



RECEIVED
May 17, 2016
Commission on
State Mandates

BETTY T. YEE
California State Controller

May 16, 2016

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

Re: Draft Proposed Decision

Incorrect Reduction Claims

Seriously Emotionally Disturbed Pupils: Out-of-State Mental Health Services,
11-9705-I-02

Government Code Section 7576, as amended by Statutes 1996, Chapter 654
California Code of Regulations, Title 2, Division 9, Chapter 1, Sections 60100 and 60110
Fiscal Years: 2000-01, 2001-2002, 2002-03, 2003-04, 2004-05, and 2005-06
Orange County, Claimant

And

*Handicapped and Disabled Students; Handicapped and Disabled Students II; and Seriously
Emotionally Disturbed Pupils: Out-of-State Mental Health Services,*
12-9705-I-03

Government Code Sections 7571, 7572, 7572.5, 7572.55, 7576, 7581, and 7586 as added by
Statutes 1984, Chapter 1747; and as amended by Statutes 1985, Chapter 1274; Statutes
1994, Chapter 1128; Statutes 1996, Chapter 654
California Code of Regulations, Title 2, Division 9, Chapter 1, Sections 60020, 60030,
60040, 60045, 60050, 60055, 60100, 60110, 60200, and 60550
Fiscal Years 2006-07, 2007-08, and 2008-09
Orange County, Claimant

Dear Ms. Halsey:

The State Controller's Office (SCO) has reviewed the Commission on State Mandates' (Commission) draft staff analysis dated May 13, 2016, for the above incorrect reduction claims filed by Orange County. We support the Commission's conclusion and recommendation.

The Commission supported the SCO adjustments totaling \$6,711,872 for reductions related to the out-of-state residential placement of seriously emotionally disturbed pupils in facilities that are owned and operated for profit. The program's parameters and guidelines and the underlying state regulation do not support mandate reimbursement for residential placements in for-profit facilities.

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3301 C Street, Suite 700, Sacramento, CA 95816 ♦ (916) 324-8907
901 Corporate Center Drive, Suite 200, Monterey Park, CA 91754 ♦ (323) 981-6802

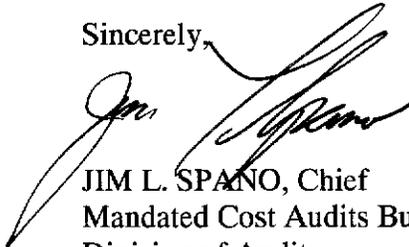
Heather Halsey, Executive Director

May 16, 2016

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If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L. Spano". The signature is written in a cursive style with a large, sweeping initial "J".

JIM L. SPANO, Chief
Mandated Cost Audits Bureau
Division of Audits

JLS/lis

17253

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 May 18, 2016, I served the:

SCO Comments on the Draft Proposed Decision

Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services, 11-9705-I-02

Government Code Section 7576, as amended by Statutes 1996, Chapter 654 (AB 2726); California Code of Regulations, Title 2, Division 9, Chapter 1, Sections 60100 and 60110
Fiscal Years: 2001-2002, 2002-2003, 2003-2004, 2004-2005, and 2005-2006

And

Handicapped and Disabled Students; Handicapped and Disabled Students II; and Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services, 12-9705-I-03

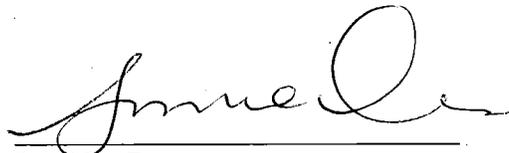
Government Code Sections 7570-7588 as added by Statutes 1984, Chapter 1747 (AB 3632); and as amended by Statutes 1985, Chapter 1274 (AB 882); Statutes 1994, Chapter 1128 (AB 1892); Statutes 1996, Chapter 654 (AB 2726); California Code of Regulations, Title 2, Division 9, Chapter 1, Sections 60000-60610 (Emergency regulations effective January 1, 1986 [Register 86, No. 1]; and re-filed 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 Orange, 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 May 18, 2016 at Sacramento, California.



Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 3/24/16

Claim Number: 11-9705-I-02 Consolidated with 12-9705-I-03

Matter: Handicapped and Disabled Students; Handicapped and Disabled Students;
Seriously Emotionally Disturbed Pupils (SEDS): Out-of-State Mental
Health Services

Claimant: County of Orange

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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