

1 CALIFORNIA CODE OF REGULATIONS  
2 TITLE 2. ADMINISTRATION  
3 DIVISION 2. FINANCIAL OPERATIONS  
4 CHAPTER 2.5. COMMISSION ON STATE MANDATES

5 Article 1. General

6 § 1181.2. Definitions.

7 Unless otherwise indicated, the following definitions and those found in Government Code  
8 sections 17510 through 17524 apply to this chapter:

9 (a) "Affected state agency" means a state department or agency that is responsible, in whole or in  
10 part, for implementation, enforcement, or administration of any statutes or executive orders that  
11 are the subject of a matter.

12 (b) "Amendment" of a test claim means the addition of new allegations based on new statutes or  
13 executive orders to an existing test claim. The addition or substitution of parties and supporting  
14 declarations based on the original statutes or executive orders alleged in an existing test claim is  
15 not an "amendment."

16 (c) "Claimant" means the local agency or school district filing a test claim or incorrect reduction  
17 claim.

18 (d) "Commission staff" means the executive director, legal counsel, or other Commission  
19 employee authorized by the Commission or the executive director to represent the Commission  
20 on a specific claim or request, or to receive filings at the Commission office.

21 (e) "Completed" means that all general and specific requirements for a new filing have been  
22 satisfied by the claimant or requester.

23 (f) "Filing date" means the date received at the Commission's office during normal business  
24 hours by any of the methods described in section 1181.3 of these regulations. "Normal business  
25 hours" means from 8 a.m. until 5 p.m. of each day from Monday to Friday, inclusive, other than  
26 state holidays, as provided by Government Code section 11020(a).

27 (g) "Incorrect reduction claim" means a claim alleging that the Office of State Controller  
28 incorrectly reduced the reimbursement claim of a local agency or school district.

29 (h) "Informational hearing" means any hearing designed to gather and assess information to  
30 assist the Commission in formulating policies, informing the public of Commission actions, or  
31 obtaining public comment and opinion.

32 (i) "Interested party" means a local agency, school district, or state agency, with a beneficial  
33 interest in the matter.

34 (j) "Interested person" means any individual, local agency, school district, state agency,  
35 corporation, partnership, association, or other type of entity, who has an interest in a matter  
36 before the Commission, but is not a party or interested party with respect to that matter.

37 (k) "New filing" means a test claim, incorrect reduction claim, request to amend parameters and  
38 guidelines, joint request for reasonable reimbursement methodology and statewide estimate of  
39 costs, request for review of claiming instructions, request for removal or inclusion of a program

- 1 in the State Mandates Apportionment System, request for review of the apportionment or base  
2 year entitlement of a program in the State Mandates Apportionment System, request for mandate  
3 redetermination, or a legislatively determined mandate.
- 4 (l) "Party" includes a party's representative of record who is expressly authorized in writing to  
5 act on the party's behalf. Party means the following for each matter as specified below:
- 6 (1) "Party to a Test Claim" means the test claimant, the Department of Finance, and other  
7 affected state agencies.
- 8 (2) "Party to an Incorrect Reduction Claim" means the claimant and the Office of State  
9 Controller.
- 10 (3) "Party to a Request to Amend Parameters and Guidelines" means the requester, the  
11 Department of Finance, the Office of State Controller, affected state and local agencies, and  
12 affected school districts.
- 13 (4) "Party to a Joint Request for Reasonable Reimbursement Methodology" and "Party to a  
14 Jointly Proposed Request for Early Termination of Reasonable Reimbursement Methodology"  
15 means the test claimant and the Department of Finance.
- 16 (5) "Party to a Request for Review of Claiming Instructions" means the requester and the Office  
17 of State Controller.
- 18 (6) "Party to a Request for Removal or Inclusion in State Mandates Apportionment System" and  
19 "Party to a Request for Review of the Apportionment or Base Year Entitlement of a Program in  
20 the State Mandates Apportionment System" means the requester, the Department of Finance, and  
21 the Office of State Controller.
- 22 (7) "Party to a Request for Mandate Redetermination" means the requester, the Department of  
23 Finance, the Office of State Controller, affected state and local agencies, and affected school  
24 districts.
- 25 (m) "Real Party in Interest" means any person or entity whose interest will be directly affected  
26 by the resolution of the matter.
- 27 (n) "Rulemaking proceeding" means any hearing designed to adopt, amend, or repeal any rule,  
28 regulation, or standard of general application that implements, interprets, or makes specific any  
29 provision of Title 2, Division 4, Part 7, beginning with Government Code section 17500 or any  
30 other statute enforced or administered by the Commission.
- 31 (o) "Statewide cost estimate" means the approximate sum of money that local agencies or school  
32 districts may have incurred to implement a state-mandated program or any increased level of  
33 service of an existing mandated program. A statewide cost estimate prepared by a test claimant  
34 pursuant to Government Code section 17553(b)(1)(E) shall be an estimate of the first full fiscal  
35 year of actual or estimated costs based on the statutes and executive orders alleged in a test  
36 claim. In adopting a statewide cost estimate pursuant to Government Code section 17553(a),  
37 which shall be an estimate for the initial period of reimbursement to be reported to the  
38 Legislature, the Commission may consider the statewide cost estimate prepared by the test  
39 claimant, the initial reimbursement claim data, and other relevant information regarding potential  
40 mandated local costs, as applicable.
- 41 (p) "Statewide estimate of costs" is based on a joint reasonable reimbursement methodology

1 proposed by a test claimant and the Department of Finance pursuant to Government Code section  
2 17557.1, that is adopted by the Commission and reported to the Legislature pursuant to  
3 Government Code section 17557.2.

4 (q) "Subsequent change in law" pursuant to Government Code 17570 means a change in law that  
5 requires a finding that an incurred cost is a cost mandated by the state, as defined by Government  
6 Code section 17514, or is not a cost mandated by the state pursuant to Government Code section  
7 17556, or a change in mandates law. Amendments to article XIII B, section 6 of the California  
8 Constitution that were approved by the voters on November 2, 2004 and changes in the statutes  
9 or executive orders that impose new state-mandated activities and require a finding pursuant to  
10 Government Code section 17551(a) are not a "subsequent change in law."

11 (r) "Teleconference" means a conference of individuals in different locations, connected by  
12 electronic means, through audio, video, or both.

13 (s) "Test claim" means the first claim filed with the Commission alleging that a particular statute  
14 or executive order imposes costs mandated by the state pursuant to Government Code section  
15 17521 and also includes a claim filed on a legislatively determined mandate pursuant to  
16 Government Code section 17574(c). The test claim procedure functions similarly to a class  
17 action and has been established to expeditiously resolve disputes affecting multiple agencies.

18 (t) "Written material" means any paper or electronic document relevant to a matter that is filed  
19 with the Commission except that "written material" does not include a "new filing" as defined in  
20 subdivision (k) of this section.

21 Note: Authority cited: Sections 17527(g), 17553(a) and 17570(d), Government Code. Reference:  
22 Sections 11020(a), 11123, 17516-17521, 17527(c), 17529, 17530, 17531, 17551, 17553, 17555,  
23 17557, 17557.1, 17557.2, 17558, 17558.5, 17558.7, 17558.8, 17559, 17561, 17561.5, 17570,  
24 17572, 17573, 17600 and 17612, Government Code; *Redevelopment Agency v. Commission on*  
25 *State Mandates* (1996) 43 Cal.App.4th 1188; and *City of San Jose v. State of California* (1996)  
26 45 Cal.App.4th 1802.

27 **§ 1181.3. Certification, Filing, and Service of Written Materials and New Filings.**

28 (a) Certification. All new filings and written materials filed with the Commission shall be signed  
29 at the end of the document, under penalty of perjury, with the declaration that the filing is true  
30 and correct to the best of the declarant's personal knowledge, information, or belief. The date of  
31 signing, the declarant's title, address, telephone number, and email address, if applicable, shall  
32 be included.

33 (b) Documents filed with the Commission shall not contain personal identifying information that  
34 violates state or federal privacy laws, including, but not limited to California Civil Code section  
35 1798 et seq.

36 (c) Filing and Service. New filings and written materials may be filed as described in this  
37 subdivision.

38 (1) E-Filing. Except as provided in subdivision (c)(2) of this section, all new filings and written  
39 materials shall be electronically filed (or e-filed) with the Commission by filing the signed  
40 original document in an unlocked PDF file via the Commission's e-filing system, available on  
41 the Commission's website. Documents e-filed with the Commission shall be in a legible and  
42 searchable format using a "true PDF" (i.e., documents digitally created in PDF, converted to

1 PDF or printed to PDF) or optical character recognition (OCR) function, as necessary, that  
2 allows Commission staff to electronically date stamp the document and append additional pages  
3 for posting on the Commission's web-site with a proof of service for e-service by the  
4 Commission, in lieu of the filer serving the document to the entire mailing list for the matter. E-  
5 filed documents shall be saved, converted, or printed to PDF and filed in their original,  
6 searchable form, but the signature page shall be replaced with a scanned copy, rather than  
7 digitally signed. E-filed documents shall not exceed 500 megabytes. Documents larger than 500  
8 megabytes shall be filed in multiple volumes and labeled as such (i.e., "Volume I, Volume II"  
9 etc.) and shall, in that case, include a table of contents. Filing of color documents is strongly  
10 discouraged. However, if a color image(s) is necessary for readability or comprehension, the  
11 color image(s) shall be filed in a separate and final volume of exhibits. E-filed documents shall  
12 include electronic bookmarks to each heading, subheading, and component (including but not  
13 limited to the table of contents, declarations, exhibits, proof of service) of the document.  
14 Documents not available or obtainable in electronic form may be scanned and OCR'd and filed  
15 in a separate volume, however it is prohibited to file scanned documents that are available or  
16 obtainable electronically. E-filed documents that must be scanned, shall be scanned in black and  
17 white (not gray scale or color). The filer is responsible for maintaining the signed original for the  
18 duration of the process for the matter, including any period of appeal (this may be an electronic  
19 document, depending on how the filer creates and maintains its records). If a new filing or  
20 written material is e-filed, no additional copies shall be filed with the Commission. The  
21 following shall apply to new filings and written materials e-filed with the Commission:

22 (A) An automated notice that the document was successfully sent is immediately available to the  
23 filer using the Commission's e-filing system and should be saved or printed for the filer's  
24 records. Commission staff shall also reply by e-mail confirming actual receipt of the legible,  
25 searchable document by the Commission within two business days of receipt. In the absence of a  
26 confirmation e-mail from Commission staff, it is the responsibility of the filer to obtain  
27 confirmation that the Commission actually received the filing.

28 (B) By using e-filing, the filer agrees, in the event of failure of e-filing, to re-file the document  
29 no later than the business day after the business day on which notice of the failure of e-filing is  
30 received by the filer. The filer may re-file by any means authorized by these rules, in order to  
31 maintain the original filing date. "Failure of e-filing" occurs when the filer receives notification,  
32 in any manner, of non-receipt of an e-filed document or of any other inability of Commission  
33 staff to access the document.

34 (C) Documents e-filed with the Commission are served by Commission staff to persons who  
35 have provided an e-mail address for the mailing list for the matter in accordance with section  
36 1181.4 of these regulations. E-filed documents do not need to be served by the filer and proof of  
37 service does not need to be provided by the filer for persons who have provided an e-mail  
38 address for the mailing list in accordance with section 1181.4. Nothing in this regulation excuses  
39 a filer from serving hard copies of written material on persons who appear on the mailing list and  
40 have not provided an e-mail address for the mailing list, or from providing a proof of service  
41 with the e-filing to the Commission for the service of the document on those persons.

42 (D) Upon confirmation of actual receipt of the e-filed document, Commission staff shall notify  
43 all persons on the mailing list for the matter that written material may be viewed on the  
44 Commission's website. For "new filings" as defined by section 1181.2(k) of these regulations,  
45 Commission staff shall notify all persons on the mailing list prepared pursuant to section 1181.4

1 of these regulations, of the availability of those filings on the Commission's website when  
2 Commission staff issues its notice of complete filing to the filer.

3 (E) The Commission may serve any document by e-mail service, or by making it available at a  
4 particular URL, unless doing so would be contrary to state or federal law.

5 (F) The executive director may issue any order consistent with these rules to govern e-mail  
6 service for a particular matter.

7 (2) Hard Copy Filing and Service in Cases of Undue Hardship or Significant Prejudice. If e-  
8 filing legible and searchable PDF documents, as described in subdivision (c)(1) of this section,  
9 would cause the filer undue hardship or significant prejudice, filing may occur by first class mail,  
10 overnight delivery or personal service only upon approval of a written request to the executive  
11 director.

12 (A) Filing. If the executive director authorizes filing by first class mail, overnight delivery, or  
13 personal service, the filer shall file the unbound original document with the Commission.

14 (B) Service. If written materials are filed in hard copy, the filing shall simultaneously be served  
15 on everyone on the mailing list using the same method used for the filing. Unless otherwise  
16 provided in this section, a proof of service shall be included with any written material filed with  
17 the Commission. Proof of personal service requires a declaration of the messenger of the time  
18 and place that the written material was served. Service is not required for new filings because  
19 mailing lists for matters are only prepared, pursuant to section 1181.4 of these regulations, after a  
20 new filing is deemed complete. Completed new filings will be served on the mailing list by  
21 Commission staff with the Notice of Complete Filing.

22 (3) Time of Filing. New filings or written materials filed with the Commission no later than 5  
23 p.m. on a business day (i.e., Monday through Friday, except state holidays) are deemed filed on  
24 that business day. New filings or written materials filed with the Commission after 5 p.m. on a  
25 business day, or on a Saturday, Sunday, or state holiday, are deemed filed on the following  
26 business day.

27 Note: Authority cited: Sections 17527(g), 17553(a), 17570(d) and 11104.5, Government Code.  
28 Reference: Section 1798 et seq., Civil Code; and Sections 11020(a), 17530, 17551, 17557(d),  
29 17558.7, 17570, 17573(b), 17574(c) and 17573(g), Government Code.

30 **§ 1181.4. Mailing Lists and Numbering of Matters.**

31 (a) For all matters deemed complete, Commission staff shall prepare a mailing list of the names,  
32 addresses, phone numbers and e-mail addresses of the parties, interested parties, and interested  
33 persons who have requested inclusion on the mailing list. The mailing list will be uploaded to the  
34 Commission's website and an e-mail notification of its availability will be sent to everyone on  
35 the list who has provided an e-mail address. A hard copy will be provided by Commission staff  
36 to persons on the mailing list who have not provided an e-mail address and to any person who  
37 requests a hard copy.

38 (b) By providing an e-mail address for the mailing list for a matter, a person consents to e-mail  
39 service of documents for that matter.

40 (c) For the following new filings received by the Commission, the executive director shall issue  
41 sequential matter numbers, by fiscal year, as follows:

- 1 (1) Test Claim (TC)
- 2 (2) Incorrect Reduction Claim (I)
- 3 (3) Request to Amend Parameters and Guidelines (PGA)
- 4 (4) Joint Request for Reasonable Reimbursement Methodology and Statewide Estimate of Costs
- 5 (RRM)
- 6 (5) Request for Review of Claiming Instructions (RCI)
- 7 (6) Request for Removal, Inclusion, or Review of the Apportionment or Base Year Entitlement
- 8 of a Program in State Mandates Apportionment System (SMAS)
- 9 (7) ~~Joint Request for~~ Legislatively Determined Mandate (LDM)
- 10 (8) Request for Mandate Redetermination (MR)
- 11 Note: Authority cited: Sections 17527(g), 17553(a), 17570(d) and 11104.5, Government Code.
- 12 Reference: Sections 17530, 17551, 17557, 17557.1, 17571, 17557.2, 17570, 17573(b), 17573(g),
- 13 17574(c) and 17615.1, Government Code.

14 **Article 3. Test Claims**

15 **§ 1183.1. Test Claim Filing.**

16 (a) In order to obtain a mandate determination, a local agency or school district shall file a test  
 17 claim with the Commission pursuant to Government Code sections 17551 and 17553. ~~A local~~  
 18 ~~agency or school district may file a test claim~~ as follows:

19 (1) A county auditor, auditor-controller, or director of finance who has assumed the duties of  
 20 controller, may file on behalf of a county.

21 (2) A city manager, director of finance, or other officer with a delegation by ordinance or  
 22 resolution from the city council, may file on behalf of a city.

23 (3) A district superintendent may file on behalf of a school district.

24 (4) A chancellor, vice chancellor, director of finance, or other officer with authority delegated by  
 25 the governing body by ordinance or resolution, may file on behalf of a community college  
 26 district.

27 (5) A general manager or other officer with authority delegated by the governing body by  
 28 ordinance or resolution may file on behalf of a special district.

29 (b) Claimants may agree to file a test claim as a joint effort, ~~as provided in section 1183.1(g) of~~  
 30 ~~these regulations.~~ if the claimants attest to all of the following in the test claim filing:

31 (1) The claimants allege state-mandated costs result from the same statute or executive order;

32 (2) The claimants agree on all issues of the test claim; and

33 (3) The claimants have designated one person to act as the sole representative for all claimants.

34 Otherwise, the first claim filed on a statute or executive order by a similarly situated claimant is  
 35 the test claim and no duplicate test claims will be accepted by the Commission. Other similarly  
 36 situated affected agencies may participate in the process by filing comments in writing on any  
 37 agenda item as provided in section 1181.10 of these regulations, and may attend any

1 Commission hearing on the test claim and provide written or oral comments to the Commission.  
2 Affected agencies that are not similarly situated, meaning that test claim statutes affect them  
3 differently, may file a test claim on the same statutes as the first claim, but must demonstrate  
4 how and why they are affected differently.

5 (c) Except as provided in Government Code sections 17573 and 17574, any test claim or  
6 amendment filed with the Commission must be filed not later than 12 months (365 days)  
7 following the effective date of a statute or executive order, or within 12 months (365 days) of  
8 first incurring increased costs as a result of a statute or executive order, whichever is later.

9 (d) All test claims, or amendments thereto, shall be filed on a form developed by the executive  
10 director and shall contain all of the elements and supplemental documents required by statute,  
11 regulation and the form. When an omnibus bill is pled, claimant shall file only the relevant pages  
12 of the statute, including the Legislative Counsel's Digest and the specific statutory changes at  
13 issue.

14 (e) A test claim, or amendment thereto, and accompanying documents shall be certified, filed,  
15 and served in accordance with section 1181.3 of these regulations. All representations of fact  
16 shall be supported by documentary or testimonial evidence in accordance with section 1187.5 of  
17 these regulations.

18 (f) Within 10 days of receipt of a test claim, or amendment thereto, Commission staff shall notify  
19 the claimant if the test claim is complete or incomplete. Test claims will be considered  
20 incomplete if any of the ~~elements required in subdivisions (e) and (d) requirements of~~  
21 Government Code section 17553 or this section are illegible, or are not included, or are not met.  
22 If a complete test claim is not received within 30 calendar days from the date the incomplete test  
23 claim was returned, the executive director may disallow the original test claim filing date. A new  
24 test claim may be accepted on the same statute or executive order alleged to impose a  
25 reimbursable state-mandated program.

26 ~~(g) Test claims may be prepared as a joint effort between two or more claimants and filed with~~  
27 ~~the Commission if the claimants attest to all of the following in the test claim filing:~~

28 ~~(1) The claimants allege state-mandated costs result from the same statute or executive order;~~

29 ~~(2) The claimants agree on all issues of the test claim; and~~

30 ~~(3) The claimants have designated one person to act as the sole representative for all claimants.~~

31 ~~(gh) Any test claim, or portion of a test claim, that the Commission lacks jurisdiction to hear for~~  
32 ~~any reason, including that the test claim was not filed within the period of limitation required by~~  
33 ~~subdivision (c) of this section, may be rejected or dismissed by the executive director with a~~  
34 ~~written notice stating the reason for dismissal therefor. However, for an otherwise timely and~~  
35 ~~complete test claim over which the Commission would have jurisdiction, except that it was filed~~  
36 ~~by a local agency that is not eligible to seek reimbursement because it is not subject to the taxing~~  
37 ~~and spending limitations of article XIII A and B of the California Constitution, the Commission~~  
38 ~~shall follow the process outlined in section 1187.14(b).~~

39 Note: Authority cited: Sections 17527(g) and 17553, Government Code. Reference: Sections  
40 17521, 17530, 17551, 17553, 17557(e), 17573, 17574, 24000, 24300.5, 26881, 26900, 26970,  
41 26972, 34852, 35034, 35035, 37209, 40805.5 and 56723, Government Code.

1    **§ 1183.7. Content of Parameters and Guidelines.**

2    The parameters and guidelines shall describe the claimable reimbursable costs and contain the  
3    following information:

4    (a) Summary of the Mandate. A summary of the mandate identifying the statutes or executive  
5    orders that contain the mandate and the increased level of service and activities found to be  
6    required under those statutes or executive orders.

7    (b) Eligible Claimants. A description of the local governmental entities eligible to file for  
8    reimbursement.

9    (c) Period of Reimbursement. A description of the period of reimbursement specifying the  
10   beginning and ending (if applicable) of the reimbursement period.

11   (d) Reimbursable Activities. A description of the specific costs and types of costs that are  
12   reimbursable, including one-time costs and on-going costs, and reasonably necessary activities  
13   required to comply with the mandate. "Reasonably necessary activities" are those activities  
14   necessary to comply with the statutes, regulations and other executive orders found to impose a  
15   state-mandated program. Activities required by statutes, regulations and other executive orders  
16   that were not pled in the test claim may only be used to define reasonably necessary activities to  
17   the extent that compliance with the approved state-mandated activities would not otherwise be  
18   possible. Whether an activity is reasonably necessary is a mixed question of law and fact. All  
19   representations of fact to support any proposed reasonably necessary activities shall be supported  
20   by documentary evidence in accordance with section 1187.5 of these regulations.

21   (e) Claim Preparation. Instruction on claim preparation, including instructions for direct and  
22   indirect cost reporting for actual costs incurred, or application of a reasonable reimbursement  
23   methodology.

24   (f) Record Retention. Notice of the Office of the State Controller's authority to audit claims and  
25   the amount of time supporting documents must be retained during the period subject to audit.

26   (g) Any Offsetting Revenues and Reimbursements that reduce the cost of any reimbursable  
27   activity, including the identification of:

28    (1) Dedicated state and federal funds appropriated for this program.

29    (2) Non-local agency funds dedicated for this program.

30    (3) Local agency's general purpose funds for this program.

31    (4) Service charge, Fee, or assessment authority to offset part of the costs of this program.

32    (h) Any Offsetting Savings. Identification of any offsetting savings provided by the test claim  
33    statute or executive order, or other statute or executive order, which decreases the cost of any  
34    reimbursable activity and permits or requires the discontinuance or reduction in the level of  
35    service of the program.

36    (i) Claiming Instructions. Notice of the Office of the State Controller's duty to issue claiming  
37    instructions, which constitutes notice of the right of local agencies and school districts to file  
38    reimbursement claims, based upon the decision and parameters and guidelines adopted by the  
39    Commission.



1 (j) Remedies Before the Commission. Instructions for filing requests to review claiming  
2 instructions and requests to amend parameters and guidelines with the Commission.

3 (k) Legal and Factual Basis. Notice that the legal and factual basis for the parameters and  
4 guidelines are found in the administrative record for the test claim, which is on file with the  
5 Commission.

6 Note: Authority cited: Sections 17517.5, 17527(g) and 17553(a), Government Code. Reference:  
7 Sections 17518.5, 17530, 17553, 17556(e), 17557 and 17558, Government Code.

8 **§ 1183.17. Amendments to Parameters and Guidelines.**

9 (a) All requests pursuant to Government Code section 17557 to amend parameters and guidelines  
10 shall include the proposed language for the specific sections of the existing parameters and  
11 guidelines that are to be changed, and include a narrative explaining why the amendment is  
12 required.

13 A request to amend parameters and guidelines may be filed to make any of the following  
14 changes to the parameters and guidelines:

15 (1) Delete any reimbursable activity that is repealed by statute or executive order after the  
16 adoption of the original or last amended parameters and guidelines.

17 (2) Update offsetting revenue and offsetting savings that apply to the mandated program and do  
18 not require a new legal finding that there are "no costs mandated by the state" under Government  
19 Code section 17556(e).

20 (3) Include a reasonable reimbursement methodology for all or some of the reimbursable  
21 activities in accordance with Government Code section 17518.5. Any request to include a  
22 reasonable reimbursement methodology based on, in whole or in part, costs that have been  
23 included in claims submitted to the Controller, shall include a statement to this effect on the  
24 cover or first page of the request.

25 (4) Clarify reimbursable activities consistent with the original decisions on the test claim and  
26 parameters and guidelines.

27 (5) Add new reimbursable activities that are reasonably necessary for the performance of the  
28 original state-mandated program pursuant to section 1183.47(d) of these regulations.

29 (6) Define what is not reimbursable consistent with the original decisions on the test claim and  
30 parameters and guidelines.

31 (7) Consolidate the parameters and guidelines for two or more programs.

32 (8) Amend the "boilerplate" language.

33 (b) For purposes of this section, "boilerplate" language is defined as the language in the  
34 parameters and guidelines that is not unique to the state-mandated program that is the subject of  
35 the parameters and guidelines.

36 (c) The addition or substitution of requesters and supporting declarations based on the original  
37 facts alleged in an existing parameters and guidelines amendment request is not an  
38 "amendment." However, new proposals for amendments must be filed as a new parameters and  
39 guidelines amendment request.

- 1 (d) A claimant or state agency requesting an amendment to existing parameters and guidelines  
2 shall certify, file, and serve the request in accordance with section 1181.3 of these regulations. If  
3 representations of fact are made, they shall be supported by documentary or testimonial evidence  
4 in accordance with section 1187.5 of these regulations.
- 5 (e) Within 10 days of receipt of a request to amend parameters and guidelines, Commission staff  
6 shall issue a copy to those who are on the mailing list described in section 1181.4 of these  
7 regulations, and shall post the request on the Commission's website.
- 8 (f) Commission staff shall notify those who are on the mailing list described in section 1181.4 of  
9 these regulations that they shall have the opportunity to file written comments concerning the  
10 proposed amendment of the parameters and guidelines within 21 days of service, and shall post a  
11 copy of the notice on the Commission's website.
- 12 (g) Written comments on the request to amend the parameters and guidelines shall be certified,  
13 filed, and served in accordance with section 1181.3 of these regulations. If representations of fact  
14 are made, they shall be supported by documentary or testimonial evidence in accordance with  
15 section 1187.5 of these regulations.
- 16 (h) Written rebuttals to the comments may be filed within 21 days of service of the comments.  
17 Written rebuttals shall be certified, filed, and served in accordance with section 1181.3 of these  
18 regulations. If representations of fact are made, they shall be supported by documentary or  
19 testimonial evidence in accordance with section 1187.5 of these regulations.
- 20 (i) After review of the proposed amendment to the parameters and guidelines, written comments,  
21 and rebuttals filed, Commission staff shall prepare and issue for comment a draft proposed  
22 decision recommending whether the requester's proposed amendment to the parameters and  
23 guidelines should be adopted.
- 24 (j) Written comments on the draft proposed decision and recommendation on the proposed  
25 amendment to the parameters and guidelines shall be certified, filed, and served with the  
26 Commission in accordance with section 1181.3 of these regulations, by the date noticed by the  
27 executive director. A three-week period for comments shall be given, subject to the executive  
28 director's authority to expedite all matters pursuant to Government Code section 17530. If  
29 representations of fact are made, they shall be supported by documentary or testimonial evidence  
30 in accordance with section 1187.5 of these regulations. All written comments timely filed shall  
31 be reviewed by Commission staff and may be incorporated into the proposed decision and  
32 recommendation on the proposed amendment to the parameters and guidelines.
- 33 (k) It is the Commission's policy to discourage the introduction of late comments, exhibits, or  
34 other evidence filed after the three-week comment period described in subdivision (j) of this  
35 section. The Commission need not rely on, and staff need not respond to, late comments,  
36 exhibits, or other evidence filed in response to a draft proposed decision after the comment  
37 period expires.
- 38 (l) An amendment shall be made only after the Commission has conducted a hearing in  
39 accordance with article 7 of these regulations.
- 40 Note: Authority cited: Sections 17527(g) and 17553(a), Government Code. Reference: Sections  
41 17518.5, 17530, 17553 and 17557, Government Code.

1 **Article 5. Incorrect Reduction Claims**

2 **§ 1185.2. Review of Incorrect Reduction Claims.**

3 (a) Within 10 days of receipt of an incorrect reduction claim, Commission staff shall notify the  
4 claimant if the incorrect reduction claim is complete or incomplete. Incorrect reduction claims  
5 will be considered incomplete if any of the ~~elements in~~ requirements of section 1185.1(a) and (b)  
6 ~~and (d) through (h)~~ are illegible or not included or if the requirements of those subdivisions are  
7 not met. Incomplete incorrect reduction claims shall be returned to the claimant. If a complete  
8 incorrect reduction claim is not received by the Commission within 30 days from the date the  
9 incomplete claim was returned to the claimant, the executive director shall deem the filing to be  
10 withdrawn.

11 (b) Any incorrect reduction claim, or portion of an incorrect reduction claim, that the  
12 Commission lacks jurisdiction to hear for any reason, including that the incorrect reduction claim  
13 was not filed within the period of limitation required by section 1185.1(c) of these regulations,  
14 may be rejected or dismissed by the executive director with a written notice stating the reason ~~for~~  
15 ~~dismissal~~ therefor.

16 (c) Within 10 days of receipt of a complete incorrect reduction claim, Commission staff shall  
17 provide a copy of the claim to the Office of State Controller.

18 (d) Commission staff shall notify the Office of State Controller that written comments and  
19 supporting documentation in connection with an incorrect reduction claim shall be filed no more  
20 than 90 days from the date the copy of the claim is provided to the Office of State Controller.  
21 Written comments and supporting documentation shall be certified, filed, and served in  
22 accordance with section 1181.3 of these regulations. If representations of fact are made, they  
23 shall be supported by documentary or testimonial evidence in accordance with section 1187.5 of  
24 these regulations.

25 (e) The claimant and interested parties may file written rebuttals to the Office of State  
26 Controller's comments within 30 days of service of the Office of State Controller's comments.  
27 Written rebuttals and supporting documentation shall be certified, filed, and served in accordance  
28 with section 1181.3 of these regulations. If representations of fact are made, they shall be  
29 supported by documentary or testimonial evidence in accordance with section 1187.5 of these  
30 regulations.

31 Note: Authority cited: Sections 17527(g) and 17553(a), Government Code. Reference: Sections  
32 17551(d), 17553(d), 17558.5(c) and 17558.7(a), Government Code.

33 **§ 1185.3. Consolidation of Claims Initiated by an Individual Claimant.**

34 (a) On behalf of a class of claimants, an individual claimant may initiate the consolidation of  
35 claims alleging an incorrect reduction as described in Government Code section 17558.7, if all of  
36 the following apply:

37 (1) The method, act, or practice that the claimant alleges led to the reduction has led to similar  
38 reductions of other parties' claims, and all of the claims involve common questions of law or  
39 fact.

40 (2) The common questions of law or fact among the claims predominate over any matter  
41 affecting only an individual claim.

1 (3) The consolidation of similar claims by individual claimants would result in consistent  
2 decision making by the Commission.

3 (4) The claimant filing the consolidated claim would fairly and adequately protect the interests of  
4 the other claimants.

5 (b) A claimant that seeks to file a consolidated incorrect reduction claim shall notify the  
6 Commission of its intent at the time of filing on a form provided by the Commission. The  
7 consolidated incorrect reduction claim shall be filed in accordance with section 1185.1 of these  
8 regulations and contain a narrative that explains the elements in subdivision (a) of this section.  
9 All representations of fact shall be supported by documentary or testimonial evidence in  
10 accordance with section 1187.5 of these regulations.

11 (c) Within 10 days of receipt of a consolidated incorrect reduction claim, Commission staff shall  
12 notify the claimant if the consolidated incorrect reduction claim is complete or incomplete. A  
13 consolidated incorrect reduction claim is incomplete if the claim has not been filed in accordance  
14 with subdivision (b) of this section, or is illegible. Incomplete consolidated incorrect reduction  
15 claims shall be returned to the claimant. If a complete consolidated incorrect reduction claim is  
16 not received by the Commission within 30 days from the date the incomplete claim was returned  
17 to the claimant, the executive director shall deem the filing to be withdrawn.

18 (d) Any consolidated incorrect reduction claim, or portion of a consolidated incorrect reduction  
19 claim, that the Commission lacks jurisdiction to hear for any reason may be rejected or dismissed  
20 by the executive director in accordance with section 1185.2(b) of these regulations.

21 (e) If the consolidated incorrect reduction claim is complete, Commission staff shall request the  
22 Office of the State Controller to provide the Commission, within 30 days, a list of claimants for  
23 whom the Controller has reduced similar claims under the same mandate, and the date each  
24 claimant was notified of an adjustment.

25 (f) Upon receipt of the list from the Office of the State Controller, the Commission shall notify  
26 the list of other claimants experiencing similar reductions by the Controller under the same  
27 mandate and other interested parties of the original claimant's intent to consolidate an incorrect  
28 reduction claim.

29 Note: Authority cited: Sections 17527(g), 17553(a) and 17558.7(g), Government Code.  
30 Reference: Sections 17558.5(c) and 17558.7, Government Code.

31 **§ 1185.4. Joining a Consolidated Incorrect Reduction Claim.**

32 (a) Within 30 days of receipt of the Commission's notice regarding the original claimant's notice  
33 of intent to consolidate an incorrect reduction claim, any other eligible claimant may, on a form  
34 provided by the Commission, file a notice of intent to join the consolidated incorrect reduction  
35 claim.

36 (b) All notices of intent to join a consolidated incorrect reduction claim shall comply with  
37 section 1185.1(c) and contain at least the following elements and documents:

38 (1) A copy of the final state audit report, letter, or other written notice of adjustment from the  
39 Office of State Controller that explains the claim components adjusted, amounts reduced, and the  
40 reasons for the reduction.

41 (2) A copy of the subject reimbursement claims submitted to the Office of State Controller.

1 (3) A notice of intent to join a consolidated incorrect reduction claim shall include a certification  
2 by the joining claimant authorizing the original claimant to act as its representative in the  
3 consolidated incorrect reduction claim, and a declaration under penalty of perjury that the filing  
4 is true and complete to the best of the declarant's personal knowledge, information, or belief. The  
5 date signed, the declarant's title, address, telephone number, and e-mail address shall be  
6 included. All representations of fact shall be supported by testimonial or documentary evidence  
7 in accordance with section 1187.5 of these regulations.

8 (4) The joining claimant shall file one original notice of intent to join and accompanying  
9 documents with the Commission in accordance with section 1181.3 of these regulations.

10 (c) Within 10 days of receipt of a notice of intent to join a consolidated incorrect reduction claim,  
11 Commission staff shall notify the joining claimant if the notice of intent to join is complete or  
12 incomplete. Notices of intent to join a consolidated incorrect reduction claim will be considered  
13 incomplete if any of the elements required in subdivision (b) of this section are illegible or not  
14 included. Incomplete notices of intent shall be returned to the joining claimant. If a complete  
15 notice of intent to join a consolidated incorrect reduction claim is not received by the  
16 Commission within 30 days from the date the incomplete notice of intent was returned to the  
17 joining claimant, the Commission shall deem the filing to be withdrawn.

18 (d) Any notice of intent to join the consolidated incorrect reduction claim, or portion thereof, that  
19 the Commission lacks jurisdiction to hear for any reason, including that the notice was not filed  
20 within the period of limitation required by section 1185.1(c) of these regulations, may be rejected  
21 or dismissed by the executive director with a written notice stating the reason ~~for~~  
22 ~~dismissal~~therefor.

23 Note: Authority cited: Sections 17527(g), 17553(a) and 17558.7(g), Government Code.  
24 Reference: Sections 17558.5(c) and 17558.7, Government Code.

## 25 **Article 7. Quasi-Judicial Hearing Procedures and Decisions**

### 26 **§ 1187.9. Extensions of Time to File Comments or Rebuttals and Postponements and** 27 **Continuances of Hearings.**

#### 28 (a) Requests for Extensions of Time

29 Any party or interested party to a matter may request an extension of time by filing a request  
30 with the executive director before the date set for filing of comments or rebuttals with  
31 Commission staff on that matter. The request shall fully explain the reasons for the extension,  
32 propose a new date for filing, and be certified, filed, and served in accordance with section  
33 1181.3 of these regulations. ~~If representations of fact are made, they shall be supported by~~  
34 ~~documentary or testimonial evidence in accordance with section 1187.5 of these regulations.~~ So  
35 long as a postponement of a hearing would not be required, there is no prejudice to any party or  
36 interested party, and there is no other good reason for denial, the request shall be approved. A  
37 party to a matter may request an extension of time that would necessitate rescheduling a hearing,  
38 but shall also include a request for postponement of the hearing, pursuant to subdivision (b) of  
39 this section. Within two business days of receipt of the request, the executive director shall  
40 determine whether the extension will be granted and notify all persons on the mailing list  
41 prepared pursuant to section 1181.4 of these regulations.

#### 42 (b) Requests for Postponement of Hearing

1 A party to an article 7 matter may request a postponement of a hearing on that matter, until the  
2 next regularly scheduled hearing. Although postponements of hearings are disfavored, each  
3 request for a postponement must be considered on its own merits. The request shall fully explain  
4 the reasons for the postponement, and be certified, filed, and served in accordance with section  
5 1181.3 of these regulations. ~~If representations of fact are made, they shall be supported by~~  
6 ~~documentary or testimonial evidence in accordance with section 1187.5 of these regulations.~~  
7 Within two business days of receipt of the request, the executive director shall determine  
8 whether the postponement will be granted and notify all persons on the mailing list prepared  
9 pursuant to section 1181.4 of these regulations. The executive director may postpone the matter  
10 only on an affirmative showing of good cause.

11 (1) Circumstances that may indicate good cause include:

12 (A) The unavailability of a party, party representative, or witness because of death, illness, or  
13 other excusable circumstances;

14 (B) The substitution of a party representative, but only where there is an affirmative showing that  
15 the substitution is required in the interests of justice;

16 (C) The addition of a new party if:

17 1. The new party has not had a reasonable opportunity to prepare for hearing; or

18 2. The other parties have not had a reasonable opportunity to prepare for hearing in regard to the  
19 new party's involvement in the matter;

20 (D) A party's excused inability to obtain essential testimony, documents, or other material  
21 evidence despite diligent efforts;

22 (E) A significant, unanticipated change in the status of the matter as a result of which the matter  
23 is not ready for hearing; or

24 (F) The number and complexity of the issues.

25 (2) Other factors to be considered: In determining whether to grant a postponement, the  
26 executive director shall consider the facts and circumstances that are relevant to the  
27 determination. These may include:

28 (A) The proximity of the hearing date;

29 (B) Whether there was any previous postponement, extension of time, or delay of hearing due to  
30 any party;

31 (C) The length of the postponement requested;

32 (D) The availability of alternative means to address the problem that gave rise to the request for a  
33 postponement;

34 (E) The prejudice that parties or witnesses will suffer as a result of the postponement;

35 (F) If the matter was granted expedited scheduling, the reasons for that status and whether the  
36 need for a postponement outweighs the need to avoid delay;

37 (G) The Commission's backlog of matters and the impact of granting a postponement on other  
38 pending matters;

- 1 (H) Whether the claimant or requester representative is engaged in a trial or other hearing that  
2 conflicts with the Commission hearing;
- 3 (I) Whether, pursuant to Government Code 17554, all parties have stipulated to a postponement;  
4 and
- 5 (J) Whether the interests of justice are best served by a postponement, by moving forward with  
6 the hearing on the matter, or by imposing conditions on the postponement.

7 (3) Approval of Requests for Postponement

8 (A) A request filed by the claimant or requester at least 15 days before the hearing shall be  
9 approved by the executive director for good cause.

10 (B) A request filed by stipulation of the parties, including the claimant or requester, shall be  
11 approved by the executive director for good cause.

12 (C) A request filed by the claimant or requester less than 15 days before the hearing may be  
13 approved by the executive director for good cause.

14 (D) A request filed by an interested party may be approved by the executive director for good  
15 cause. If a state agency makes a request before filing comments on the test claim, that request  
16 shall be accompanied by a notice of intent to oppose the test claim in whole or in part.

17 (4) Postponement on Commission Staff's Own Motion: The executive director may postpone a  
18 hearing on a matter for good cause and shall notify all persons on the mailing list prepared  
19 pursuant to section 1181.4 of these regulations.

20 (c) Continuance of a Hearing

21 (1) Prior to the adoption of its written decision on the matter being heard, the Commission on its  
22 own motion, or upon a clear showing of good cause at the request of a party, may continue a  
23 hearing to another time or place. Written notice of the time and place of the continued hearing,  
24 except as provided herein, shall be in accordance with section 1187.1 of these regulations. When  
25 a continuance is ordered during a hearing, oral notice of the time and place of the continued  
26 hearing may also be given to each party present at the hearing.

27 (2) Continuances will be granted only upon a clear showing of good cause as described in  
28 subdivision (b). In determining whether there is good cause for a continuance ~~within the meaning~~  
29 ~~of subdivision (a)~~ the following policy should be taken into consideration: Continuances are not  
30 favored by the Commission. The parties are expected to submit for decision all matters in  
31 controversy at a single hearing and to produce at the hearing all necessary evidence, including  
32 witnesses, documents and anything considered essential in the proof of a party's allegations.  
33 ~~Continuances will be granted only upon a clear showing of good cause.~~

34 Note: Authority cited: Sections 17527(g) and 17553(a), Government Code. Reference: Sections  
35 17527, 17551 and 17553(a), Government Code; and California Rules of Court, Rule 3.1332.