



November 4, 2016

Mr. Kyle Sand
County of San Diego
Office of County Counsel
1600 Pacific Highway, Room 355
San Diego, CA 92101

Ms. Lisa Macchione
County of San Diego
Office of County Counsel
1600 Pacific Highway, Room 355
San Diego, CA 92101

Mr. Alfredo Aguirre
County of San Diego
Behavioral Health Services
3255 Camino Del Rio South
San Diego, CA 92108

Ms. Jill Kanemasu
Accounting and Reporting
State Controller's Office
3301 C Street, Suite 700
Sacramento, CA 95816

And Parties, Interested Parties, and Interested Persons (See Mailing List)

Re: Notice of Granting of Appeal, Notice of Complete Filing, Schedule for Comments, and Notice of Tentative Hearing Date

Incorrect Reduction Claim

Handicapped and Disabled Students (04-RL-4282-10); Handicapped and Disabled Students II (02-TC-40/02-TC-49); and Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services (97-TC-05), 15-9705-I-06

Government Code Sections 7571, 7572, 7572.5, 7572.55, 7576, 7581, and 7586 as added by Statutes 1984, Chapter 1747 (AB 3632); and as amended by Statutes 1985, Chapter 1274 (AB 882); Statutes 1994, Chapter 1128 (AB 1892); Statutes 1996, Chapter 654 (AB 2726);

California Code of Regulations, Title 2, Division 9, Chapter 1, Sections 60020, 60030, 60040, 60045, 60050, 60055, 60100, 60110, 60200, and 60550 (Emergency regulations effective January 1, 1986 [Register 86, No. 1], and refiled June 30, 1986, designated effective July 12, 1986 [Register 86, No. 28]; and Emergency regulations effective July 1, 1998 [Register 98, No. 26]; final regulations effective August 9, 1999 [Register 99, No. 33])

Fiscal Years: 2006-2007, 2007-2008, and 2008-2009

County of San Diego, Claimant

Dear Mr. Sand, Ms. Macchione, Mr. Aguirre, and Ms. Kanemasu:

On December 10, 2015, the County of San Diego (claimant) filed an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission) based on the State Controller's (Controller's) reductions to its reimbursement claims for costs incurred under the *Handicapped and Disabled Students; Handicapped and Disabled Students II; and Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services* program for fiscal years 2006-2007, 2007-2008, and 2008-2009.

On December 18, 2015, Commission staff notified the claimant that the IRC filing was deemed untimely filed. On December 28, 2015, the claimant filed an appeal (*Appeal of Executive Director Decision, 15-AEDD-01*). On October 28, 2016, the Commission granted the appeal. Accordingly, Commission staff has now determined that this IRC filing is complete and retains

Mr. Sand, Ms. Macchione, Mr. Aguirre, and Ms. Kanemasu

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the original filing date of December 10, 2016, in accordance with section 1185.2(a) of the Commission's regulations. (California Code of Regulations, Title 2.)

Government Code section 17551(d) requires the Commission to hear and decide claims by local agencies and school districts that the Controller has incorrectly reduced payments to the local agencies or school districts.

Controller's Review and Response. Please file comments and supporting documentation regarding this claim no later than **February 2, 2017**. Please include an explanation of the reasons for the reductions and the computation of reimbursements. 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.

The failure of the Controller to respond within this 90-day timeline shall not cause the Commission to delay consideration of this IRC. (Gov. Code §17553(d).)

The Commission's regulations require that written materials filed with the Commission be simultaneously served on all parties, interested parties, and interested persons on the mailing list, and accompanied by a proof of service. (Cal. Code Regs., tit. 2, 1181.3.) However, this requirement may be satisfied by electronically filing your documents via the Commission's e-filing system. Please see http://www.csm.ca.gov/dropbox_procedures.php on the Commission's website. The written material will be posted on the Commission's website and the mailing list will be notified by electronic mail of the posting. This procedure will satisfy all the service requirements pursuant to section 1181.3 of the Commission's regulations.

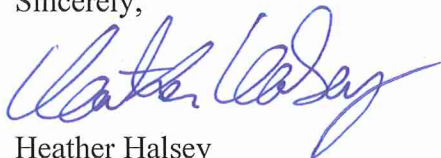
Claimant's Rebuttal. Upon receipt of the Controller's comments, the claimant and interested parties may file rebuttals. The rebuttals are due 30 days from the service date of the comments.

Informal Conference. An informal conference may be scheduled if requested. Refer to section 1187.4 of the Commission's regulations.

Public Hearing and Draft Proposed Decision. The public hearing on this claim has been tentatively scheduled for **May 26, 2017**. The Draft Proposed Decision will be issued for comment at least eight weeks prior to the public hearing.

Withdrawal of Incorrect Reduction Claims. Under section 1185.8 of the Commission's regulations, an IRC may be withdrawn by written application any time before a decision is adopted or by oral application at the time of hearing. If such an application is made, the executive director shall issue a letter dismissing the claim.

Sincerely,



Heather Halsey
Executive Director

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On November 4, 2016, I served the:

**Notice of Granting of Appeal, Notice of Complete Filing, Schedule for Comments,
and Notice of Tentative Hearing Date**

Incorrect Reduction Claim

Handicapped and Disabled Students (04-RL-4282-10); Handicapped and Disabled Students II, (02-TC-40/02-TC-49); and Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services (97-TC-05), 15-9705-I-06

Government Code Sections 7571, 7572, 7572.5, 7572.55, 7576, 7581, and 7586

as added by Statutes 1984, Chapter 1747 (AB 3632); and as amended by

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Statutes 1996, Chapter 654 (AB 2726);

California Code of Regulations, Title 2, Division 9, Chapter 1, Sections 60020, 60030, 60040, 60045, 60050, 60055, 60100, 60110, 60200, and 60550

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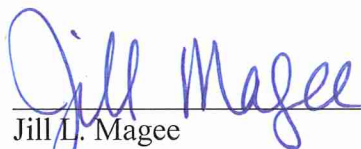
August 9, 1999 [Register 99, No. 33])

Fiscal Years: 2006-2007, 2007-2008, and 2008-2009

County of San Diego, Claimant

by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on November 4, 2016 at Sacramento, California.



Jill L. Magee

Commission on State Mandates

980 Ninth Street, Suite 300

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COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 11/2/16

Claim Number: 15-9705-I-06

Matter: Handicapped and Disabled Students (04-RL-4282-10); Handicapped and Disabled Students II (02-TC-40/02-TC-49); Seriously Emotionally Disturbed Pupils (SED); Out-of-State Mental Health Services (97-TC-05)

Claimant: County of San Diego

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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