (CSM-4469) and*
Open Meetings Act (CSM-4257)
Government Code Sections 54952, 54954.2, 54954.3, 54957.1, and 54957.7
Statutes 1993, Chapters 1136 (AB 1426), 1137 (SB 36), and 1138
(SB 1140); Statutes 1994, Chapter 32 (SB 752); and
Statutes 1986, Chapter 641 (AB 2674)

- Item 10 *Redevelopment Agencies – Tax Disbursement Reporting, 99-TC-06*
Health and Safety Code Section 33672.7
Statutes 1998, Chapter 39 (SB 258)

**SET ASIDE OR AMEND PARAMETERS AND GUIDELINES BASED ON
STATUTES 2004, CHAPTER 889, (AB 2853) AND REQUEST OF THE STATE
CONTROLLER’S OFFICE**

- Item 12 *Involuntary Lien Notices, 04-PGA-15 (SB 90-3891)*
Statutes 1980, Chapter 1281 (AB 481)

- Item 13 *Property Tax: Family Transfers, 04-PGA-16 (CSM-4320)*
Statutes 1987, Chapter 48 (AB 47)

- Item 14 *County Treasury Oversight Committees*, 04-PGA-17 (CSM 96-365-03)
Government Code Sections 27130, 27131, 27132, 27132.1, 27132.2, 27132.3, 27132.4, 27133, 27134, 27135, 27136, 27137
Statutes 1995, Chapter 784 (SB 866); Statutes 1996, Chapter 156 (SB 864)
- Item 15 *Investment Reports*, 04-PGA-18 (CSM 96-358-02)
Government Code Section 53646, Subdivisions (a), (b), and (e)
Statutes 1995, Chapter 783 (SB 564) Statutes 1996, Chapter 156 (SB 864)
Statutes 1996, Chapter 749 (SB 109)
- Item 16 *Two-Way Traffic Signal Communications*, 04-PGA-19 (CSM-4504)
Vehicle Code Section 2140
Statutes 1994, Chapter 1297 (AB 3418), Statutes 2004, Chapter 889 (AB 2853)

**SET ASIDE OR AMEND PARAMETERS AND GUIDELINES BASED ON
AMENDMENTS BY STATUTES 2004, CHAPTER 227 (SB 1102)**

- Item 19 *Senior Citizens' Mobilehome Property Tax Deferral Program*, 04-PGA-31
(SB 90-1623)
Statutes 1983, Chapter 1051 (AB 800)

Member Glaab moved for adoption of the consent calendar, which consisted of items 7, 8, 9, 10, 12, 13, 14, 15, 16, and 19. With a second by Member Boel, the consent calendar was unanimously adopted.

**APPEAL OF EXECUTIVE DIRECTOR DECISIONS PURSUANT TO CALIFORNIA
CODE OF REGULATIONS, TITLE 2, SECTION 1181, SUBDIVISION (c)**

- Item 3 Staff Report (if necessary)

No appeals were filed.

**RECONSIDERATION OF PRIOR STATEMENT OF DECISION AS DIRECTED
BY THE LEGISLATURE IN STATUTES 2004, CHAPTER 316 (AB 2851) AND
CHAPTER 895 (AB 2855)**

- Item 4 *Sex Offenders: Disclosure by Law Enforcement Officers*, 04-RL-9715-06
Penal Code Sections 290 and 290.4, as amended by Statutes 1996, Chapters 908
(AB 1562) and 909 (SB 1378); Statutes 1997, Chapters 17 (SB 947), 80
(AB 213), 817 (AB 59), 818 (AB 1303), 819 (SB 314), 820 (SB 882), 821
(AB 290) and 822 (SB 1078); and, Statutes 1998, Chapters 485 (AB 2803), 550
(AB 2799), 927 (AB 796), 928 (AB 1927), 929 (AB 1745) and 930 (AB 1078)

Eric Feller, Commission Counsel, presented this item. He noted that the test claim consists of 16 amendments to Penal Code sections 290 and 290.4, which the Commission originally found to impose various requirements on local law enforcement pertaining to registering sex offenders. He stated that staff analyzed the Commission's prior decision in light of the 2004 California Supreme Court case, *San Diego Unified School District v. Commission on State Mandates*, in which the court ruled that if a state law was intended to implement a federal law and imposed costs that are, in context, de minimus, then the provision was not reimbursable.

Accordingly, staff found that the following three activities are no longer reimbursable:

1. submitting sex offender registrations from the local jurisdictions to the Department of Justice Violent Crime Information Network;
2. ensuring that the signed statement an offender fills out upon registration contains the name and address of the offender's employer, and the address of the place of employment if different than the employer's main address; and
3. ensuring that the convicted offender has adequate proof of residence as specified.

Staff also found that notifying offenders of a reduction in the time to register is a one-time activity that has already been performed.

Staff recommended that the Commission adopt the staff analysis to partially approve the test claim.

Paula Higashi, Executive Director, swore in the parties and witnesses participating in the hearing of agenda items 4 and 6.

Parties were represented as follows: Nicholas Schweizer, with the Department of Finance.

Mr. Schweizer requested that the parameters and guidelines be modified to specifically exclude community college districts because they are not required to establish a police force.

Member Smith asked Mr. Feller if the court provided guidance on the definition of "de minimus." Mr. Feller responded that the court did not define "de minimus" in terms of dollars. However, he stated that in a prior case, the court determined that the activities would have to be complied with anyway in order to comply with federal law. In this case, Mr. Feller noted that the activities are required under the federal Megan's Law.

Member Glaab made a motion to adopt the staff recommendation. With a second by Member Boel, the motion carried unanimously.

Item 5 Proposed Statement of Decision
Sex Offenders: Disclosure by Law Enforcement Officers, 04-RL-9715-06
See Above

Eric Feller, Commission Counsel, presented this item. He stated that unless there was objection, staff recommended that the Commission adopt the proposed Statement of Decision, which accurately reflects the decision on the test claim. Staff also recommended that the Commission allow minor changes to be made to the final Statement of Decision, including hearing testimony and vote count.

Member Glaab made a motion to adopt the proposed Statement of Decision. With a second by Member Boel, the motion carried unanimously.

SET ASIDE OF PRIOR STATEMENTS OF DECISION, AND DISMISSAL OF RECONSIDERATION AS DIRECTED BY THE LEGISLATURE IN STATUTES 2005, CHAPTER 72 (AB 138)

- Item 6 *Brown Act Reform*, 04-RL-4469-08, CSM-4469 and *Open Meetings Act*, CSM 4257
Government Code Sections 54952, 54954.2, 54954.3, 54957.1, and 54957.7
Statutes 1993, Chapters 1136 (AB 1426), 1137 (SB 36), and 1138 (SB 1140);
Statutes 1994, Chapter 32 (SB 752); and Statutes 1986, Chapter 1994 (AB 2674)

Camille Shelton, Senior Commission Counsel, presented this item. She noted that the item related to two prior test claim decisions addressing the *Brown Act* – the *Open Meetings Act* test claim and the *Brown Act Reform* test claim. She stated that recent urgency legislation enacted by Assembly Bill 138 requires the Commission to set aside these test claim decisions. Moreover, staff found that Assembly Bill 138 requires the Commission to dismiss the pending reconsideration of the *Brown Act Reform* decision directed by the Legislature in 2004.

Parties were represented as follows: Allan Burdick and Juliana Gmur, on behalf of the California State Association of Counties.

Ms. Gmur commented on the Legislature’s ability to direct the Commission to decide a case in a particular manner. She understood the Commission’s position but stated for the record that the Legislature’s action is outside their scope of jurisdiction and added that it raises constitutional issues of separation of powers and checks and balances.

Mr. Burdick objected to the whole process of the Legislature being able to direct the Commission to set aside prior decisions.

Member Smith requested that staff respond to the issues raised. Mr. Starkey responded that Ms. Gmur and Mr. Burdick were raising legal arguments for potential litigation, and therefore, staff could not respond because it may later have to render an opinion to the Commission on those issues.

Ms. Shelton agreed with Mr. Starkey. With respect to this case, she stated that the Commission was prohibited from determining whether a statute is invalid or unconstitutional. She added that the bill did several things in this case and it was not a straight set aside. She noted that it was supported by the law enacted by the Legislature in the last year.

Member Glaab made a motion to adopt the staff analysis. With a second by Member Boel, the motion carried unanimously.

INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, CHAPTER 2.5, ARTICLE 8

SET ASIDE PARAMETERS AND GUIDELINES BASED ON STATUTES 2004, CHAPTER 316 (AB 2851)

- Item 11 *Residential Care Services*, 04-PGA-12 (CSM-4292) (Tentative)
Welfare and Institutions Code Sections 4075, 4076, and 5705.6
Statutes 1985, Chapter 1352 (SB 155); Title 9, California Code of Regulations,
Section 549, DMH Letters No. 85-40, 86-14, 86-26, 86-30, 87

Item 11 was postponed to the December hearing.

SET ASIDE OR AMEND PARAMETERS AND GUIDELINES BASED ON
STATUTES 2004, CHAPTER 889, (AB 2853) AND REQUEST OF THE STATE
CONTROLLER'S OFFICE

Item 17 *Misdemeanors: Booking and Fingerprinting*, 04-PGA-20 (CSM-4436)
Penal Code Section 853.6
Statutes 1992, Chapter 1105 (AB 3156)

Nancy Patton, Assistant Executive Director, presented this item. She stated that on February 24, 1994, the Commission on State Mandates adopted its Statement of Decision finding a reimbursable state mandate for the *Misdemeanors: Booking and Fingerprinting* program. The Commission adopted parameters and guidelines for the program on November 17, 1994.

Ms. Patton noted that in 2004, Assembly Bill 2853 amended the test claim statute to narrow the mandated activities, and the State Controller's Office requested that the parameters and guidelines be amended to conform to Assembly Bill 2853. Therefore, staff modified the parameters and guidelines as follows:

1. The reimbursement period was capped effective September 29, 2004, for the activity deleted by Assembly Bill 2853.
2. The activity deleted by Assembly Bill 2853 was deleted from the reimbursable activities section.
3. Other sections were updated to make the parameters and guidelines consistent with language in recently adopted parameters and guidelines and to conform to statutes enacted since 1994.

Staff recommended that the Commission adopt the proposed amendments to the parameters and guidelines and authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

Parties were represented as follows: Nicholas Schweizer, with the Department of Finance.

Mr. Schweizer requested that the parameters and guidelines be modified to specifically exclude K-12 schools and community college districts from being able to file reimbursement.

Ms. Patton stated that the Commission did not make a finding for school districts in this program, thus it is limited to local agencies. She noted that staff contacted the State Controller's Office, and they verified that there has been no school district that has filed a claim on this program. Therefore, she did not feel that it was necessary to exclude school districts under the eligible claimants section. However, she agreed, that the parameters and guidelines can be clarified by removing any general references to school districts.

There was further discussion about the areas where the term school district needs to be deleted.

Member Boel made a motion to adopt the staff analysis with the modification to delete references to school districts in the bulleted paragraphs in Section III, Period of Reimbursement. With a second by Member Glaab, the motion carried unanimously.

SET ASIDE OR AMEND PARAMETERS AND GUIDELINES BASED ON
STATUTES 2004, CHAPTER 895 (AB 2855)

- Item 18 *Pupil Exclusions*, 04-PGA-28 (CSM-4457 & 4477) (Tentative)
Statutes 1978, Chapter 668 (AB 2191)

Item 18 was postponed to the December hearing.

PROPOSED AMENDMENTS TO CALIFORNIA CODE OF REGULATIONS,
TITLE 2, DIVISION 2, CHAPTER 2.5

- Item 20 Adoption of Proposed Regulatory Action: Appeal of Executive Director
Decisions; Amendments to California Code of Regulations, Title 2,
Chapter 2.5, Article 1. General, Section 1181

Cathy Cruz, Program Analyst, presented this item. She stated that the purpose of the rulemaking is to implement Government Code section 17530 and establish procedures for appeal of Executive Director decisions. She indicated that the notice of proposed rulemaking was mailed on July 1, 2005, and that the proposed text was made available to the public from July 1 through August 15, 2005. The County of Los Angeles and the City of Newport Beach submitted written comments.

Ms. Cruz noted that the County of Los Angeles requested a public hearing, which Commission staff conducted on August 24, 2005. She said that representatives of the City of Newport Beach and the County of Los Angeles provided oral testimony. Staff responded to oral and written comments in the final statement of reasons.

Staff found that no alternatives would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulations. Therefore, staff recommended that the Commission:

1. Find that no alternative would be more effective in carrying out the purpose for which the regulation is proposed or would be less burdensome to affected private persons than the proposed regulation.
2. Adopt the proposed amendments to section 1181 of the California Code of Regulations, title 2, division 2, chapter 2.5, as originally proposed.
3. Authorize staff to make any non-substantive, technical corrections requested by the Office of Administrative Law or Barclays Official California Code of Regulations prior to publication.

Member Glaab made a motion to adopt the staff recommendation. With a second by Member Boel, the motion carried unanimously.

MEETING AND HEARING CALENDAR

- Item 21 Adoption of 2006 Meeting and Hearing Calendar

Paula Higashi, Executive Director, presented this item. She noted that while the Commission is only required to meet at least every two months, the Commission's budget this year included additional funding for a couple of extra meetings if necessary. She stated that assuming a full complement of staff in a short time, she expected that there would be more agenda items. Because long one-day hearings may not be desirable, staff proposed as a contingency, a couple of tentative hearing dates.

Chairperson Sheehan commented that having a few more hearings would help make the workload flow more evenly.

Member Smith stated that the State Controller is concerned about the backlog of cases and the Commission workload. Thus, he agreed with putting more meetings on the Commission's calendar.

After some discussion, the Commission members chose December 7 for their meeting in December 2006.

Member Glaab made a motion to adopt the proposed 2006 meeting and hearing calendar with December 7 being the December 2006 hearing date. With a second by Member Smith, the motion carried unanimously.

STAFF REPORTS

Item 22 Chief Legal Counsel's Report (info)
Recent Decisions, Litigation Calendar

Paul Starkey, Chief Legal Counsel, reported that another case was filed – *East Side Union High School District v. Commission on State Mandates*. He noted that it was in Sacramento.

Item 23 Executive Director's Report (info/action)
Workload, Legislation, and Mandate Reform

Ms. Higashi reported the following:

- *Workload*. The past year was very productive and she acknowledged the work done by all Commission staff. She noted that the first rulemaking package started this year is now in effect. She also said that there is a major prehearing conference for the *Handicapped and Disabled Students* program at the Commission's office the next day.
- *Legislation*. There are two bills pending on the Governor's desk – a bill regarding reports to the Legislature and an education bill that amends the 2004 reconsideration statute on *School Accountability Report Cards* and also directs the Commission to reconsider its reconsideration.
- *Legislative Proposals*. Nancy Patton, Assistant Executive Director, noted that any legislative proposals that the Commission wants to proceed with need to be in the Governor's Office for approval by November 10. She outlined the following ideas:
 1. modifying the incorrect reduction claim process so that it is similar to the test claim process, and reducing the statute of limitations for filing an incorrect reduction claim; and
 2. eliminating the SB 1033 process.

Regarding the SB 1033 process, Ms. Patton noted that it could the Commission more to make SB 1033 determinations than the savings that the County realizes. Chairperson Sheehan suggested bringing together some of the parties, including CSAC and legislative staff to discuss alternatives.

Leonard Kaye, on behalf of the County of Los Angeles, commented that his county had an SB 1033 hearing a few years ago and in their case, the savings was far greater than the cost of the hearing.

Chairperson Sheehan agreed that cost and savings would absolutely depend on the county that was at issue, and added that as Commission members, they must confront whether this is the best way to address the issue. Are there some other alternatives? Member Smith acknowledged that the county savings should not be less than the cost to complete the process.

Ms. Higashi added that another issue is the concern of the organizations that represent the welfare rights groups that the remedy for relieving county fiscal distress is allowing counties to reduce general assistance. Chairperson Sheehan agreed, adding that interested parties need to get together to have the discussion. She also stated that since the program has existed for approximately 10 years, it is time to revisit the process and look at options. Member Smith concurred about having the discussion with interested parties, and Member Boel agreed that alternatives other than reducing General Assistance should be discussed.

After further discussion, Ms. Higashi asked the Commission members if they wished to form a legislative subcommittee. Member Glaab, Member Smith, and Member Boel were interested. Chairperson Sheehan directed Commission staff to submit a proposal for a spot bill to the Governor's Office, then conduct preliminary discussions and return to the Commission with suggestions for other options. Member Smith agreed with the Chairperson. He stated that from the beginning of the process for determining Butte County's recent application, he questioned the savings from cutting General Assistance payments each month.

Members also discussed whether to convene a legislative subcommittee or to hold a full Commission hearing to discuss legislative proposals.

Chairperson Sheehan and Member Boel agreed and directed staff to hold discussions with interested parties about the incorrect reduction claim process. Member Smith indicated his understanding that the Department of Finance is reviewing the entire mandate reimbursement process. Chairperson Sheehan stated that Finance staff was looking at the process, and continues to look at Finances' in-house mandates process. Member Smith suggested that if the Commission was going to form a legislative subcommittee, it should widen the scope and listen to and consider all suggestions offered by the stakeholders. Chairperson Sheehan discussed the possibility of conducting statewide hearings on mandate reform. Ms. Higashi stated that informational hearings were conducted by the Assembly Special Committee on State Mandates, and that the Committee made modest changes to the process. She also indicated that the State Controller now has new auditor positions to conduct audits on mandated programs. Chairperson Sheehan and Member Smith agreed that any efforts to reform the process should be consolidated when possible.

- *Next Agenda.* The next meeting is scheduled for December 8 and the proposed agenda is subject to changes.

PUBLIC COMMENT

There was no public comment.

Because it was his last meeting, Chairperson Sheehan presented Mr. Starkey with a resolution from the Commission members. Mr. Starkey thanked the Commission members and staff.

Member Glaab commended staff for their work in getting him up to speed, as a new Commission member.

ADJOURNMENT

Hearing no further business, Chairperson Sheehan adjourned the meeting at 11:07 a.m.

PAULA HIGASHI
Executive Director