

Adopted: 12/17/98
Amended: 1/29/10

Amendment to Parameters and Guidelines

Public Utilities Code Sections 21670 and 21670.1

Statutes 1994, Chapter 644
Statutes 1995, Chapter 66
Statutes 1995, Chapter 91

Airport Land Use Commissions/Plans
05-PGA-23 (CSM-4507)

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement

I. SUMMARY AND SOURCE OF THE MANDATE

Public Utilities Code sections 21670 and 21670.1, as amended by Statutes 1994, Chapter 644, Statutes 1995, Chapter 66, and Statutes 1995, Chapter 91, require counties with an airport served by a scheduled airline or operated for the benefit of the general public to establish or re-establish an airport land use commission or designate alternative procedures to accomplish airport land use planning.

On July 31, 1997, the Commission on State Mandates adopted its Statement of Decision, finding that the test claim statutes impose a reimbursable state mandated program upon local agencies within the meaning of section 6, article XIII B of the California Constitution and Government Code section 17514. The Commission also found that the land use plan required by Public Utilities Code section 21675 is not reimbursable because it was a requirement prior to the operative date of Statutes 1994, Chapter 644.

II. ELIGIBLE CLAIMANTS

Eligible Claimants include counties, cities, cities and counties, or other appropriately designated local government entities, except as provided by Public Utilities Code section 21670.2¹ which are required by Public Utilities Code sections 21670 and 21670.1, to perform specific Airport Land Use.

III. PERIOD OF REIMBURSEMENT

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

Government Code section 17557 states that a test claim must be submitted on or before December 31 following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed by the County of San Bernardino on December 30, 1995, making costs incurred on or after July 1, 1994 eligible for reimbursement. However, Statutes 1994, Chapter 644 became effective on January 1, 1995. Thus, only costs incurred on or after January 1, 1995 are eligible for reimbursement.

¹ Los Angeles County is excluded as an eligible Claimant by section 21670.2, which states that sections 21670 and 21670.1 do not apply to that county.

Actual costs for one fiscal year should be included in each reimbursement claim. Estimated costs to be incurred in the current fiscal year should be claimed on a separate claim. Estimated and actual reimbursement claims may be filed at the same time, if applicable. All initial claims for reimbursement shall be submitted within 120 days of issuance of the State Controller's Office claiming instructions, as provided in Government Code section 17561.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. REIMBURSABLE COMPONENTS AND DESCRIPTION OF ACTIVITIES

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

- A. For each eligible Claimant, the direct and indirect costs of the following activities are eligible for reimbursement on a one-time basis:
 1. Selection of the Method of Compliance
 - a. Analyze the enacted legislation and alternatives.
 - b. Coordinate positions of the county and affected cities within the county, providing information, and resolving issues.
 2. Establishment of one of the following methods:

METHOD 1 - Set up or restore an airport land use commission.

 - a. Establish and appoint the members.
 - b. Establish proxies of the members.

METHOD 2 - Determination of a designated body, pursuant to Public Utilities Code section 21670.1, subdivisions (a) and (b).

 - a. Conduct hearing(s) to designate the appropriate body.
 - b. Augment the body, if with two members with expertise in aviation.

METHOD 3 –Establishment of an alternative process, pursuant to Public Utilities Code section 21670.1, subdivision (c).

- a. Develop, adopt and implement the specified processes.
- b. Submit and obtain approval of the processes or alternatives from the Department of Transportation, Division of Aeronautics.

METHOD 4 - Establishment of an exemption, pursuant to Public Utilities Code sections 21670 (b) or 21670.1, subdivisions (d) and (e).

- a. Determine that a commission need not be formed and meet the specified conditions.

If an eligible claimant, which has selected and established an exemption as specified under 21670 (b) or 21670.1, subdivisions (d) or (e), determines that the exemption no longer complies with the purposes of Public Utilities Code section 21670 (a), activities to select the Method of Compliance and to establish Method 1, 2 or 3 are eligible for reimbursement.

- B. For each eligible claimant, per diem for Commission members of up to \$100 for each day actually spent in the discharge of official duties and any actual and necessary expenses incurred in connection with the performance of duties as a member of the Commission.

The airport land use planning process described in Public Utilities Code section 21675 is *not* reimbursable.

V. CLAIM PREPARATION AND SUBMISSION

Each reimbursement claim for costs incurred to comply with the requirements of Public Utilities Code sections 21670 and 21670.1 must be timely filed and identify each cost element for which reimbursement is being claimed. Claimed costs must be identified to each reimbursable activity identified in Section IV of this document.

A. Direct Costs

Direct costs are defined as costs that can be traced to specific goods, services, units, programs, activities, or functions. Claimed costs shall be supported by the following cost element information:

1. Salaries and Benefits

Identify the employee(s) and show the classification of the employee(s) involved. Describe the reimbursable activities performed and specify the actual time devoted to each reimbursable activity, the productive hourly rate, and related employee benefits.

Reimbursement includes compensation paid for salaries, wages and employee benefits. Employee benefits include the employer's contributions to social security, pension plans, insurance, and worker's compensation insurance. Employee benefits are eligible for reimbursement when distributed equitably to all job activities performed by the employee.

2. Materials and Supplies

Only expenditures that can be identified as a direct cost of the mandate may be claimed. List the cost of the supplies consumed specifically for the purposes of this mandate. Purchases shall be claimed at the actual price after deducting cash discounts, rebates, and allowances received by the Claimant. Purchases in excess of reasonable quantity and quality are not reimbursable. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

3. Contract Services

Provide the name(s) of contractor(s) who performed the services. Include any fixed contracts for services. Describe the reimbursable activity(ies) performed by each named contractor and give the number of actual hours spent on the activity(ies), if applicable. Show the inclusive dates when services were performed and itemize all costs for those services. Contracting costs are eligible for reimbursement to the extent that the function(s) performed require special skills, knowledge, or staffing that is not readily available from the Claimant's staff.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlements are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of the traveler(s), purpose of travel, inclusive dates and times of travel, destination points, and travel costs.

5. Training

The cost of training for the activities specified in Section IV is eligible for reimbursement. Identify the employee(s) by name and job classification. Provide the title and subject of the training session, the date(s) attended, and the location. Reimbursable costs include salaries and benefits, transportation, lodging, and per diem. Registration fees for commercial training classes are reimbursable only if the entire training class qualifies as job-required training. The cost of training is eligible for reimbursement to the extent it does not duplicate training provided by the state Department of Transportation at no expense to the county or affected cities.

B. Indirect Costs

Indirect costs are defined as costs which are incurred for a common or joint purpose, which benefit more than one program and cannot be directly assigned to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of central government services distributed to all departments based on a systematic and rational basis through a cost allocation plan.

Government Code section 17564, subdivision (b), provides that claims for indirect costs shall be filed in the manner prescribed by the State Controller's Office.

VI. SUPPORTING DATA

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter² is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. DATA FOR DEVELOPMENT OF THE STATEWIDE COST ESTIMATE

The State Controller is directed to include in the claiming instructions a request that Claimants send an additional copy of the test claim specific form for the initial years' reimbursement claims by mail to the Commission on State Mandates at 1300 I Street, Suite 950 Sacramento, CA 95814. Although providing this information to the Commission on State Mandates is not a condition of reimbursement, Claimants are encouraged to provide this information to enable the Commission to develop a statewide cost estimate which will be the basis for the appropriation to be made by the Legislature for this program.

VIII. OFFSETTING REIMBURSEMENTS AND OTHER SAVINGS

Any offsetting savings the Claimant experiences as a result of the subject mandates shall be deducted from the costs claimed. In addition, reimbursement for mandated activities received from any source, including (but not limited to) service fees collected, federal funds, and other state funds shall be identified and deducted from the amount claimed.

Section 21671.5, subdivision (f), of the Public Utilities Code authorizes an airport land use commission to establish fee schedules. To the extent that reimbursable activities are claimed under this mandate where there are fees chargeable to a proponent of action, regulation, or permit for reviewing and processing and for providing copies of land use plans as required by section 21675, subdivision (d), of the Public Utilities Code, those fees shall be deducted from the amount claimed.

Funding received under the California Aid to Airports Program, including Project Ker-VAR 90-1 and Project SBd-VAR-90-1, that is applicable to reimbursable activities under the subject mandates shall also be deducted from the amount claimed.

IX. STATE CONTROLLER'S OFFICE REQUIRED CERTIFICATION

An authorized representative of the Claimant shall be required to provide a certification of the claim, as specified in the claiming instructions issued by the State Controller, for those costs mandated by the State contained herein.

² This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.