



February 2, 2007

Ms. Paula Higashi  
Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

Dear Ms. Higashi:

As requested in your letter of January 18, 2007, the Department of Finance is submitting comments on the proposed parameters and guidelines for claim No. CSM-01-TC-30 "Local Government Employment Relations" submitted by the County of Sacramento and the City of Sacramento.

The Statement of Decision, adopted by the Commission on December 4, 2006, finds the following activities to be reimbursable:

1. Deduct from employees' wages the payment of dues or service fees required pursuant to an agency shop arrangement and transmit the fees to the employee organization.
2. Receive from the employee any proof of in lieu fee payments made to charitable organizations required pursuant to an agency shop arrangement (Government Code section 3502.5, subdivision (c)).
3. Follow Public Employment Relations Board (PERB) procedures in responding to charges and appeals filed with PERB by an entity other than the local public agency employer (includes filing documents with PERB, proof of service, responding to subpoenas, depositions, participating in hearings, and filing and responding to motions).

Among the ongoing activities contained in the proposal is "Receive, verify and file proof of in lieu fee payments, received from the employee, made to charitable organizations pursuant to an agency shop arrangement." The plain language of the test claim legislation only requires that local agencies receive proof that in lieu fee payments have been made; therefore, verifying and filing this information should not constitute reimbursable activities. Additionally, the Statement of Decision does not identify verification and filing of in lieu fee payment information as reimbursable activities.

Another ongoing activity proposed for reimbursement is "Preparation for conference and hearings before PERB Board agents and Administrative Law Judges including, but not limited to, preparation of briefs, documentation and evidence, exhibits, witnesses and expert witnesses." Preparation for hearings is not a new activity, as local agencies previously prepared similar documentation for court hearings under the process in place for resolution of unfair labor

practice cases prior to enactment of the test claim legislation. Because it is not a new activity, preparation for hearings should not be reimbursable.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your January 18, 2007 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas E. Dithridge". The signature is fluid and cursive, with a large initial "T" and "E".

Thomas E. Dithridge  
Program Budget Manager

Attachments

Attachment A

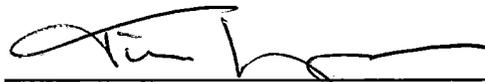
DECLARATION OF  
DEPARTMENT OF FINANCE  
CLAIM NO. CSM-01-TC-30

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. We concur that the sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

2/2/07

at Sacramento, CA



Tim Lynn

## PROOF OF SERVICE

Test Claim Name: Local Government Employment Relations  
Test Claim Number: CSM-01-TC-30

I, Ann Slaughter, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 12<sup>th</sup> Floor, Sacramento, CA 95814.

On February 2, 2007, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, Floor, for Interagency Mail Service, addressed as follows:

A-16  
Ms. Paula Higashi, Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814  
Facsimile No. 445-0278

B-8  
State Controller's Office  
Division of Accounting & Reporting  
Attention: Ginny Brummels  
3301 C Street, Room 500  
Sacramento, CA 95816

B-29  
Legislative Analyst's Office  
Attention Marianne O'Malley  
925 L Street, Suite 1000  
Sacramento, CA 95814

Mr. Allan Burdick  
MAXIMUS  
4320 Auburn Boulevard, Suite 2000  
Sacramento, CA 95841

County of Los Angeles  
Department of Auditor-Controller  
Kenneth Hahn Hall of Administration  
Attention: Leonard Kaye  
500 West Temple Street, Suite 525  
Los Angeles, CA 90012

County of San Bernardino  
Office of Auditor / Controller-Recorder  
Attention: Bonnie Ter Keurst  
222 West Hospitality Lane, Fourth Floor  
San Bernardino, CA 92415 - 0018

Wellhouse and Associates  
Attention: David Wellhouse  
9175 Kiefer Boulevard, Suite 121  
Sacramento, CA 95826

Mr. Steve Shields  
Shields Consulting Group, Inc.  
1536 36<sup>th</sup> Street  
Sacramento, CA 95816

Mr. Steve Keil  
California State Association of Counties  
110 K Street, Suite 101  
Sacramento, CA 95814-3941

B-08  
Mr. Jim Spano  
State Controller's Office  
Division of Audits  
300 Capitol Mall, Suite 518  
Sacramento, CA 95814

County Executive  
County of Sacramento  
711 G Street  
Sacramento, CA 95814

C-50  
Director  
Department of Industrial Relations  
770 L Street  
Sacramento, CA 95814

Ray Kerridge  
City of Sacramento  
915 "I" Street, 5<sup>th</sup> Floor  
Sacramento, CA 95814

D-12  
Executive Director  
Public Employment Relations Board  
1031 18<sup>th</sup> Street  
Sacramento, CA 95814-4174

Mr. J. Bradley Burgess  
Public Resource Management Group  
1380 Lead Hill Blvd, Suite #106  
Roseville, CA 95661

Ms. Annette Chinn  
Cost Recovery Systems, Inc  
705-2 East Bidwell Street, #294  
Folsom, CA 95630

D-12  
Mr. Robert Thompson  
Public Employment Relations Board  
General Counsel  
1031 18<sup>th</sup> Street  
Sacramento, CA 95814-4174

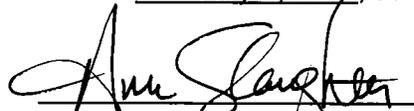
A-15  
Ms. Carla Casteneda  
Department of Finance  
915 L Street, Suite 1280  
Sacramento, CA 95814

Mr. Glen Everroad  
City of Newport Beach  
3300 Newport Blvd.  
P O Box 1768  
Newport Beach, CA 92659-1768

Ms. Beth Hunter  
Centration, Inc.  
8570 Utica Avenue, Suite 100  
Rancho Cucamonga, CA 91730

A-15  
Ms. Susan Geanacou  
Department of Finance  
915 L Street, Suite 1280  
Sacramento, CA 95814

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 February 2, 2007, at Sacramento, California.

  
Ann Slaughter