



JOHN CHIANG
California State Controller
Division of Accounting and Reporting

April 26, 2013

Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Proposed Amendment to Parameters and Guidelines as Directed by the Legislature
Mandate Reimbursement Process I and II (CSM-4204, 4485 and 05-TC-05), 12-PGA-03
Directed by the Legislature in Statutes 2011, Chapter 33 (Budget Act of 2011) and
Statutes 2012, Chapter 21, (Budget Act of 2012)

Dear Ms. Halsey:

The State Controller's Office (SCO) has reviewed the proposed amendment to parameters and guidelines drafted by the Commission. Below are our comments and recommendations. Proposed additions are underlined and deletions are indicated with strikethrough as follows:

SUMMARY OF THE MANDATE

Page 2

On April 24, 1986, the Commission adopted the *Mandate Reimbursement Process I* statement of decision determining that Statutes 18975, chapter 486 and Statutes 1984, chapter 1459....

COMMENT: The correct Statute is 1975.

III. PERIOD OF REIMBURSEMENT

Page 3

These ~~consolidated~~ parameters and guidelines are effective beginning July 1, 2011.

COMMENT: Please remove the word "consolidated" to be consistent with the title on page 1.

V. CLAIM PREPARATION AND SUBMISSION

Page 7

1. If a local agency or school district contracts with an independent contractor for the preparation and submission of reimbursement claims, the costs reimbursable by the state for that purpose shall not exceed the lesser of (1) 10 percent of the amount of the claims prepared and submitted by the independent contractor, or (2) the actual costs that would

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necessarily have been incurred for that purpose if performed by employees of the local agency or school district.

The maximum amount of reimbursement provided in subdivision (A1) for an independent contractor may be exceeded only if the local agency or school district establishes, by appropriate documentation, that the preparation and submission of these claims could not have been accomplished without incurring the additional costs claimed by the local agency or school district.

2. Costs incurred for contract services and/or legal counsel that assist in the preparation, submission or presentation of claims are recoverable within the limitations imposed under subdivision (A1) above....

COMMENT: The proper reference should be noted as "subdivision (1)". The same reference should also be noted on Page 7 of the Statement of Decision.

Page 9

BC. Indirect Cost Reporting

COMMENT: The correct letter is "C".

Page 10

School districts ~~and county offices of education~~ must use the ~~Restrictive Indirect Cost Rates for K-12 Local Educational Agencies (LEAs) Five Year Listing~~ issued by the California Department of Education (CDE) ~~School Fiscal Services Division~~ approved indirect cost rate for the fiscal year ~~of costs that funds are expended~~.

COMMENT: Please use the most current boilerplate language for consistency.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

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Pursuant to Government Code section 17558 (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than ~~60~~ 90 days...

COMMENT: Effective January 1, 2012, the SCO timeline to issue claiming instructions is 90 days.

Should you have any questions regarding the above, please contact Marieta Delfin at (916) 322-4320 or e-mail mdelfin@sco.ca.gov.

Sincerely,



JAY LAL, Manager
Local Reimbursements Section