

**ITEM 19**  
**EXECUTIVE DIRECTOR'S REPORT**  
**Workload, Budget, Legislation,**  
**and Next Agenda**

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**I. Workload**

Type of Action	May 10, 2004	March 4, 2004	May 16, 2003
Test Claims to be Heard and Determined	120	126	85
Test Claims to be Reconsidered	0	0	0
Test Claims to be Reconsidered Based on Court Action	0	2	0
Incorrect Reduction Claims to be Heard and Determined	80	80	85
Proposed Parameters and Guidelines, and Amendments	32	29	37
Statewide Cost Estimates to be Adopted	15	16	1
New Test Claim Filings to be Reviewed	0	0	0
Appeals of Executive Director's Decision	0	5	0
Regulatory Actions Pending	0	0	1

**II. Budget Updates**

A. Senate Budget and Fiscal Review Committee

Sub-Committee 4 approved the Commission's budget on April 21, 2004.

B. Assembly Budget Committee

Sub-Committee 4 approved the Commission's budget on April 27, 2004.

### **III. Legislation**

#### **A. Authorization for Staff Review of Pending Legislation (action)**

The Governor's Office has requested that all boards and commissions prepare bill analyses and recommend positions on pending legislation. During previous administrations, the Governor's Office did not make this request nor did the Commission routinely prepare analyses and recommend positions on pending legislation.

When the Governor's Office requests a bill analysis, we may have a short turn around time of three to five days to submit a completed bill analysis. Because of these short timelines, staff recommends that the Commission authorize the Executive Director to submit bill analyses with positions on bills that impact the Commission's statutory authority and workload. Each bill analysis will include the following statement: "This analysis was prepared by Commission staff. It has not been reviewed by the Commission members and is not intended to reflect the position of any individual member or the Commission itself."

This process would not preclude the Commission from voting to take positions on bills. Staff could continue to present bills to the Commission.

#### **B. Update on Pending Legislation**

See Exhibit A

#### **C. Assembly Special Committee on State Mandates**

On May 10, 2004, Commission staff testified in the Assembly Special Committee on State Mandates. Committee members were provided with the Guidebook, recommendations, caseload report, and response to the Bureau of State Audits. (See Exhibit B.)

The Legislative Analyst's Office (LAO) reviewed "Key Elements of Mandate Reform-Major Recommendations Proposed" and presented a new proposal entitled, "A Mandate Reimbursement Process" (See Exhibit C) The most significant change in the new proposal is replacement of the parameters and guidelines and statewide cost estimating processes. The proposed new process would require the State Controller's Office to develop a "reasonable reimbursement methodology" that balances accuracy with simplicity, and specifies a future date when revision to the methodology shall be considered." Under this new approach, the Commission would be required to review the SCO methodology, and report the mandate, methodology, and any concerns to the Legislature and Administration.

The LAO proposal would also give the Commission continuous jurisdiction to reconsider prior mandate determinations if it [the Commission] finds that "material information was not considered during its deliberations or that there have been substantial changes to state or federal law or case law.

The Committee will hold its next hearing on May 24, 2004. The committee requested that staff-level discussions be held to review the recommendations and the LAO proposal. Staff will provide an update at the hearing.

**IV. State Controller's Report to the Director of Finance, Mandate Deficiencies**  
(See Exhibit D)

On May 3, 2004, the State Controller's Office (SCO) requested additional funds in the amount of \$1,731,492,609 (\$1,000,204,578 for local agencies, \$682,152,348 for school districts, and \$49,135,683 for community college districts) because of an overall appropriation deficiency for mandate reimbursements. The SCO reported that the mandates program deficiencies are the result of deferred funding for new claims received during the 2002-03, 2003-04 fiscal years and prior years insufficient appropriations. The new claims include 2001-02 late claims, 2002-03 actual cost claims and 2003-04 estimated claims that are in excess of available appropriation balances. The SCO estimated that accrued interest of \$88,961,679 (\$36,899,123 for local agencies, \$50,057,021 for school districts, and \$2,005,535 for community colleges), for the period July 1, 1996 through April 30, 2004 should be added to the deficiency.

If deficiency funds are not appropriated in the Budget Act, the Controller reports this information to the legislative budget committees and the Commission. The Commission will then include the deficiency information in its next report to the Legislature to ensure that it is included in the next claims bill.

There is an additional deficiency of \$500,746,368 in unpaid claims for new mandates that would normally be funded in the next local government claims bill. This total includes \$16,132,536, in costs claimed for *School Bus Safety II*, which will be subtracted from the total claimed for *School Bus Safety I and II* claims.

**V. Next Agenda – July 29, 2004**

The tentative agenda is subject to change based on requests for extensions of time to file comments on draft staff analyses, hearing postponements, pre-hearing conferences, and Commission staff's legislative and litigation workload.

**A. Test Claims/Proposed Statements of Decision**

1. *Algebra Instruction*, 00-TC-14, Sweetwater Union High School District, Claimant
2. *DNA Database*, 00-TC-27, County of San Bernardino, Claimant, consolidated with 02-TC-39, County of Los Angeles, Claimant
3. *Post Conviction: DNA Court Proceedings*, 00-TC-21 and 02-TC-08. County of Los Angeles, Claimant
4. *Tenure Grievance Arbitration*, 98-TC-18, Sierra Joint Community College District, Claimant.

**B. Proposed Parameters and Guidelines**

1. *Crime Victims' Domestic Violence Incident Reports*, 99-TC-08, County of Los Angeles, Claimant
2. *Peace Officer Personnel Records; Unfounded Complaints Against Peace Officers; Discovery of Peace Officer Personnel Records*; 00-TC-24, 00-TC-25, 02-TC-07, 02-TC-08, Cities of Hayward and San Mateo, Claimants
3. *Postmortem Examinations: Unidentified Bodies, Human Remains*, 00-TC-18, County of Los Angeles, Claimant

C. Proposed Statewide Cost Estimates

1. *Comprehensive School Safety Plans*, 98-TC-01 and 99-TC-10, Kern High School District, Claimant
2. *Standards-Based Accountability*, 98-TC-10, San Diego Unified School District, Claimant
3. *School District Reorganization*, 98-TC-24, Campbell Union High School District and San Luis Obispo County Office of Education, Claimants
4. *Attendance Accounting*, 98-TC-26 and 01-TC-04, Campbell Union High School District, Claimant
5. *Pupil Promotion and Retention*, 98-TC-19, San Diego Unified School District, Claimant
6. *Redevelopment Agencies – Tax Disbursement Reporting*, 99-TC-06, County of Los Angeles, Claimant