



Filing Date:

IRC #:

INCORRECT REDUCTION CLAIM FORM

Section 1

Proposed Incorrect Reduction Claim Title:

Section 2

Local Government (Local Agency/School District) Name:

Name and Title of Claimant's Authorized Official pursuant to [CCR. tit. 2, § 1185.1\(a\)\(1-5\)](#):

Street Address, City, State, and Zip:

Telephone Number

Email Address

Section 3 – Claimant designates the following person to act as its sole representative in this incorrect reduction claim. All correspondence and communications regarding this claim shall be forwarded to this representative. Any change in representation must be authorized by the claimant in writing, and sent to the Commission on State Mandates. ([CCR, tit.2, § 1185.1\(a\)\(1-5\)](#).)

Name and Title of Claimant Representative:

Organization:

Street Address, City, State, Zip:

Telephone Number

Email Address

Section 4 – Identification of Statutes or Executive Orders

Please specify the subject statute or executive order that claimant alleges is not being fully reimbursed pursuant to the adopted parameters and guidelines.

Incorrect Reduction Claim is Timely Filed on [Insert Filing Date]: ___ / ___ / ___

Which is not later than three years following the date [Insert Receipt Date of Notice that Complies with [Government Code section 17558.5\(c\)](#)]: ___ / ___ / ___ the claimant first received from the Office of State Controller a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with [Government Code section 17558.5\(c\)](#) by specifying the claim components adjusted, the amounts adjusted, interest charges on claims adjusted to reduce the overall reimbursement to the claimant, and the reason for the adjustment. The filing shall be returned to the claimant for lack of jurisdiction if this requirement is not met.

([Gov. Code section 17558.5\(c\)](#); [Cal. Code Regs., tit.2, sections 1185.1\(c\)](#) and [1187.5.](#))

Section 5 – Amount of Incorrect Reduction

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

Section 6 – Written Detailed Narrative

Under the heading “6. Written Detailed Narrative,” please describe the alleged incorrect reduction(s). The narrative shall include a comprehensive description of the reduced or disallowed area(s) of cost(s).

Pages _____ to _____.

This incorrect reduction claim includes a description of the alleged incorrect reduction(s) and includes a comprehensive description of the reduced or disallowed area(s) of cost(s). ([Cal. Code Regs., tit. 2, § 1185.1\(f\)\(2\).](#))

Section 7 – Documentary Evidence and Declarations

If the narrative describing the alleged incorrect reduction(s) involves more than discussion of statutes or regulations or legal argument and utilizes assertions or representations of fact, such assertions or representations shall be supported by testimonial or documentary evidence and shall be submitted with the claim under the heading “7. Documentary Evidence and Declarations.” All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant’s personal knowledge or information or belief.

Pages _____ to _____.

- This incorrect reduction claim’s narrative describing the alleged incorrect reduction(s) involves more than discussion of statutes or regulations or legal argument and utilizes assertions or representations of fact that are supported by testimonial or documentary evidence and are included with the incorrect reduction claim. ([Cal. Code Regs., tit. 2, § 1185.1\(f\)\(3\).](#))
- All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant’s personal knowledge, information, or belief. *Assertions or representations of fact shall be supported by testimonial or documentary evidence. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions.* ([Cal. Code Regs., tit. 2, § 1187.5.](#))

Section 8 – Claiming Instructions

Under the heading “8. Claiming Instructions,” please include a copy of the Office of the State Controller’s claiming instructions that were in effect during the fiscal year(s) of the reimbursement claim(s). Pages _____ to _____.

- The incorrect reduction claim includes a copy of the Office of the State Controller’s claiming instructions that were in effect during the fiscal year(s) of the reimbursement claims. ([Cal. Code Regs., tit. 2, § 1185.1\(f\)\(1\).](#))

Section 9 – Final State Audit Report or Other Written Notice of Adjustment

Under the heading “9. Final State Audit Report or other Written Notice of Adjustment,” please include a copy of the final state audit report, letter, or other written notice of adjustment from the Office of the State Controller that explains the reason(s) for the reduction or disallowance.

Pages _____ to _____.

- The incorrect reduction claim includes a copy of any final state audit report, letter, or other written notice of adjustment from the Office of State Controller that explains the claim components adjusted, amounts reduced, and the reasons for the reduction or disallowance. ([Cal. Code Regs., tit. 2, § 1185.1\(f\)\(4\).](#))

Section 10 – Reimbursement Claims

Under the heading “10. Reimbursement Claims,” please include a copy of the subject reimbursement claims the claimant submitted to the Office of State Controller.

Pages _____ to _____.

- The incorrect reduction claims includes a copy of the subject reimbursement claims the claimant submitted to the Office of State Controller. ([Cal. Code Regs., tit. 2, § 1185.1\(f\)\(5\).](#))

Section 11 – Notice of Intent to File a Consolidated Incorrect Reduction Claim

This claim is being filed with the intent of acting as lead-claimant to consolidate on behalf of other claimants. ([Cal. Code Regs., tit. 2, § 1185.3.](#)): Yes or No

If yes is checked, the claimant certifies the following:

- (1) The method, act, or practice that the claimant alleges led to the reduction has led to similar reductions of other parties' claims, and all of the claims involve common questions or law or fact.
- (2) The common questions of law or fact among the claims predominate over any matter affecting only an individual claim.
- (3) The consolidation of similar claims by individual claimants would result in consistent decision making by the Commission.
- (4) The claimant filing the consolidated claim would fairly and adequately protect the interests of the other claimants: Yes or No

Section 12 - Notice of Intent to Join a Consolidated Incorrect Reduction Claim

I intend to join a consolidated claim: Yes or No

If yes is checked, please complete the following:

Title of Consolidated Incorrect Reduction Claim:

Lead-Claimant Local Government (Local Agency/School District) Name:

Name and Title of Lead-Claimant's Authorized Official pursuant to [CCR. tit. 2, § 1185.1\(a\)\(1-5\)](#):

Street Address, City, State, and Zip:

Telephone Number

Email Address

The claimant certifies that (1) The method, act, or practice that the claimant alleges led to the reduction is similar to that for the reductions of lead-claimant's claim, and involves common questions or law or fact; (2) The common questions of law or fact predominate over any matter affecting only an individual claim; (3) The consolidation of these claims by would result in consistent decision making by the Commission; (4) The lead-claimant in the consolidated claim would fairly and adequately protect the interests of the claimants; and authorizes the lead-claimant in the above-named incorrect reduction claim to act as its sole representative in this consolidated incorrect reduction claim, which is filed pursuant to [Government Code section 17558.7](#):

Yes or No

Section 13 – INCORRECT REDUCTION CLAIM CERTIFICATION Pursuant to [Government Code section 17553](#)

- The incorrect reduction claim form is signed and dated at the end of the document, under penalty of perjury by the eligible claimant, with the declaration that the incorrect reduction claim is true and complete to the best of the declarant's personal knowledge, information, or belief.

Read, sign, and date this section. Incorrect reduction claims that are not signed by authorized claimant officials pursuant to [California Code of Regulations, title 2, section 1185.1\(a\)\(1-5\)](#) will be returned as incomplete. In addition, please note that this form also serves to designate a claimant representative for the matter (if desired) and for that reason may only be signed by an authorized local government official as defined in [section 1185.1\(a\)\(1-5\)](#) of the Commission's regulations, and not by the representative.

This incorrect reduction claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to [Government Code section 17561](#). This incorrect reduction claim is filed pursuant to [Government Code section 17551, subdivision \(d\)](#). I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim is true and complete to the best of my own personal knowledge, information, or belief. All representations of fact are supported by documentary or testimonial evidence and are submitted in accordance with the Commission's regulations. ([Cal. Code Regs., tit. 2 sections 1185.1 and 1187.5](#).)

Name of Authorized Local Government Official
pursuant to [Cal. Code Regs., tit. 2 section 1185.1](#)

Print or Type Title

Signature of Authorized Local Government Official
pursuant to [Cal. Code Regs., tit. 2 section 1185.1](#)

Do Not File ON This Form
For Reference ONLY

COMMISSION ON STATE MANDATES
INCORRECT REDUCTION CLAIM FORM

This form is to be used to initiate an individual or consolidated claim, or to join a consolidated claim, pursuant to Government Code section 17558 et seq. and Title 2, California Code of Regulations, section 1181.1 et seq.

GENERAL INSTRUCTIONS

- To obtain a determination that the Office of the State Controller incorrectly reduced a reimbursement claim, a claimant shall file an incorrect reduction claim with the Commission on State Mandates (Commission). Local governments may file incorrect reduction claims and amendments thereto with the Commission, which shall be filed with the Commission no later than three years following the date a claimant first receives from the Office of State Controller a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with Government Code section 17558.5(c) by specifying the claim components adjusted, the amounts adjusted, interest changes on claims adjusted to reduce the overall reimbursement to the claimant, and the reason for the adjustment. ([Gov. Code section 17558.7\(a\)](#) and [17558.5\(c\)](#); [Cal. Code Regs., tit. 2, section 1185.1\(c\)](#), emphasis added.)
- Each incorrect reduction claim or notice of intent to join a consolidated incorrect reduction claim shall pertain to alleged incorrect reductions in a reimbursement claim(s) filed by one claimant. The incorrect reduction claim may be for more than one fiscal year. ([Cal. Code Regs., tit. 2, section 1185.1\(d\)](#))
- Complete sections 1 through 13 of the incorrect reduction claim form, as indicated and note that the first page of the incorrect reduction claim form is the first page of the filing. Do not attach a cover letter, but include all background and arguments in Section 6. Written Detailed Narrative. Type all responses. Failure to complete any of these sections will result in this incorrect reduction claim being returned as incomplete. ([Cal. Code Regs., tit. 2, section 1185.2\(a\)](#).) Pursuant to [Government Code section 17558.7](#), [California Code of Regulations, title 2, section 1185.2\(b\)](#), and [1185.3\(d\)](#), any incorrect reduction claim, or portion of an incorrect reduction claim, or consolidated incorrect reduction claim, or portion of a consolidated incorrect reduction claim that the Commission lacks jurisdiction to hear for any reason, including that the incorrect reduction claim or consolidated incorrect reduction claim was not filed within the period of limitation required by [section 1185.1\(c\)](#) of these regulations, may be rejected or dismissed by the executive director with a written notice stating the reason therefor.
- Please file the incorrect reduction claim, consistent with the Commission’s regulations ([Cal. Code Regs., tit. 2, section 1181.3](#)) by either of the following methods:

E-filing. All new incorrect reduction claim filings and supporting written materials shall be filed via the Commission’s e-filing system, available on the Commission’s website (<https://www.csm.ca.gov>). Documents e-filed with the Commission shall be in a legible and searchable format using a “true PDF” (i.e., documents digitally created in PDF, converted to PDF or printed to PDF) or optical character recognition (OCR) function, as necessary. Incorrect reduction claims shall be filed on this form prescribed by the Commission and shall be digitally signed by the claimant, using the digital signature technology and authentication process contained herein. The completed incorrect reduction claim form shall be e-filed separately from any accompanying documents. Accompanying documents shall be e-filed together in a single file in accordance with section 1181.3(c)(1). The filer is responsible for maintaining the signed original new filing or written material for the duration of the incorrect reduction claim process, including any period of appeal (this may be an electronic

document, depending on how the filer creates and maintains its records). ***No additional copies are required when e-filing the request.***

Hard Copy Filing and Service in Cases of Undue Hardship or Significant Prejudice. If e-filing legible and searchable PDF documents, as described in section 1181.3(c)(1) of the Commission's regulations, would cause the filer undue hardship or significant prejudice, the filer may submit a written request to the executive director to file in hard copy and may file the request by first class mail, overnight delivery, or personal service. Only upon prior approval by the executive director of a written request for a significant hardship or prejudice exception to the e-filing requirement, may a filing be made via hard copy.

Within 10 days of the filing of an incorrect reduction claim, Commission staff will notify the claimant or claimant representative whether the submission is complete or incomplete. Incorrect reduction claims will be considered incomplete if any of the required sections are not included or are illegible. If a completed incorrect reduction claim is not received within thirty 30 calendar days from the date the incomplete incorrect reduction claim was returned, the executive director may disallow the original incorrect reduction claim filing date. ([Cal. Code Regs., tit.2, section 1185.2](#) and [1185.3](#).)

OPTING OUT PROCEDURES FOR A CLAIMANT-INITIATED CONSOLIDATION

To opt out of a consolidated incorrect reduction claim, a joint-claimant shall file a written notice with the Commission within fifteen (15) days of service of the Office of State Controller's comments. A copy of the notice must be served on all parties and interested parties on the mailing list. Proof of service shall be filed with the notice pursuant to the Commission's regulations in [section 1181.3](#). No later than one (1) year after opting out, or within the statute of limitations under [section 1185.1\(c\)](#) of the Commission's regulations, whichever is later, a claimant that opts out of a consolidated claim shall file an individual incorrect reduction claim pursuant to Commission requirements in order to preserve its right to challenge a reduction made by the Controller on that same mandate. If a claimant opts out of a consolidated incorrect reduction claim and an individual incorrect reduction claim for that entity is already on file with the Commission, the individual filing is automatically reinstated.

You may request an incorrect reduction form from our website at www.csm.ca.gov. If you have questions, please contact us: Email: csminfo@csm.ca.gov; Telephone: (916) 323-3562; or Website: www.csm.ca.gov