STATE OF CALIFORNIA EDMUND G. BROWN JR., Governor

COMMISSION ON STATE MANDATES
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June 19, 2013

Dr. Robin Kay
Los Angeles County
Department of Mental Health
550 S. Vermont Avenue, 12th Floor
Los Angeles, CA 90020

Ms. Jill Kanemasu
Division of Accounting and Reporting
State Controller's Office
3301 C Street, Suite 700
Sacramento, CA 95816

Re: Notice of Complete Filing and Schedule for Comments
Incorrect Reduction Claim, 12-9705-I-04
Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services (97-TC-05)
Government Code Section 7576; Statutes 1996, Chapter 654
Fiscal Years: 2003-2004, 2004-2005, and 2005-2006
County of Los Angeles, Claimant

Dear Dr. Kay and Ms. Kanemasu:

On May 7, 2013, the County of Los Angeles filed an incorrect reduction claim (IRC) with the Commission on State Mandates (Commission) based on the *Seriously Emotionally Disturbed (SED) Pupils: Out-of State Mental Health Services* program for fiscal years 2003-2004, 2004-2005, and 2005-2006 in the amount of $5,746,047. Commission staff determined that the IRC filing is complete.

Government Code section 17551(b) requires the Commission to hear and decide claims by local agencies and school districts that the State Controller's Office (SCO) has incorrectly reduced payments to the local agencies or school districts.

SCO Review and Response. Please file the SCO response and supporting documentation regarding this claim within 90 days of the date of this letter. Please include an explanation of the reasons for the reductions and the computation of reimbursements. All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant's personal knowledge, information or belief.

The Commission's regulations require that the responses (opposition or recommendation) filed with the Commission be simultaneously served on all parties and interested parties on the mailing list, and accompanied by a proof of service (Cal. Code Regs., tit. 2, 1185.1). However, this requirement may be satisfied by electronically filing your documents via the Commission's e-filing system. Please see http://www.csm.ca.gov/dropbox.shtml on the Commission's website. The responses will be posted on the Commission's website and the mailing list will be notified by electronic mail of the posting. This procedure will satisfy all the service requirements pursuant to section 1181.2 of the Commission's regulations.

The failure of the SCO to respond within this 90-day timeline shall not cause the Commission to delay consideration of this IRC.

Claimant's Rebuttal. Upon receipt of the SCO response, the claimant and interested parties may file rebuttals. The rebuttals are due 30 days from the service date of the response.

Prehearing Conference. A prehearing conference will be scheduled if requested.

Public Hearing and Staff Analysis. The public hearing on this claim will be scheduled after the record closes. A staff analysis will be issued on the IRC at least eight weeks prior to the public hearing.

Withdrawal of Incorrect Reduction Claims. Under section 1185.6(a) of the Commission's regulations, an IRC may be withdrawn by written application any time before a decision is adopted or by oral application at the time of hearing. If such an application is made, the Executive Director shall issue a letter dismissing the claim.

Please call Heidi Palchik at (916) 323-3562 if you have any questions.

Sincerely,

Heather Halsey
Executive Director