

STATE *of* CALIFORNIA  
**COMMISSION ON STATE  
MANDATES**



**REPORT TO THE  
LEGISLATURE:  
INCORRECT REDUCTION  
CLAIMS**

**January 1, 2023 –  
December 31, 2023**

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Director of the  
Department of  
Finance

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## **INTRODUCTION**

Government Code section 17602 requires the Commission on State Mandates (Commission) to report to the Legislature “the number of individual and consolidated incorrect reduction claims decided during the preceding calendar year and whether and why the reduction was upheld or overturned.” This report fulfills that requirement.

Government Code section 17561(d) authorizes the State Controller’s Office (Controller) to audit claims filed by local agencies and school districts and to reduce any claim for reimbursement of state-mandated costs that the Controller determines is excessive or unreasonable.

Government Code Section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district (incorrect reduction claims or IRCs). If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission’s regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

One IRC filing was deemed complete since our last report, and remains pending. Zero IRC decisions were completed by the Commission between January 1, 2023, and December 31, 2023.