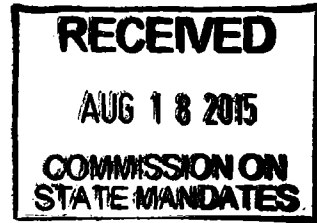


ORIGINAL



PUBLIC MEETING

COMMISSION ON STATE MANDATES



TIME: 10:00 a.m.

DATE: Friday, July 24, 2015

**PLACE: State Capitol, Room 447
Sacramento, California**



REPORTER'S TRANSCRIPT OF PROCEEDINGS



Reported by:

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A P P E A R A N C E S

COMMISSIONERS PRESENT

ERAINA ORTEGA
Representative for MICHAEL COHEN, Director
Department of Finance
(*Chair of the Commission*)

RICHARD CHIVARO
Representative for BETTY T. YEE
State Controller
(*Vice Chair of the Commission*)

KEN ALEX
Director
Office of Planning & Research

SARAH OLSEN
Public Member

M. CARMEN RAMIREZ
Oxnard City Council Member

ANDRÉ RIVERA
Representative for JOHN CHIANG
State Treasurer



COMMISSION STAFF PRESENT

HEATHER A. HALSEY
Executive Director
(*Items 2 and 11*)

HEIDI PALCHIK
Assistant Executive Director

CAMILLE N. SHELTON
Chief Legal Counsel
(*Item 10*)

A P P E A R A N C E S

PARTICIPATING COMMISSION STAFF

continued

KERRY ORTMAN
Program Analyst
(Item 9)

IMRAN MAJID
Student Assistant
(Item 3 and Item 4)

JILL MAGEE
Program Analyst/Hearing Coordinator



PUBLIC TESTIMONY

Appearing Re Item 3 and Item 4:

For Department of Finance:

SUSAN GEANACOU
Senior Staff Attorney
Department of Finance
915 L Street, Suite 1280
Sacramento, California 95814

EVELYN SUESS
Principal Program Budget Analyst
Department of Finance
915 L Street, Suite 1280
Sacramento, California 95814



ERRATA SHEET

<u>Page</u>	<u>Line</u>	<u>Correction</u>
<u>13</u>	<u>6</u>	<u>Ms. Ortman should read Ms. Olsen.</u>
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Commission on State Mandates – July 24, 2015

1 BE IT REMEMBERED that on Friday, July 24, 2015,
2 commencing at the hour of 10:01 a.m., thereof, at the
3 State Capitol, Room 447, Sacramento, California, before
4 me, DANIEL P. FELDHAUS, CSR #6949, RDR and CRR, the
5 following proceedings were held:



7 CHAIR ORTEGA: Good morning, everyone.

8 I will call to order the July 24th meeting of
9 the Commission on State Mandates.

10 If you could call the roll.

11 MS. HALSEY: Mr. Alex?

12 MEMBER ALEX: Here.

13 MS. HALSEY: Mr. Chivaro?

14 MEMBER CHIVARO: Here.

15 MS. HALSEY: Ms. Olsen?

16 MEMBER OLSEN: Here.

17 MS. HALSEY: Ms. Ortega?

18 CHAIR ORTEGA: Here.

19 MS. HALSEY: Ms. Ramirez?

20 MEMBER RAMIREZ: Here.

21 MS. HALSEY: Mr. Rivera?

22 MEMBER RIVERA: Here.

23 MS. HALSEY: And Mr. Saylor did call to notify
24 us that he cannot attend today's hearing.

25 CHAIR ORTEGA: Okay, thank you.

Commission on State Mandates – July 24, 2015

1 We have a quorum.

2 So the first item will be the minutes from
3 May 29th.

4 Are there any objections or corrections to
5 the minutes?

6 MEMBER CHIVARO: Move approval.

7 CHAIR ORTEGA: Moved by Mr. Chivaro.

8 MEMBER RIVERA: Second.

9 CHAIR ORTEGA: Second by Mr. Rivera.

10 All in favor of approval of the minutes?

11 *(A chorus of "ayes" was heard.)*

12 CHAIR ORTEGA: Any abstentions or objections?

13 *(No response)*

14 CHAIR ORTEGA: Seeing none, they are approved
15 unanimously.

16 MS. HALSEY: And now we will take up public
17 comment for matters not on the agenda.

18 Please note that the Commission cannot take
19 action on items not on the agenda; however, it can
20 schedule issues raised by the public for consideration at
21 future meetings.

22 CHAIR ORTEGA: Okay, any public comment on
23 items not on the agenda?

24 *(No response)*

25 CHAIR ORTEGA: Okay, seeing none, we will move

Commission on State Mandates – July 24, 2015

1 to the Consent Calendar.

2 MS. HALSEY: Next, we have a proposal to add
3 Item 6, an incorrect reduction claim on *Health Fee*
4 *Elimination* to the Consent Calendar.

5 After this agenda for a hearing was issued, the
6 parties agreed to place Item 6 on consent.

7 CHAIR ORTEGA: Okay, any objections to adding
8 Item 6 to the Consent Calendar?

9 *(No response)*

10 CHAIR ORTEGA: No?

11 Any objections from the public?

12 *(No response)*

13 CHAIR ORTEGA: Seeing none, the Consent
14 Calendar is Items 6 and 7.

15 Any questions, comments from Board members?

16 *(No response)*

17 CHAIR ORTEGA: Any comments from the public
18 before we take action on the Consent Calendar?

19 *(No response)*

20 CHAIR ORTEGA: Seeing none, is there a motion?

21 MEMBER OLSEN: I'll move adoption.

22 MEMBER CHIVARO: Second.

23 CHAIR ORTEGA: Moved by Ms. Olsen; second by
24 Mr. Chivaro.

25 All in favor?

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1 (A chorus of "ayes" was heard.)

2 CHAIR ORTEGA: Any abstentions, objections?

3 (No response)

4 CHAIR ORTEGA: Okay, the Consent Calendar is
5 adopted.

6 MS. HALSEY: Let's move to the Article 7
7 portion of the hearing.

8 Will the parties and witnesses for Items 3 and
9 4 please rise?

10 (Parties/witnesses stood to be sworn
11 or affirmed.)

12 MS. HALSEY: Do you solemnly swear or affirm
13 that the testimony which you are about to give is true
14 and correct, based on your personal information,
15 knowledge, or belief?

16 (A chorus of affirmative responses was
17 heard.)

18 MS. HALSEY: Thank you.

19 Item 2 is reserved for appeals of the Executive
20 Director decisions. There are no appeals to consider
21 under Item 2.

22 Student Assistant Imran Majid will present
23 Item 3, the mandate redetermination on *California Public*
24 *Records Act*.

25 MR. MAJID: Good morning.

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1 This is the second hearing of a mandate
2 redetermination request to end the State's liability for
3 the *California Public Records Act* Program based on a
4 subsequent change in law. Specifically, Proposition 42
5 adopted by voters in June 2014 amends the California
6 Constitution to exempt the State from reimbursing the
7 program.

8 Therefore, staff finds that the State's
9 liability pursuant to Article XIII B, Section 6, of the
10 California Constitution for this program ends beginning
11 June 4th, 2014, and recommends the Commission adopt this
12 proposed decision as its new test-claim decision.

13 Will the parties and witnesses please state
14 your names for the record?

15 MS. SUESS: Good morning. Evelyn Suess from
16 the Department of Finance.

17 MS. GEANACOU: Susan Geanacou, Department of
18 Finance.

19 CHAIR ORTEGA: Okay, any additional comments
20 from the Department of Finance?

21 MS. SUESS: We would just like to thank
22 staff -- Commission staff for their work on our request.

23 We do agree with staff's recommendation.

24 CHAIR ORTEGA: Okay, any comments from Board
25 members?

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1 (No response)
2 CHAIR ORTEGA: No?
3 Any additional public comment on this item?
4 (No response)
5 CHAIR ORTEGA: Seeing none.
6 MS. ORTMAN: I'll move adoption of staff's
7 recommendation.
8 MEMBER CHIVARO: Second.
9 CHAIR ORTEGA: Okay, moved by Ms. Olsen and
10 second by Mr. Chivaro.
11 Call the roll.
12 MS. HALSEY: Mr. Alex?
13 MEMBER ALEX: Aye.
14 MS. HALSEY: Mr. Chivaro?
15 MEMBER CHIVARO: Aye.
16 MS. HALSEY: Ms. Olsen?
17 MEMBER OLSEN: Aye.
18 MS. HALSEY: Ms. Ortega?
19 CHAIR ORTEGA: Aye.
20 MS. HALSEY: Ms. Ramirez?
21 MEMBER RAMIREZ: Aye.
22 MS. HALSEY: Mr. Rivera?
23 MEMBER RIVERA: Aye.
24 MS. HALSEY: The motion carries.
25 CHAIR ORTEGA: Thank you.

Commission on State Mandates – July 24, 2015

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Item 4.

MS. HALSEY: Item 4, Student Assistant Imran Majid will present Item 4, the parameters and guidelines amendment on *California Public Records Act*.

MR. MAJID: This is the proposed amendment to the parameters and guidelines for the *California Public Records Act* program to end reimbursement beginning June 4th, 2014.

Staff recommends that the Commission adopt this proposed decision and amendment to the parameters and guidelines.

Would the parties and witnesses please state your names for the record?

MS. SUESS: Finance concurs with staff's recommendation.

CHAIR ORTEGA: Okay.

Go ahead and say your name -- yes, go ahead, for the record.

MS. SUESS: I apologize. Evelyn Suess, Department of Finance.

MS. GEANACOU: Susan Geanacou, Department of Finance.

CHAIR ORTEGA: Thank you.

Any public comment on this item?

(No response)

Commission on State Mandates – July 24, 2015

1 CHAIR ORTEGA: Nope?

2 Any comments from Board members?

3 *(No response)*

4 CHAIR ORTEGA: Okay, is there a motion?

5 MEMBER RAMIREZ: So moved.

6 MEMBER CHIVARO: Second.

7 CHAIR ORTEGA: Moved by Ms. Ramirez; second by
8 Mr. Chivaro.

9 Please call the roll.

10 MS. HALSEY: Mr. Alex?

11 MEMBER ALEX: Aye.

12 MS. HALSEY: Mr. Chivaro?

13 MEMBER CHIVARO: Aye.

14 MS. HALSEY: Ms. Olsen?

15 MEMBER OLSEN: Aye.

16 MS. HALSEY: Ms. Ortega?

17 CHAIR ORTEGA: Aye.

18 MS. HALSEY: Ms. Ramirez?

19 MEMBER RAMIREZ: Aye.

20 MS. HALSEY: Mr. Rivera?

21 MEMBER RIVERA: Aye.

22 MS. HALSEY: Thank you.

23 Item 5 is an incorrect reduction claim on
24 *Handicapped and Disabled Students* was postponed to the
25 September 25th hearing.

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1 Items 6 and 7 were on the Consent Calendar.

2 And Item 8 is reserved for county applications
3 for a finding of significant financial distress, or
4 SB 1033 applications.

5 No SB 1033 applications have been filed.

6 Program Analyst Kerry Ortman will present
7 Item 9, the Legislative Update.

8 MS. ORTMAN: Good morning.

9 We are monitoring two bills this legislative
10 session.

11 AB 575, Teachers: Best Practices Teacher
12 Evaluation System, would be replacing the Stull Act.
13 This bill was referred to the Senate Committee on
14 Education on June 18th, 2015.

15 The second bill is AB 731, Maintenance of the
16 Codes. This appears to be a spot bill. It's now pending
17 in the Senate Judiciary Committee.

18 On June 24th, 2015, the Governor approved the
19 Budget Act of 2015, which appropriated funds for two new
20 mandates: *SARATSO* and *Medi-Cal Eligibility of Juvenile*
21 *Offenders*, as well as \$4 million in the block grant for
22 *ICAN*.

23 There were also two trailer bills.

24 SB 84, State Government, requires Finance, the
25 Secretary of State, and the Legislative Analyst's Office

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1 to convene a working group to evaluate alternatives for
2 funding election-related mandates. And it requires
3 Finance to submit recommendations to the Legislature.
4 This bill also requires Finance to conduct a survey to
5 determine whether or not counties are carrying out the
6 requirements of the election mandates.

7 AB 104, Education Finance: the Education
8 Omnibus Trailer Bill, appropriates \$3.8 billion to pay
9 down the existing mandate backlog to K-12 schools and
10 community colleges.

11 The specific dollar amounts are in the
12 legislative updates in front of you.

13 Thanks.

14 CHAIR ORTEGA: Thank you, Ms. Ortman.

15 Any questions?

16 *(No response)*

17 CHAIR ORTEGA: Okay, seeing none, we will move
18 on to the Chief Legal Counsel Update.

19 MS. SHELTON: Good morning.

20 Since the Commission's last meeting, there have
21 been two court decisions that have been issued.

22 The first one was issued by Sacramento County
23 Superior Court on the *Coast Community College* challenge
24 to the Commission's decision on *Minimum Conditions*. And
25 that one, the Court denied the petition for writ of

Commission on State Mandates – July 24, 2015

1 mandate.

2 The second decision issued was in Alameda on
3 the *California School Board Association* case. And in
4 that one, the Court issued a decision denying the writ of
5 mandate on the second cause of action.

6 You can see that we do have one case currently
7 scheduled for hearing in the Sacramento County Superior
8 Court. That's *Paradise Irrigation District versus*
9 *Commission on State Mandates*, challenging the decision
10 on the *Water Conservation* claim, for February 5th, 2016.

11 CHAIR ORTEGA: Thank you.

12 Any questions?

13 *(No response)*

14 CHAIR ORTEGA: Okay, Executive Director Report.

15 MS. HALSEY: So I'd like to announce, we have
16 a new staff member with us today, Jill Magee, sitting
17 here in the front row, in the green dress. She is our
18 new program analyst hearing coordinator, so she is kind
19 of the new Heidi.

20 So all the things you used to do with Heidi or
21 that you used to call Heidi for, you can now call Jill.

22 CHAIR ORTEGA: Okay, welcome, Jill.

23 MS. HALSEY: Also, for our workload update,
24 we now have 14 test claims pending, and two of those were
25 filed in fiscal year 2014-15. And they are set for the

Commission on State Mandates – July 24, 2015

1 September and December hearings.

2 The other 12 are regarding *Stormwater Permits*;
3 and they are on inactive status, pending resolution of
4 the pending litigation in the California Supreme Court.

5 In addition, we have one parameters and
6 guidelines, three parameters and guidelines amendments,
7 three statewide cost estimates, 55 IRCs, and three
8 mandate redeterminations pending.

9 And as discussed in our backlog reduction plan,
10 the test claims and parameters and guidelines and
11 statewide cost estimates take precedence over the other
12 matters that are being heard. And they are being
13 expedited to be heard as soon as possible after they are
14 filed.

15 So next, in terms of priority for hearing, are
16 the amendments to the parameters and guidelines and
17 requests for mandate redetermination; and that is because
18 these affect all eligible claimants for the program at
19 issue, as well as the State.

20 And for that reason, we'll be hearing those
21 mandate redeterminations pretty quick in December, in
22 front of the IRCs. So expect to see some test claims
23 and mandate redeterminations coming.

24 And because there have been a number of new
25 filings over the past months and also because staff have

Commission on State Mandates – July 24, 2015

1 been focused on litigation, our estimated date for
2 completion of IRC backlog has changed. Currently, the
3 Commission staff expects to complete the IRCs backlog,
4 including all IRCs filed through 2014-15, by
5 approximately the December 2016 or December 2017
6 Commission meeting. And that's dependent on staffing and
7 other workload.

8 For tentative agenda items, please check to see
9 if your item is coming up over the course of the next
10 few hearings.

11 The draft proposed decision on the test claim
12 on *California Assessment of Student Performance and*
13 *Progress* was issued for this hearing but was postponed to
14 September, at the request of Finance.

15 We also have the *Training for School Employee*
16 *Mandated Reporters* tentatively set for December, as well
17 as first hearings on the three mandate redeterminations
18 that were recently filed.

19 Finally, there are a number of IRCs listed on
20 my report which are set or tentatively set for September
21 or December, including the IRCs on *Notification of*
22 *Truancy*.

23 Please expect to receive draft proposed
24 decisions on these for your review and comment about
25 eight to ten weeks before the hearing, and a proposed

Commission on State Mandates – July 24, 2015

1 decision approximately two weeks before the hearing.

2 That is all I have.

3 CHAIR ORTEGA: Okay, any questions?

4 *(No response)*

5 CHAIR ORTEGA: No?

6 Okay, thank you, everyone.

7 We're going to now recess into closed session.

8 The Commission will meet in closed executive
9 session pursuant to Government Code section 11126(e) to
10 confer with and receive advice from legal counsel for
11 consideration and action, as necessary and appropriate,
12 upon the pending litigation listed on the published
13 notice and agenda; and to confer with and receive advice
14 from legal counsel regarding potential litigation.

15 The Commission will also confer on personnel
16 matters pursuant to Government Code section 11126(a)(1).

17 We will reconvene in open session in
18 approximately 15 minutes.

19 *(The Commission met in closed executive
20 session from 10:12 a.m. to 10:24 a.m.)*

21 CHAIR ORTEGA: We are going to reconvene in
22 public session.

23 The Commission met in closed session pursuant
24 to Government Code section 11126(e)(2), to confer with
25 and receive advice from legal counsel for consideration

Commission on State Mandates – July 24, 2015

1 and action, as necessary and appropriate, upon the
2 pending litigation listed on the published notice and
3 agenda; and to confer with and receive advice from legal
4 counsel regarding potential litigation; and pursuant to
5 Government Code section 11126(a)(1), to confer on
6 personnel matters.

7 With no other business to come before the
8 Commission, we will be adjourned.

9 Thanks, everyone.

10 *(The meeting concluded at 10:25 a.m.)*

11 --oOo--

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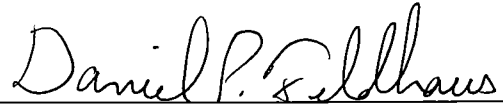
REPORTER'S CERTIFICATE

I hereby certify:

That the foregoing proceedings were duly reported by me at the time and place herein specified; and

That the proceedings were reported by me, a duly certified shorthand reporter and a disinterested person, and was thereafter transcribed into typewriting by computer-aided transcription.

In witness whereof, I have hereunto set my hand on the 17th August 2015.



Daniel P. Feldhaus
California CSR #6949
Registered Diplomate Reporter
Certified Realtime Reporter