

# MINUTES

## COMMISSION ON STATE MANDATES

State Capitol  
Room 447  
Sacramento, California  
March 28, 2008

Present: Member Anne Sheehan, Chairperson  
Representative of the Director of the Department of Finance  
Member Francisco Lujano, Vice Chairperson  
Representative of the State Treasurer  
Member Richard Chivaro  
Representative of the State Controller  
Member Cynthia Bryant  
Director of the Office of Planning and Research  
Member J. Steven Worthley  
County Supervisor  
Member Sarah Olsen  
Public Member  
Member Paul Glaab  
City Council Member

### CALL TO ORDER AND ROLL CALL

Chairperson Sheehan called the meeting to order at 9:37 a.m.

### APPROVAL OF MINUTES

Item 2 January 31, 2008

The January 31, 2008 minutes were adopted 5-0. Members Glaab and Olsen abstained because they were not present at the January 31, 2008 meeting.

### PROPOSED CONSENT CALENDAR

INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF  
REGULATIONS, TITLE 2, CHAPTER 2.5, ARTICLE 8 (ACTION)

#### PARAMETERS AND GUIDELINES

Item 4 *Racial Profiling: Law Enforcement Training*  
01-TC-01  
Penal Code Section 13519.4  
Statutes of 2000, Chapter 684 (SB 1102)  
County of Sacramento, Claimant

- Item 5 *Fire Safety Inspections of Care Facilities*  
01-TC-16,  
Statutes 1989, chapter 993 (SB 1098)  
Health and Safety Code sections 1531.2, 1569.149, 1596.809, 13144.5, and  
13235  
City of San Jose, Claimant

PROPOSED AMENDMENTS TO CALIFORNIA CODE OF REGULATIONS

- Item 8 Adoption of Proposed Regulatory Action  
Implementation of AB 1222 (Stats. 2007, Ch. 329)  
Proposed Amendments to California Code of Regulations, Title 2, Chapter  
2.5, Article 1. General, Article 3. Test Claims, Article 7. Hearings

Member Glaab made a motion to adopt items 4, 5 and 8 on the consent calendar. With a second by Member Chivaro, the items were unanimously adopted (7-0).

**APPEAL OF EXECUTIVE DIRECTOR DECISIONS PURSUANT TO CALIFORNIA  
CODE OF REGULATIONS, TITLE 2, SECTION 1181, SUBDIVISION (c)**

- Item 2 Appeal of Executive Director's Decision to Disallow Test Claim  
Amendment, 07-TC-02  
TO ADD:  
Government Code Section 56326.5, Statutes 1991, Chapter 439 (AB 748);  
Government Code Sections 56001, 56029, 56036, 56046, 56067, 56069,  
56100, 56101, 56107, 56123, 56124, 56133, 56150, 56154, 56156, 56157,  
56159, 56300, 56301, 56325, 56326.5, 56329, 56332, 56375, 56375.3,  
56375.5, 56377, 56380, 56381, 56381.6, 56383, 56384, 56386, 56425,  
56425.5, 56429, 56430, 56434, 56653, 56654, 56658, 56660, 56662, 56663,  
56664, 56665, 56666, 56667, 56668, 56668.3, 56668.5, 56700.1, 56700.4,  
56705, 56706, 56708, 56710, 56720, 56730, 56737, 56738, 56742.5, 56743,  
56744, 56745, 56751, 56752, 56753, 56753.5, 56754, 56755, 56756, 56757,  
56758, 56759, 56760, 56764, 56800, 56801, 56803, 56810, 56811, 56812,  
56815, 56820, 56820.5, 56820.7, 56821, 56821.1, 56821.3, 56821.5,  
56821.7, 56822, 56822.3, 56822.5, 56823, 56824, 56824.1, 56824.3,  
56824.5, 56824.7, 56826, 56827, 56828, 56829, 56830, 56831, 56833,  
56834, 56835, 56840, 56843, 56844, 56846, 56847, 56848, 56853, 56854,  
56855, 56857, 56859, 56860, 56861, 56862, 56863, 56864, 56864.1, 56876,  
56880, 56881, 56882, 56885.5, 56886, 56886.3, 56889, 56895, 56897,  
57000, 57001, 57002, 57008, 57025, 57026, 57050, 57052, 57075, 57075.5,  
57077, 57078, 57078.5, 57080, 57081, 57100, 57102, 57103, 57105, 57106,  
57107, 57108, 57109, 57113, 57114, 57115, 57116, 57117, 57118, 57119,  
57120, 57125, 57129, 57144, 57145, 57150, 57176, 57167.1, 57177,  
57177.5, 57179, 57200, 57201, 57302, 57384, 57402, 57404, Statutes 2000,  
Chapter 761 (AB 2838);  
Government Code Section 56381, Statutes 2002, Chapter 493 (AB 1948);  
LAFCO Municipal Services Review Guidelines, and LAFCO Municipal  
Services Review Guidelines Appendices  
TO:

*Local Agency Formation Commission (LAFCO) Test Claim (02-TC-23)*  
Government Code Sections 56001, 56326.5, 56381, 56381.6, 56425,  
56426.5, 56430, Statutes 1991, Chapter 438 (AB 748); Statutes 2000,  
Chapter 761 (AB 2838); Statutes 2002, Chapter 493 (AB 1948)  
LAFCO Municipal Services Review Guidelines (Final Draft,  
October 3, 2002, Governor's Office of Planning and Research), LAFCO  
Municipal Services Review Guidelines Appendices (Final Draft, October 3,  
2002, Governor's Office of Planning and Research)  
Sacramento, Metropolitan Fire District, Claimant and Appellant

Chief Counsel Camille Shelton presented this item. Ms. Shelton explained that Item 2 is an appeal of the Executive Director's decision to disallow a test claim amendment filed by the Sacramento Metropolitan Fire District to the LAFCO test claim. The proposed amendment pleads an additional 178 Government Code sections to the original claim. According to Ms. Shelton, the test claim amendment was disallowed because a complete test claim amendment that satisfies the requirements of Government Code section 17553 and section 1183 of the Commission's regulations was not timely filed.

Ms. Shelton explained that the law requires that all test claims and test claim amendments include information supported by declarations signed under the penalty of perjury, showing the actual increased costs incurred by the claimant during the fiscal year the claim was filed to implement the alleged mandate, and the actual or estimated annual costs that will be incurred by the claimant. The appellant failed to provide the required information. According to Ms. Shelton, the appellant was given an additional 30 days to file a complete test claim amendment after it was first notified of the filing deficiencies. The second document filed by the appellant still did not satisfy the filing requirements.

Government Code section 17553 does not give the Commission jurisdiction to accept any further filings to perfect the requirements of the proposed amendment. Thus, for the reasons stated in the analysis, staff recommended that the Commission deny the appeal and uphold the Executive Director's decision to disallow the proposed test claim amendment pursuant to Government Code section 17553 and section 1183 of the Commission's regulations. .

Juliana Gmur testified on behalf of the Sacramento Metropolitan Fire Department. Ms. Gmur reminded the Commission that the original LAFCO test claim was limited to special district claimants, and was filed by a special district. However, cities and counties also have costs. Therefore, she filed the amended test claim to add claimants; but she filed the amendment under the original fire district claimant, and the fire district had no eligible costs under the test claim amendment. She went on to explain that under old Commission rules, the amendment would not have been necessary, and as a result, if both claims were filed under the old rules or both filed under the new rules, there would be no problem.

Further, according to Ms. Gmur, it is not unheard of to go to various agencies to try to get most accurate information and that is why they went to a LAFCO and that they did in fact get the information that they needed from the LAFCO. Ms. Gmur added that the information gained from the LAFCO was relevant to both cities and counties, thereby, serving as the basis to pursue the statewide cost estimate based on easy-to-access numbers that are accurate.

Member Worthley asked claimants to clarify their position.

Ms. Gmur responded that she was unsure. She reviewed the regulations and found nothing that definitely states what entity can amend a test claim. But claimants do not want to be in a position where any party can amend another claimant's claim.

Alan Burdick, CSAC SB 90 service, explained that the test claim was filed under a different set of rules which allowed a local agency, and in this case a special district was a local agency, to file on behalf of all local agencies. Thus, when this case was filed, cities and counties believed that this claim would have application to all local agencies.

Ms. Shelton clarified that the substitution of a claimant is not an amendment, as specifically defined in the Commission's regulations, and those requirements have been in effect for a long time. If a claimant wants to add additional claimants to the original claim, they do not need to file a test claim amendment.

She pointed out that both the draft and final staff analyses were issued in 2007, indicating that the claim only applied to independent special districts. No comments were filed on that issue.

Ms. Shelton also stated that Government Code section 17553 was amended to specifically require that the claimant itself file declarations of actual costs incurred for that year and declarations of estimated or actual costs for future years. There are no declarations in this record at all from the claimant. The only declarations in the record are from Mr. Burdick showing a statewide cost estimate based on LAFCOs.

Chairperson Sheehan and Member Worthley questioned Ms. Gmur and Ms. Shelton regarding the application of the new versus the old rules and how claimants could have resolved this issue. Ms. Shelton reiterated that adding claimants does not require a test claim amendment. All they need is a letter from the original claimant stating that they are adding a co-claimant. Member Worthley asked if there was still time for the claimants to file such a letter. Ms. Shelton stated they could have filed the letter adding a co-claimant until the test claim was decided in 2007.

Ms. Gmur discussed the process of adding a co-claimant. Ms. Shelton reminded the Commission that when the test claim amendment was filed, they added new statutes that require a declaration of costs.

With a motion by Member Bryant and a second by Member Lujano, the Commission adopted the staff recommendation by a vote of 6 to 1, with Member Worthley voting no.

**HEARINGS AND DECISIONS ON TEST CLAIMS, PURSUANT TO CALIFORNIA  
CODE OF REGULATIONS, TITLE 2, CHAPTER 2.5, ARTICLE 7 (Gov. Code, §§ 17551  
and 17559) (action)**

**TEST CLAIMS**

- Item 3A *Crime Statistic Reports for the Department of Justice*  
02-TC-04, 02-TC-11  
Penal Code Sections 12025, 12031, 13012, 13014, 13023 and 13730;  
Statutes 1980, Chapter 1340 (SB 1447); Statutes 1982, Chapter 147 (SCR  
64); Statutes 1984, Chapter 1609 (SB 1472); Statutes 1989, Chapter 1172  
(SB 202); Statutes 1992, Chapter 1338 (SB 1184); Statutes 1993, Chapter  
1230 (AB 2250); Statutes 1995, Chapters 803 and 965 (AB 488 and SB  
132); Statutes 1998, Chapter 933 (AB 1999); Statutes 1999, Chapter 571  
(AB 491); Statutes 2000, Chapter 626 (AB 715); Statutes 2001, Chapters

468 and 483 (SB 314 and AB 469); and  
California Department of Justice, Criminal Justice Statistics Center,  
Criminal Statistics Reporting Requirements and Requirements Spreadsheet,  
March 2000  
City of Newport Beach and County of Sacramento, Claimants

- Item 3B      *Proposed Statement of Decision: Crime Statistic Reports for the  
Department of Justice, 02-TC-04, 02-TC-11*  
[See description of statutes and executive orders in Item 3A above.]

These items were postponed.

**INFORMATIONAL HEARING PURSUANT TO CALIFORNIA CODE OF  
REGULATIONS, TITLE 2, CHAPTER 2.5, ARTICLE 8 (ACTION)**

**AMENDMENTS TO PARAMETERS AND GUIDELINES**

- Item 6      *Peace Officers Procedural Bill of Rights (POBOR)*  
06-PGA-03, 06-PGA-06  
Government Code Sections 3301, 3303, 3304, 3305, 3306  
As Added and Amended by Statutes 1976, Chapter 465 (AB 301);  
Statutes 1978, Chapters 775 (AB 2916), 1173 (AB 2443), 1174  
(AB 2696), and 1178 (SB 1726); Statutes 1979, Chapter 405 (AB 1807);  
Statutes 1980, Chapter 1367 (AB 2977); Statutes 1982, Chapter 994  
(AB 2397); Statutes 1983, Chapter 964 (AB 1216); Statutes 1989,  
Chapter 1165 (SB 353); and Statutes 1990, Chapter 675 (AB 389)  
Department of Finance and County of Los Angeles, Requestors

Executive Director Paula Higashi presented this item. Ms. Higashi stated that this item addresses three proposals to amend the parameters and guidelines for the *Peace Officers Procedural Bill of Rights (POBOR)* program, and presented the history of the program, noting that the only issues before the Commission today were two proposed reasonable reimbursement methodologies in lieu of actual costs claimed, and an alternative proposal that would add a reasonable reimbursement methodology as an option to claiming actual school costs. All of the proposals are effective for the reimbursement period beginning on July 1, 2006.

Ms. Higashi noted that Department of Finance requests that the parameters and guidelines be amended to reimburse each eligible local agency at the rate of \$56.74 per officer. Los Angeles County originally proposed \$302.37 per officer, and subsequently submitted an alternative proposal that would allow claimants to continue to claim actual costs or to claim based on a reasonable reimbursement rate of \$36.86 per officer. Government Code section 17518.5 defines a reasonable reimbursement methodology and requires that it be based on cost information from a representative sample of eligible claimants or information provided by associations of local agencies and school districts or other projections of local costs; and that it consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner.

Ms. Higashi reported that staff finds that the Finance and original L.A. County proposals satisfy the first element of the definition but do not satisfy the second element. Staff finds that the

County's alternative proposal of \$36.86 per officer satisfies both elements of the definition because it is based on cost information from a representative sample of eligible claimants and considers the variation in costs among local agencies to implement the mandate in a cost efficient manner.

Ms. Higashi added that staff recommends that this alternative proposal be amended to include information from two additional audits issued by the State Controller's office and to apply the current implicit price deflator to arrive at a rate of \$37.25 per officer. Staff also finds that the County's alternative proposal allows eligible claimants to be reimbursed based on actual costs as well as the reimbursement methodology and thus balance accuracy with simplicity. Staff recommends that the Commission deny Finance's proposal and the County's original proposal and adopt the County's alternative proposal, as modified by staff.

Leonard Kaye with Los Angeles County reported that while its original proposal of \$302.74 is justified, it is not based on the audits conducted by the State Controller's Office. Therefore, we developed an alternate proposal that is based on the audit findings of the State Controller's Office. Mr. Kaye stated that it is very important to give eligible claimants a choice of using the reasonable reimbursement methodology or claiming actual costs, and he urged the Commission to adopt staff's recommendation.

Mr. Allan Burdick, CSAC-SB 90 Service, disagreed with Los Angeles County's recommendation, and supported the original proposal of \$302 per officer.

Member Worthley clarified and Mr. Burdick agreed that the \$302 rate was a significant reduction from the \$528 rate that was introduced last year. Mr. Burdick reiterated that the \$302 rate was the only rate that approaches accuracy, asserting that the \$302 rate would only reimburse the City of Los Angeles for about half of its costs. He also stated that if you apply that rate to the largest police departments, you're saying that each POBOR case costs only \$60. Finally, Mr. Burdick noted that local governments agreed to propose the \$302 rate.

Ms. Juliana Gmur, representing CSAC-SB 90 Service, stated that the \$302 rate was based on, and accurately reflects the original Statement of Decision for the POBOR program.

Ms. Higashi pointed out that table 4 in the staff analyses shows that if the \$302 rate were adopted, a majority of counties would be reimbursed well more than they claimed.

Lieutenant David McGill, Los Angeles Police Department, provided his credentials and 21-year employment history with the Department, and noted that \$60 per case is well below the cost of implementing the POBOR program. Lieutenant McGill stated that this process has been going on too long and the Los Angeles Police Department would like to end it. He reminded the Commission that POBOR is a very important program, and the investigations of peace officers must be held to the highest standard, and therefore, the cost of the investigation is not de minimis and certainly not \$60.

Ms. Carla Castañeda, Department of Finance, concurred with the staff recommendation to deny Finance's original proposal of \$56.74 per officer, and Los Angeles County's original proposal. However, Finance is opposed to the alternative proposal, because it gives the option of filing a reimbursement methodology or filing for actual costs. Ms. Castañeda stated that providing this option would result in increased costs to the state.

Ms. Molly Arnold, Department of Finance, added that Finance believes that providing claimants with an option of filing a reimbursement methodology or filing for actual costs could mean that the methodology does meet the statutory criteria of a reimbursement methodology, because the purpose of a methodology is to avoid actual costs.

Ms. Higashi responded that the actual cost section of the parameters and guidelines is not being amended; the reimbursement methodology is separate. Ms. Higashi stated that Los Angeles County's proposal provides a reasonable alternative that responds to situations where a jurisdiction finds that their costs escalated in a particular year because they had a major POBOR case.

Ms. Arnold continues to question whether or not it constitutes a reasonable reimbursement methodology. Chairperson Sheehan asked Ms. Arnold to clarify whether Finance believes the proposal does not meet the intent of the statute, or whether they are arguing that it is not allowed by the statute. Ms. Arnold responded that Finance is asking the Commission to reject the proposal.

Ms. Ginny Brummels, State Controller's Office reported that the State Controller's Office supports the staff recommendation, and is neutral on Finance's argument regarding providing both a reimbursement methodology and actual cost reimbursement.

Mr. Jim Spano, State Controller's Office, explained that his unit is responsible for the Controller audits, and asked Mr. Burdick: is your rationale to reject the staff recommendation and just claim actual costs.

Mr. Burdick responded yes, and stated that since the underlying parameters and guidelines exclude reimbursement for the largest component of the program – interrogations – their position is to reject the proposal before the Commission today and possibly request additional amendment to the parameters and guidelines. He reiterated that Los Angeles County's alternate proposal is too low.

Chairperson Sheehan responded that under the alternate proposal, claimants may still file for actual costs. Camille Shelton, Chief Counsel, clarified that the Commission does not have jurisdiction to consider any costs for interrogation or investigation because those are not reimbursable activities. The only jurisdiction the Commission has is the consideration of the three proposals before the Commission today.

Member Worthley stated that he struggles with basing so much of the decision on audits. Because the audits reflect attempts at trying to recover more than what a claimant may be entitled to. He stated that under several audits, the costs were zero, meaning the claims were reduced to zero, and questioned if that meant we should assume that the claimant's costs are zero. He stated that the claimant's costs are not zero because the only reason they were reduced to zero was for not providing proper information. Therefore, we're then taking an average that includes those failed efforts and using that to drive the price.

Member Sheehan asked the State Controller's Office to respond. Mr. Spano responded that the calculation excludes cities and counties that have zero allowable costs. Mr. Spano also clarified that only 3% of reductions are attributed to lack of documentation. The remaining reductions are based on their interpretation of the parameters and guidelines and what is outside the scope of the mandate. Here, that is interrogation and investigation costs. Mr. Spano also stated that during the audit process, if a claimant shows documentation to support costs we will allow it. Or claimants may conduct a time study to support the costs.

Lieutenant McGill responded that the ongoing argument is over what local governments believe is reimbursable and what the state says is reimbursable. He added that Los Angeles Police Department did conduct a time study, and continued to "get close to zero percent."

Member Worthley stated that \$60 to complete one claim is ludicrous. Again, this is the wrong way to develop a methodology. However, he supported staff's approach to using a low number that may work for many claimants, or they may still file for actual costs.

Ms. Annette Chinn, Cost Recovery Systems, representing approximately 40 smaller jurisdictions, reminded the Commission that Los Angeles County's alternative proposal is based on audited claims, when only one percent of local agencies have been audited.

Member Glaab stated that staff was recommending denial of the first two proposals, not because there is a disagreement about the dollar amount, but because they do not satisfy the statutory requirements for a reasonable reimbursement methodology. Mr. Glaab asked if it was possible to develop a reasonable reimbursement methodology. Ms. Higashi responded that what is reasonable is going to be up to the Commission. The Commission can only vote for what is placed before it, and is not authorized to negotiate a different methodology.

Ms. Higashi also stated that while the audit population is small, it is also representative of local governments because it includes small and large cities and counties from all over the state that employ over 50 % of all peace officers employed by local agencies in California.

Member Worthley stated that adoption today does not foreclose claimants from returning to the Commission with another request for amendment if they determine the rate is too low.

Member Bryant stated that she was concerned that the 2008 statute that allows reasonable reimbursement methodology was meant as an "either/or;" either a reimbursement methodology or actual costs. Ms. Higashi clarified that those terms apply only to reimbursement methodologies that are negotiated between local governments and Finance and applied in lieu of parameters and guidelines. She added that parameters and guidelines are before the Commission today.

Ms. Arnold clarified that Finance is not arguing that this proposal cannot be done, but may not constitute a real reimbursement methodology.

Member Worthley stated that it is still a worthwhile venture because it will allow more jurisdictions to use the methodology that will allow for administrative ease, which will then provide administrative ease to our staff. And, again, if we find that the number is too low, it can be revisited. Member Worthley then made a motion to approve the staff recommendation.

With a second by Member Olsen, the staff recommendation was adopted by a vote of 6-0, with Member Bryant abstaining.

[Chairperson Sheehan called a short recess at 10:47 a.m., and the meeting resumed at 10:58 a.m.]



- Item 7      *Graduation Requirements*  
4181A, 05-PGA-05, 06-PGA-04, 06-PGA-05  
Education Code Section 51225.3  
Statutes 1983, Chapter 498 (SB 813)  
San Diego Unified School District, Castro Valley Unified School District, Clovis Unified School District, San Jose Unified School District, Fullerton Joint Union High School District, Grossmont Union High School District, Sweetwater Union High School District, Mountain View-Los Altos Hill High School District, and State Controller's Office, Requestors

Ms. Higashi stated that Mr. Art Palkowitz, the representative for one of the claimants, San Diego Unified School District, was unable to be at the hearing due to car trouble. Mr. Keith Petersen, the representative for co-claimants, is requesting a continuance of this matter. At the same time, all parties agree to further briefing for some of the issues. Therefore, Ms. Higashi requested that the Commission put the matter over. Member Sheehan agreed.

#### **STAFF REPORTS**

- Item 9      Chief Legal Counsel's Report (info)  
Recent Decisions, Litigation Calendar

Ms. Shelton stated that the San Diego Unified School District case has been moved to the May 30<sup>th</sup> hearing. She also stated that the Commission is still awaiting a decision on *State of California, Department of Finance v. Commission on State Mandates, et al.*, regarding the Integrated Waste Management program.

- Item 18     Executive Director's Report (info/action)  
Workload, Budget, Legislation, and Next Hearing

Ms. Higashi provided updates on budget hearings, and explained that, the Legislative Analyst's Office supports the Commission's baseline budget without the Governor's proposed 10 % reduction.

Ms. Higashi introduced new staff members Chris Wong and Efrain Alanis. She then reminded the Commission members of the dates of the upcoming hearings.

#### **PUBLIC COMMENT**

There was no public comment.

#### **CLOSED EXECUTIVE SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 11126 and 17526 (action)**

##### **PENDING LITIGATION**

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matters pursuant to Government Code section 11126, subdivision (e)(1):

1. *State of California, Department of Finance v. Commission on State Mandates, et al.*, Sacramento Superior Court Case No. 03CS01432, CSM Case No. 03-L-02 [*Behavioral Intervention Plans*]
2. *California School Boards Association, Education Legal Alliance; County of Fresno; City of Newport Beach; Sweetwater Union High School District and County of Los Angeles v. State of California, Commission on State Mandates and Steve Westly, in his capacity as State Controller*, Third District Court of Appeal, Case No. C055700; [AB 138; *Open Meetings Act, Brown Act Reform, Mandate Reimbursement Process I and II; and School Accountability Report Cards (SARC) I and II*]
3. *Department of Finance v. Commission on State Mandates*, Third District Court of Appeal, Case No. C056833, [Peace Officer Procedural Bill of Rights – School Districts and Special Districts]
4. *Department of Finance and California Integrated Waste Management Board v. Commission on State Mandates, Santa Monica Community College District, and Lake Tahoe Community College District*, Sacramento County Superior Court, Case No. 07CS00355, CSM 06-L-03 [*Integrated Waste Management*]
5. *San Diego Unified School District v. Commission on State Mandates and California Department of Finance*, San Diego County Superior Court, Case No. 37-2007-00064077-CU-PT-CTL, CSM 06-04 [*Emergency Procedures: Earthquake Procedures and Disasters*]
6. *California School Boards Association, Education Legal Alliance, and Sweetwater Union High School Dist. v. State of California, Commission on State Mandates, and John Chiang, in his capacity as State Controller*, Sacramento County Superior Court, Case No. 07CS01399, [Reconsideration of School Accountability Report Cards (SARC I)]

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matter pursuant to Government Code section 11126, subdivision (e)(2):

Based on existing facts and circumstances, there is a specific matter which presents a significant exposure to litigation against the Commission on State Mandates, its members and/or staff (Gov. Code, § 11126, subd. (e)(2)(B)(i).)

#### PERSONNEL

To confer on personnel matters pursuant to Government Code sections 11126, subdivision (a) and 17526.


Hearing no further comments, Chairperson Sheehan adjourned into closed executive session pursuant to Government Code section 11126, subdivision (e), to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the published notice and agenda, and Government Code sections 11126, subdivision (a), and 17526, to confer on personnel matters listed on the published notice and agenda.

**REPORT FROM CLOSED EXECUTIVE SESSION**

At 11:16 a.m., Chairperson Sheehan reconvened in open session, and reported that the Commission met in closed executive session pursuant to Government Code section 11126, subdivision (e), to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the published notice and agenda, and pursuant to Government Code sections 11126, subdivision (a), and 17526, to confer on personnel matters listed on the published notice and agenda.

**ADJOURNMENT**

Hearing no further business, Chairperson Sheehan adjourned the meeting at 11:17 a.m.

  
PAULA HIGASHI  
Executive Director