

Edmund G. Brown Jr.
GOVERNOR



STATE OF CALIFORNIA COMMISSION ON STATE MANDATES

REPORT TO THE LEGISLATURE: APPROVED MANDATE CLAIMS

August 1, 2012 – December 31, 2012

Ana J. Matosantos
Chairperson
Director of the Department of
Finance

John Chiang
Vice Chairperson
State Controller

Bill Lockyer
State Treasurer

Ken Alex
Director
Office of Planning and Research

Sarah Olsen
Public Member

Donald Saylor
County Supervisor
County of Yolo

M. Carmen Ramirez
City Council Member
City of Oxnard

Heather Halsey
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, California 95814
(916) 323-3562
www.csm.ca.gov

TABLE OF CONTENTS

Page

I.	INTRODUCTION	1
II.	NEW MANDATES	3
III.	PENDING PARAMETERS AND GUIDELINES, AMENDMENTS, AND STATEWIDE COST ESTIMATE CASELOAD.	4
	A. Pending Parameters and Guidelines.....	4
	B. Pending Parameters and Guidelines with Proposed Reasonable Reimbursement Methodologies	4
	C. Pending Requests to Amend Parameters and Guidelines.....	4
	D. Pending Request to Amend Parameters and Guidelines with Proposed Reasonable Reimbursement Methodologies.....	5
	E. Pending Statewide Cost Estimates	5
IV.	PENDING JOINT REASONABLE REIMBURSEMENT METHODOLOGIES AND LEGISLATIVELY-DETERMINED MANDATES	6
	A. Pending Joint Reasonable Reimbursement Methodologies	6
	B. Pending Legislatively-Determined Mandates	6
	C. Delays in the Process	6
V.	ADOPTED STATEWIDE COST ESTIMATES	8

I. INTRODUCTION

Commission on State Mandates

Test Claim Process

Article XIII B, section 6 of the California Constitution requires the state to provide a subvention of funds to reimburse local government for the costs of new programs or increased levels of service mandated by the state. To implement article XIII B, section 6, the Legislature created the Commission on State Mandates (Commission) to succeed the State Board of Control in making determinations whether new statutes or executive orders are state-mandated programs.¹ The Commission was established to render sound quasi-judicial decisions and to provide an effective means of resolving disputes over the existence of state-mandated local programs. The Commission provides the sole and exclusive procedure for local agencies and school districts (claimants) to claim reimbursement for costs mandated by the state as required by article XIII B, section 6 of the California Constitution. The Commission is required to hear and decide claims (test claims) filed by local agencies and school districts that they are entitled to be reimbursed by the state for costs mandated by the state.²

Parameters and Guidelines

Government Code section 17557 provides that if the Commission determines that a statute or executive order imposes a mandate upon local agencies and school districts, the Commission is required to determine the amount to be subvented to local agencies and school districts for reimbursement by adopting parameters and guidelines. In adopting parameters and guidelines, the Commission may adopt a reasonable reimbursement methodology (RRM). Once parameters and guidelines are adopted, the Commission is required to adopt a statewide cost estimate of the mandated program (Gov. Code, § 17553).

Alternative Processes

In 2007, AB 1222 (Statutes 2007, chapter 329) was enacted to provide an alternate process for determining the costs of mandated programs. Under AB 1222, local governments and the Department of Finance may jointly develop reasonable reimbursement methodologies and statewide estimates of costs for mandated programs for approval by the Commission in lieu of parameters and guidelines and statewide cost estimates. Jointly developed reimbursement methodologies and statewide estimates of costs that are approved by the Commission are included in the Commission's Annual Reports to the Legislature.

AB 1222 also provided a process where the Department of Finance and local agencies, school districts, or statewide associations may jointly request that the Legislature determine that a statute or executive order imposes a state-mandated program, establish a reimbursement methodology, and appropriate funds for reimbursement of costs. This process is intended to bypass the Commission, thus providing the Commission with more time to complete the caseload backlog.

¹ Statutes 1984, chapter 1459, Government Code section 17500, et seq.

² Government Code section 17551.

Report to the Legislature

The Commission is required to report to the Legislature at least twice each calendar year on the number of mandates it has found, the estimated statewide costs of each mandate, and the reasons for recommending reimbursement.³ In 2010, SB 894 (Stats. 2010, ch. 699) was enacted to require the Commission to expand its Report to the Legislature to include:

- The status of pending parameters and guidelines that include proposed reimbursement methodologies.
- The status of pending joint proposals between the Department of Finance and local governments to develop reasonable reimbursement methodologies in lieu of parameters and guidelines.
- The status of joint proposals between the Department of Finance and local governments to develop legislatively-determined mandates.
- Any delays in the completion of the above-named caseload.

This report fulfills these requirements.

Legislative Analyst

After the Commission submits its report to the Legislature, the Legislative Analyst is required to submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the Commission's reports. The Legislative Analyst's report shall make recommendations as to whether each mandate should be repealed, funded, suspended, or modified.

The Legislature

Upon receipt of the report submitted by the Commission pursuant to Section 17600, funding shall be provided in the subsequent Budget Act for costs incurred in prior years. No funding shall be provided for years in which a mandate is suspended.⁴

The Legislature may amend, modify, or supplement the parameters and guidelines, reasonable reimbursement methodologies, and adopted statewide estimates of costs for the initial claiming period and budget year for mandates contained in the annual Budget Act. If the Legislature amends, modifies, or supplements the parameters and guidelines, reasonable reimbursement methodologies, or adopted statewide estimates of costs for the initial claiming period and budget year, it shall make a declaration in separate legislation specifying the basis for the amendment, modification, or supplement.⁵

Mandate Funding Provisions

The Government Code provides that if the Legislature deletes from the annual Budget Act funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement for that fiscal year.⁶ Under Proposition 1A, which amended article XIII B, section 6 of the California Constitution, city, county, city and county, or special district

³ Government Code section 17600.

⁴ Government Code section 17612(a).

⁵ Government Code section 17612(b).

⁶ Government Code section 17612(c).

mandate claims for costs incurred prior to the 2004-2005 fiscal year that have not been paid prior to the 2005-2006 fiscal year may be paid over a term of years, as prescribed by law. However, for the 2005-2006 fiscal year and every subsequent fiscal year, the Constitution now requires the Legislature to either appropriate in the annual Budget Act the full payable amount that has not been previously paid or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable.

If payment for an initial reimbursement claim is being made more than 365 days after adoption of the statewide cost estimate, the State Controller’s Office (SCO) shall include accrued interest at the Pooled Money Investment Account rate.⁷

If the Legislature appropriates the amount of the statewide cost estimate and actual claims exceed this amount, the SCO will prorate the claims.⁸ If the funds to cover the remaining deficiency are not appropriated in the Budget Act, the SCO shall report this information to the legislative budget committees and the Commission.

II. NEW MANDATES

The following table shows the statewide cost estimates that were adopted during the period of August 1, 2012 through December 31, 2012.

**Statewide Cost Estimate (SCE) Adopted
During the Period of August 1, 2012 through December 31, 2012**

Date SCE Adopted	Test Claim and Claim No.	Period of Reimbursement (Fiscal Years)	Estimated Costs		
			Education	Non-Education	Totals
9/28/12	<i>Modified Primary Election, 01-TC-13</i>	7/1/01 – 6/30/11	\$0	\$1,077,719	\$1,077,719
9/28/12	<i>Domestic Violence Background Checks, 01-TC-29</i>	1/1/02 – 6/30/11	\$0	\$15,938,818	\$15,938,818
9/28/12	<i>Identity Theft, 03-TC-08</i>	7/1/02 – 6/30/11	\$0	\$67,703,120	\$67,703,120
9/28/12	<i>Permanent Absentee Voters II, 03-TC-11</i>	7/1/02 – 6/30/11	\$0	\$2,265,372	\$2,265,372
12/7/12	<i>Community College Construction, 02-TC-47</i>	7/1/01 – 6/30/12	\$247,711	\$0	\$247,711
TOTAL			\$247,711	\$86,985,029	\$87,232,740

⁷ Government Code section 17561.5(a).

⁸ Government Code section 17567.

III. PENDING PARAMETERS AND GUIDELINES, AMENDMENTS, AND STATEWIDE COST ESTIMATE CASELOAD

Following are tables showing parameters and guidelines, parameters and guidelines with proposed reasonable reimbursement methodologies (RRMs), requests to amend parameters and guidelines, requests to amend parameters and guidelines with proposed RRM, and statewide cost estimates that are pending Commission determination. A request to include an RRM in parameters and guidelines or amendments thereto is a request made by a local entity claimant, an interested party, Finance, the Controller, or an affected state agency, pursuant to Government Code section 17557 and 17518.5. These requests are often disputed by one or more of the parties and interested parties.

A. Pending Parameters and Guidelines

	Program	Status
1.	<i>Uniform Complaint Procedures</i> , 03-TC-02†	Set for hearing on January 25, 2013
2.	<i>Minimum Conditions for State Aid</i> , 02-TC-25 & 02-TC-31†	Set for hearing on April 19, 2013
3.	<i>California Public Records Act</i> , 02-TC-10 & 02-TC-51,*†	Tentatively set for hearing on April 19, 2013
4.	<i>Parental Involvement Programs</i> , 03-TC-16†	Tentatively set for hearing on April 19, 2013
5.	<i>Williams Case Implementation I, II, III</i> , 05-TC-04, 07-TC-06, 08-TC-01	Tentatively set for hearing on April 19, 2013
6.	<i>Peace Officer Procedural Bill of Rights II</i> , 03-TC-18*	Tentatively set for hearing on May 24, 2013
7.	<i>Discharge of Stormwater Runoff</i> , 07-TC-09*	No hearing date pending court action

* Local agency programs

† School district or community college district programs

B. Pending Parameters and Guidelines with Proposed RRM

	Program	Status
1.	<i>Behavioral Intervention Plans</i> , CSM-4464†	Set for hearing on January 25, 2013
2.	<i>Interagency Child Abuse and Neglect (ICAN) Investigation Reports</i> , 00-TC-22*	Tentatively set for hearing on April 19, 2013

* Local agency programs

† School district or community college district programs

C. Pending Requests to Amend Parameters and Guidelines

	Program	Status
1.	<i>Crime Statistics Reports for the Department of Justice</i> , 12-PGA-01*	Tentatively set for hearing on July 26, 2013
2.	<i>Notification of Truancy</i> , 11-PGA-01 (CSM-4133)†	Tentatively set for hearing in March 2014

3.	<i>Graduation Requirements, 11-PGA-03 (CSM-4435)†</i>	Inactive status pending court action.
----	---	---------------------------------------

* Local agency programs

† School district or community college district programs

D. Pending Requests to Amend Parameters and Guidelines with Proposed RRM

	Program	Status
1.	<i>Habitual Truants, 01-PGA-06, (CSM-4487)†</i>	Tentatively set for hearing on July 26, 2013
2.	<i>Habitual Truants, 09-PGA-01, 01-PGA-06 (CSM-4487)†</i>	Tentatively set for hearing on July 26, 2013
3.	<i>Enrollment Fee Collection and Waivers, 08-PGA-02 (99-TC-13 & 00-TC-15)†</i>	Tentatively set for hearing in January 2014
4.	<i>Crime Statistics Reports for Department of Justice, 10-PGA-05 (02-TC-04, 02-TC-11, 07-TC-10)*</i>	Tentatively set for hearing in January 2014
5.	<i>Peace Officer Procedural Bill of Rights (POBOR) 10-PGA-06 (CSM-4499)*</i>	Tentatively set for hearing in March 2014
6.	<i>Peace Officer Procedural Bill of Rights (POBOR), 11-PGA-09 (CSM-4499, 05-RL-4499-01, 06-PGA-06) *</i>	Tentatively set for hearing in March 2014
7.	<i>Domestic Violence Background Check, 11-PGA-10 (01-TC-29)*</i>	Tentatively set for hearing in March 2014
8.	<i>Identity Theft, 11-PGA-11 (03-TC-08)*</i>	Tentatively set for hearing in March 2014

* Local agency programs

† School district or community college district programs

E. Pending Statewide Cost Estimates

	Program	Status
1.	<i>Pupil Expulsions II, Educational Services Plan for Expelled Pupils, and Pupil Suspensions II and Amendments, 96-358-03, 03A, 03B, 96-358-04, 04A, 04B, 97-TC-09, 98-TC-22, 98-TC-23, 01-TC-17, 01-TC-18†</i>	Set for hearing on January 25, 2013
2.	<i>Voter Identification Procedures, 03-TC-23*</i>	Set for hearing on January 25, 2013
3.	<i>Developer Fees, 02-TC-42†</i>	Tentatively set for hearing on April 19, 2013
4.	<i>Public Contracts (K-14), 02-TC-35†</i>	Tentatively set for hearing on July 26, 2013
5.	<i>Discrimination Complaint Procedures, 02-TC-46†</i>	Tentatively set for hearing on July 26, 2013
6.	<i>Charter Schools IV, 03-TC-03†</i>	Tentatively set for hearing on July 26, 2013
7.	<i>Local Agency Ethics (AB 1234), 07-TC-04†</i>	Tentatively set for hearing on July 26, 2013
8.	<i>Tuberculosis Control, 03-TC-14*</i>	Tentatively set for hearing on September 27, 2013
9.	<i>Municipal Storm Water and Urban</i>	No hearing date pending court action.

Runoff Discharges, 03-TC-04, 03-TC-19, 03-TC-20, 03-TC-21*	
--	--

* Local agency programs

† School district or community college district programs

IV. PENDING JOINT REASONABLE REIMBURSEMENT METHODOLOGIES AND LEGISLATIVELY- DETERMINED MANDATES

A. Pending Joint Reasonable Reimbursement Methodologies

Following is a table showing programs where Department of Finance and test claimants are negotiating RRM's.

	Program	Date of Notice by Local Agencies or Department of Finance	Status
	None		

B. Pending Joint Legislatively-Determined Mandates

Following is a table showing programs for which Department of Finance and local agencies are negotiating legislatively-determined mandates (LDMs) they may jointly propose to the Legislature for adoption.

	Program	Date of Notice	Status
	None		

C. Delays in the Process

Government Code section 17600 requires the Commission to report any delays in the process for joint RRM's or LDM's being developed by Department of Finance and local entities and for RRM's proposed by any party pursuant to Government Code section 17518.5. There are currently no pending joint RRM's or LDM's. However, there are eight RRM's in parameters and guidelines or amendments thereto proposed by local entities pursuant to Government Code sections 17557 and 17518.5 pending for the Commission's consideration.

While the adoption of an RRM pursuant to Government Code sections 17557 and 17518.5 may reduce the auditing issues on reimbursement claims filed with the Controller, the process increases the responsibility of the Commission. For these disputed RRM's, the Commission is required to make additional factual determinations, based on substantial evidence in the record, that the proposed formula or unit cost reasonably represents the costs mandated by the state for all eligible claimants in the state. Meeting this evidentiary standard also increases the responsibilities of the local entity claimants to compile evidence of costs and put it into the record, which is very time-consuming.

The proposed RRM must be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies and school districts, or other projections of local costs; and shall consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner. If these findings are made and an RRM is adopted by the Commission in the parameters and guidelines or amendments thereto, then the claiming is based on the adopted formula or unit cost, in lieu of requiring detailed documentation of actual costs incurred.

Due to the on-going fiscal crisis beginning in 2002, the Commission's position authority has decreased. In addition, for most of 2008 to the present, Commission staff, like staff from other state offices, have been subject to furloughs and other paid leave programs. This naturally has made it more difficult to complete the Commission's backlog, including the RRM's proposed by local entities. To date, the Commission has adopted two proposed RRM's in parameters and guidelines and has denied one proposal based on a lack of evidence.

Adopted: September 28, 2012

Statewide Cost Estimate
\$1,077,719

Elections Code Sections 2151 and 13102(b)
Statutes 2000, Chapter 898 (SB 28)

Modified Primary Election
01-TC-13

Test Claim Filed: April 18, 2002

Reimbursement Period for this Estimate: January 1, 2001 through June 30, 2001 and
Fiscal Years 2001-2002 through 2010-2011

Eligible Claimants: Any County, or City and County

STAFF ANALYSIS

Background and Summary of the Mandate

The test claim statutes deal with changes to the partisan primary system in California. In 1996 and earlier, California had a closed primary system in which registered voters who were declared members of any political party could only vote for members of their own party in partisan primary contests, and any voters who declined to state a party affiliation could only vote on non-partisan matters at a primary election. This changed in 1996 when Proposition 198, the “Open Primary Act,” was approved by the California voters. However, Proposition 198 was challenged and litigated up to the United States Supreme Court in *California Democratic Party v. Jones* (2000) 530 U.S. 567, which found the law unconstitutional.

Following the court’s decision, the test claim statute was enacted (Statutes 2000, chapter 898) and largely repealed and reenacted the code sections that had been amended by Proposition 198 – generally restoring the language to the law that was in place immediately prior to Proposition 198. However, by amending a few of the Elections Code sections, the test claim statute altered the prior closed primary system to one in which those voters who decline to state a political party affiliation may choose any political party’s partisan primary ballot, if that political party allows it. This created a form of open primary.

The claimant filed the test claim on April 18, 2002. The Commission on State Mandates (Commission) adopted a statement of decision on July 28, 2006 and the parameters and guidelines on October 27, 2011.⁹ The Commission found that the test claim statute and regulations constitute a new program or higher level of service and impose a state-mandated program on counties within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

Eligible claimants were required to file initial reimbursement claims for the period January 1, 2001 through June 30, 2001 and fiscal years 2001-2002 through 2010-2011 with the State Controller’s Office (SCO) by May 2, 2012. Claims for fiscal year 2011-2012 must be

⁹ Exhibit A. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)

filed by February 15, 2013. Claims filed more than one year after the applicable deadline will not be accepted.

Eligible Claimants and Period of Reimbursement

Any county, or city and county, that incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement.

The period of reimbursement for this program began on January 1, 2001.

The Commission approved the following activities for reimbursement:

The claimant is only allowed to claim and be reimbursed for the increased costs of the reimbursable activities identified below.

A. One-Time Activities

1. Conduct a meeting with the Secretary of State's Office and a meeting with employees from the County elections department regarding the implementation of the *Modified Primary* program.
2. Develop new internal policies and procedures relating to the activities mandated by Elections Code sections 2151 and 13102(b) to allow voters who decline to state a party affiliation to vote a party ballot in a primary election if authorized by the political party to do so, and to add such information regarding the modified primary statutes to the voter registration card.
3. Add information to the voter registration card stating that voters who decline to state a party affiliation shall be entitled to vote a party ballot if the political party, by party rule duly noticed to the Secretary of State, authorizes that vote.
(Elec. Code, § 2151.)

B. On-going Activities

From January 1, 2001 through December 31, 2010, these activities apply to all primary elections. Beginning January 1, 2011, these activities apply only to primary elections for President of the United States or for a party committee and do not apply to primary elections for state elective or congressional offices. (Proposition 14, June 2010.)

1. If authorized by the political party, and upon receipt of the application to vote by mail by decline to state voters, deliver to the decline to state voters the partisan ballot requested for the primary election. (Elec. Code, § 3009.)

This activity includes and reimbursement is authorized for entering into the computer a request from the decline to state voter to vote a partisan ballot at a primary election following the receipt of the vote by mail application sent pursuant to Elections Code section 3006 in order to ensure that the proper ballot is delivered.¹⁰

2. If authorized by the political party, provide partisan ballots at the polls to decline to state voters that request a partisan ballot for the primary election. (Elec. Code, § 13300(c).)
3. Inform and train poll workers before each primary election regarding the option for the decline to state voter to vote a party ballot if authorized, by party rule duly noticed to the Secretary of State, by the political party.

¹⁰ The costs for the administration of the *Absentee Ballot* program (CSM 3713), as required by Statutes 1978, chapter 77 and Statutes 2002, chapter 1032, are not reimbursable under these parameters and guidelines.

Statewide Cost Estimate

Staff reviewed the claims data submitted by 12 counties. Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

Assumptions

- *The actual amount claimed for reimbursement may increase and exceed the statewide cost estimate.*

There are 58 counties in California. Of those, only 12 counties filed reimbursement claims for this program between 2001 and 2010. However, other eligible claimants could file reimbursement claims which could increase the cost of the program. Late claims filed on the initial claiming period of January 1, 2001 through June 30, 2011 may be filed until May 2, 2012.

- *The number of reimbursement claims filed will vary from year to year.*

This program is based on reimbursable activities that apply to all primary elections from January 1, 2001 through December 31, 2010. However, beginning January 1, 2011, these activities apply only to primary elections for the President of the United States or for a party committee and do not apply to primary elections for state elective or congressional offices. Therefore, the total number of reimbursement claims filed with the SCO will increase or decrease based on election cycles.

- *The total amount of reimbursement for this program may be lower than the statewide cost estimate, because the SCO may reduce any reimbursement claim for this program.*

The SCO may conduct audits and reduce any claims it deems to be excessive or unreasonable.

- *There may be several reasons that non-claiming counties did not file for reimbursement, including but not limited to:*
 - The Commission approved only a portion of this program as a mandate. Therefore, some counties cannot reach the \$1,000 threshold for filing reimbursement claims.
 - Counties did not have supporting documentation to file a reimbursement claim.

Methodology

Reimbursement Period January 1, 2001 through June 30, 2001 and Fiscal Years 2001/2002 – 2010/2011

The statewide cost estimate for the reimbursement period of January 1, 2001 through June 30, 2001 and fiscal years 2001-2002 through 2010-2011 was developed by totaling the 44 actual reimbursement claims filed with the SCO for a total of \$1,077,719. Following is the total cost per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
January 1, 2001-June 30, 2001	0	\$0
2001-2002	5	\$32,181
2002-2003	0	\$0
2003-2004	8	\$120,039
2004-2005	0	\$0
2005-2006	10	\$185,682
2006-2007	0	\$0
2007-2008	9	\$289,274
2008-2009	0	\$0
2009-2010	12	\$450,543
2010-2011	0	\$0
TOTAL	44	\$1,077,719

Comments on the Draft Staff Analysis and Proposed Statewide Cost Estimate

On June 8, 2012, Commission staff issued the draft staff analysis and proposed statewide cost estimate for comment.¹¹ On June 15, 2012, the Department of Finance submitted comments.¹² As stated in the second assumption of the proposed statewide cost estimate, Finance noted that, beginning January 1, 2011, reimbursable activities will only apply to the primary elections for the President and party committee offices, and will no longer apply to primary elections for state elected offices or congressional offices. Therefore, the cost of the program may be lower.

Conclusion

On September 28, 2012, the Commission adopted the statewide cost estimate of **\$1,077,719** for costs incurred in complying with the *Modified Primary Election* program.

¹¹ Exhibit B. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)

¹² Exhibit C. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)

Adopted: September 28, 2012

Statewide Cost Estimate

\$15,938,818

Penal Code Section 273.75 (a) and (c)

Statutes 2001, Chapter 713

Domestic Violence Background Checks

01-TC-29

Test Claim Filed: July 31, 2002

Reimbursement Period for this Estimate: January 1, 2002 through 2010-2011

Eligible Claimants: Any City or County

STAFF ANALYSIS

Background and Summary of the Mandate

The test claim statute requires district attorneys and prosecuting city attorneys to perform database searches of persons when they are charged with domestic violence, or when considering a domestic violence restraining order against them. The information is required to be presented to the courts for consideration under certain circumstances.

The claimant filed the test claim on July 31, 2002. The Commission on State Mandates (Commission) adopted a statement of decision on July 26, 2007, and parameters and guidelines on July 28, 2011.¹³ The Commission found that the test claim statutes and executive orders impose a reimbursable state-mandated program on district attorneys or prosecuting city attorneys within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by January 30, 2012.

Eligible Claimants and Period of Reimbursement

Any city or county that employs prosecuting attorneys or district attorneys, respectively, and incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of these costs.

Government Code section 17557(e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The County of Alameda filed the test claim on July 31, 2002, establishing eligibility for reimbursement on or after July 1, 2001. However, the test claim statute did not become operative until January 1, 2002. Therefore, costs incurred for compliance with most of the mandated activities are reimbursable on or after January 1, 2002.

¹³ Exhibit A. (Attached to complete SCE found on the "Commission Decisions" page at www.csm.ca.gov)

Reimbursable Activities

The Commission approved the following activities for reimbursement:

For each eligible claimant, the following ongoing activities are eligible for reimbursement upon any charge involving acts of domestic violence (as defined in Pen. Code, § 13700 & Fam. Code, §§ 6211 & 6203):

- A. Perform or cause to be performed, in specified electronic data bases, a thorough investigation of the defendant's history, including, but not limited to, prior convictions for domestic violence, other forms of violence or weapons offenses and any current protective or restraining order issued by any civil or criminal court (Pen. Code, § 273.75(a)).
 - 1. Review by district attorney or prosecuting city attorney, or at the direction of such attorneys by investigative staff, support staff, legal assistant or others of any or all of the databases as listed in Penal Code section 273.75 as based on defendant information provided in or with the law enforcement report.
- B. Present the information for consideration by the court (1) when setting bond or when releasing a defendant on his or her own recognizance at the arraignment, if the defendant is in custody, and (2) upon consideration of any plea agreement (Pen. Code, § 273.75(a)).
 - 1. Review of databases or printouts from databases by district attorney or prosecuting city attorney in preparation for presenting such database evidence in court.
 - 2. Presentation of evidence in court by district attorney or prosecuting city attorney.
- C. If a protective or restraining order is issued in the current criminal proceeding, and if the investigation reveals a current civil protective or restraining order issued by another criminal court and involving the same or related parties, the district attorney or prosecuting city attorney sends relevant information regarding the contents of the order issued in the current criminal proceeding, and any other information regarding a conviction of the defendant, to the other court immediately after the order has been issued (Pen. Code, § 273.75(c)).
 - 1. Review of databases or printouts from databases, case file, and other sources as may be necessary by district attorney or prosecuting city attorney, or by another at the direction of the attorney, to obtain relevant information for a letter or report to be sent to order-issuing court of a different jurisdiction.
 - 2. Draft letter or report and sign.
 - 3. Prepare envelope and mail.

Statewide Cost Estimate

Staff reviewed the claims data submitted by 25 cities and counties and compiled by the SCO. The actual claims data showed that 204 claims were filed between fiscal years 2001-2002 and 2010-2011 for a total of \$15,938,818¹⁴. Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

Assumptions

- *The actual amount claimed for reimbursement may increase and exceed the statewide cost estimate.*

There are currently 478 cities and 58 counties in California. Of those, only 25 filed reimbursement claims for this program between fiscal years 2001 and 2011. If other eligible claimants file late or amended claims, the amount of reimbursement claims may exceed the statewide cost estimate. For example, the County of Los Angeles indicated that it will be filing a late claim. Late claims for the initial claiming period (2004-2005 through 2009-2010 fiscal years) may be filed until January 30, 2013. Late claims for fiscal year 2010-2011 may be filed until February 15, 2013.

- *The number of reimbursement claims filed will vary from year to year.*

This program is based on activities performed by law enforcement agencies and district attorneys when domestic violence charges are filed, when considering domestic violence restraining orders, or when presenting information to the court regarding domestic violence background checks. Therefore, the total number of reimbursement claims filed with the SCO will increase or decrease based on the number of incident reports taken by the local agencies.

- *There is a wide variation in costs claimed for this program.*

The variation in costs claimed is likely due to the size of the city or county making the claim. Approximately 25% of the claimed amount is claimed by the City of Los Angeles. The City of Los Angeles, the largest city in California, maintains an entire department to administer domestic violence arrests. The variation in costs is also likely due to the classification of the employee performing the mandate. Under the mandates process the state does not dictate the level of staff a claimant may use to carry out a mandate. For example, most claimants for this program use peace officers to do the domestic violence background checks, however the County of Ventura uses an office assistant and, thus, their costs claimed are substantially lower.

- *There may be several reasons that non-claiming counties did not file for reimbursement, including but not limited to:*

1. Some counties cannot reach the \$1,000 threshold for filing reimbursement claims.
2. Claimants report that some counties are not filing for reimbursement because they do not prosecute misdemeanor domestic violence cases.
3. Counties did not have supporting documentation to file a reimbursement claim.

¹⁴ Claims data reported as of April 3, 2012.

- *The total amount of reimbursement for this program may be lower than the statewide cost estimate because the SCO may reduce any reimbursement claim for this program.*

The SCO may conduct audits, and reduce any claims it deems to be excessive or unreasonable.

Methodology

Fiscal Years 2001-2002 through 2010-2011

The statewide cost estimate for fiscal years 2001-2002 through 2010-2011 was developed by totaling the 204 actual reimbursement claims filed with the SCO for these years.

The statewide cost estimate includes ten fiscal years for a total of \$15,938,818. This averages to \$1,593,882 annually in costs for the state for this ten year period. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
2001-2002	15	\$583,468
2002-2003	18	\$1,482,019
2003-2004	19	\$1,445,585
2004-2005	18	\$1,301,244
2005-2006	20	\$1,404,520
2006-2007	22	\$1,613,395
2007-2008	23	\$1,942,263
2008-2009	23	\$2,086,981
2009-2010	23	\$1,871,143
2010-2011	23	\$2,208,200
<i>TOTAL</i>	204	\$15,938,818

Comments on the Draft Staff Analysis and Proposed Statewide Cost Estimate

On June 8, 2012, Commission staff issued the draft staff analysis and proposed statewide cost estimate for comment.¹⁵ On June 15, 2012, Department of Finance submitted comments stating that they do not have any concerns with the Commission’s recommendation to adopt the proposed statewide cost estimate.¹⁶

Conclusion

On September 28, 2012, the Commission adopted the statewide cost estimate of **\$15,938,818** for costs incurred in complying with the *Domestic Violence Background Checks* program.

¹⁵ Exhibit B. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)

¹⁶ Exhibit C. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)

Adopted: September 28, 2012

Statewide Cost Estimate

\$67,703,120

Penal Code Section 530.6(a)

Statutes 2000, Chapter 956

Identity Theft

03-TC-08

Test Claim Filed: September 25, 2003

Reimbursement Period for this Estimate: July 1, 2002 through June 30, 2011

Eligible Claimants: Any City, County, or City and County

STAFF ANALYSIS

Background and Summary of the Mandate

The test claim statute requires local law enforcement agencies to take a police report and begin an investigation when a complainant residing within their jurisdiction reports suspected identity theft.

The claimant filed the test claim on September 25, 2003. The Commission on State Mandates (Commission) adopted a statement of decision on March 27, 2009, and parameters and guidelines on July 28, 2011.¹⁷ The Commission found that the test claim statute imposes a reimbursable state-mandated program on local law enforcement agencies within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

Eligible claimants were required to file initial reimbursement claims (for costs incurred between July 1, 2002, and June 30, 2011) with the State Controller's Office (SCO) by January 30, 2012. Reimbursement claims for fiscal year 2010-2011 were due on February 15, 2012.

Eligible Claimants and Period of Reimbursement

Any city, county, or city and county whose law enforcement agency incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of these costs.

Government Code section 17557(e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The City of Newport Beach filed the test claim on September 25, 2003, establishing eligibility for reimbursement for the 2002-2003 fiscal year. Therefore, the costs incurred for compliance with the mandated activities are reimbursable on or after July 1, 2002.

¹⁷ Exhibit A. (Attached to complete SCE found on the "Commission Decisions" page at www.csm.ca.gov)

Reimbursable Activities

The Commission approved the following activities for reimbursement:

- Take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information; and,
- Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose.

Statewide Cost Estimate

Assumptions

Staff reviewed the claims data submitted by cities and counties and compiled by the SCO. The actual claims data showed that 1,869 claims were filed for fiscal years 2002-2003 through 2010-2011 for a total of \$67,703,120.¹⁸ Although the cost is significant, it may reflect the enormity of the identity theft problem in the state. For example, over a period of nine fiscal years, the City of Los Angeles took a total of 130,048 reports of identity theft for claimed costs of \$25,767,048, or about \$198 per report. This accounts for 38% of the costs claimed for the *Identity Theft* program. Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

- *The actual amount claimed for reimbursement may increase and exceed the statewide cost estimate.*

There are currently 478 cities and 58 counties in California. Of those, only 38% of cities and 36% of counties filed reimbursement claims for this program for fiscal years 2002-2003 through 2010-2011. If other eligible claimants file late or amended claims, the amount of reimbursement claims may exceed the statewide cost estimate. Late claims for this program for fiscal years 2002-2003 through 2009-2010 may be filed until January 30, 2013. Late claims for fiscal year 2010-2011 may be filed until February 15, 2013.

- *There may be several reasons that non-claiming cities and counties did not file for reimbursement, including but not limited to:*

Cities and counties did not have supporting documentation to file a reimbursement claim.

- *The number of reimbursement claims filed will vary from year to year.*

This program requires local law enforcement agencies to take a police report and begin an investigation when a complainant residing within their jurisdiction reports suspected identity theft. Therefore, the total number of reimbursement claims filed with the SCO will increase or decrease based on the number of identity theft incidents reports filed with local agencies.

¹⁸ Claims data reported as of April 3, 2012.

- *The large number of identity theft reports filed annually is making this a high cost program to implement.*

According to the Attorney General’s Office, identity theft is one of the fastest growing crimes in America. The Attorney General also reports that, according to the California Office of Privacy Protection, there were more than 8.1 million victims of identity theft in the United States in 2010, and more than one million of those victims were Californians.¹⁹ In addition, a U.S. Federal Trade Commission report states that for every 100,000 people in California, there were 114 complaints from victims of identity theft that year.²⁰

- *The total amount of reimbursement for this program may be lower than the statewide cost estimate because the SCO may reduce any reimbursement claim for this program.*

The SCO may conduct audits and reduce any claims it deems to be excessive or unreasonable.

Methodology

Fiscal Years 2002-2003 through 2010-2011

The statewide cost estimate for fiscal years 2002-2003 through 2010-2011 was developed by totaling the 1869 actual reimbursement claims filed with the SCO for these years.

The statewide cost estimate includes nine fiscal years for a total of \$67,703,120. This averages to \$7,522,569 annually in costs for the state for this nine year period. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
2002-2003	162	\$4,209,779
2003-2004	178	\$4,817,960
2004-2005	190	\$5,873,975
2005-2006	203	\$6,479,122
2006-2007	219	\$7,951,854
2007-2008	221	\$9,434,673
2008-2009	226	\$9,868,260
2009-2010	228	\$9,278,353
2010-2011	242	\$9,789,144
<i>TOTAL</i>	1869	\$67,703,120

¹⁹ California Attorney General’s website: information on identify theft; at <http://oag.ca.gov/idtheft>.

²⁰ *Consumer Sentinel Network Data Book for January-December 2010*, <http://www.ftc.gov/sentinel/reports/sentinel-annual-reports/sentinel-cy2010.pdf>.

Comments on Draft Staff Analysis and Proposed Statewide Cost Estimate

Staff issued a draft staff analysis on June 15, 2012.²¹ On June 26, 2012, the Department of Finance submitted comments stating that they no concerns with the Commission's recommendation to adopt the proposed statewide cost estimate.²²

Conclusion

On September 28, 2012, the Commission adopted the statewide cost estimate of **\$67,703,120** for costs incurred in complying with the *Identity Theft* program.

²¹ Exhibit B. (Attached to complete SCE found on the "Commission Decisions" page at www.csm.ca.gov)

²² Exhibit C. (Attached to complete SCE found on the "Commission Decisions" page at www.csm.ca.gov)

Adopted: September 28, 2012

Statewide Cost Estimate
\$2,265,372

Elections Code Sections 3201 and 3203(b)(2)
Statutes 2001, Chapter 922
Statutes 2002, Chapter 664
Statutes 2003, Chapter 347

Permanent Absent Voters II
03-TC-11

Test Claim Filed: September 25, 2003
Reimbursement Period for this Estimate: July 1, 2002 through June 30, 2011
Eligible Claimants: Any County, or City and County

STAFF ANALYSIS

Background and Summary of the Mandate

The test claim statutes amended the Elections Code, including substantive changes in 2001, to allow *all* registered voters to apply for permanent absent voter status, rather than limiting eligibility to those voters with specific disabilities or conditions, as was the case under prior law.

The claimant filed the test claim on September 25, 2003. The Commission on State Mandates (Commission) adopted a statement of decision on the test claim on July 28, 2006, and parameters and guidelines on December 1, 2011.²³ The Commission found that the test claim statutes impose a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

Eligible claimants were required to file initial reimbursement claims (for costs incurred between July 1, 2002 and June 30, 2011) with the State Controller's Office (SCO) by June 5, 2012. Reimbursement claims for fiscal year 2011-2012 are due by February 15, 2013.

Eligible Claimants and Period of Reimbursement

Any county, or city and county, that incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement.

Government Code section 17557(e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The County of Sacramento filed the test claim on September 26, 2003, establishing eligibility for reimbursement for the 2002-2003 fiscal year. Therefore, the costs incurred for compliance with the mandated activities are reimbursable on or after July 1, 2002.

²³ Exhibit A. (Attached to complete SCE found on the "Commission Decisions" page at www.csm.ca.gov)

Reimbursable Activities

The Commission approved the following activities for reimbursement:

- A. One-Time Activity – add information to all absentee ballot mailings explaining the absentee voting procedure in Elections Code sections 3200 et seq. and the requirements of Elections Code section 3206 when a voter fails to return an executed absent voter ballot for any statewide direct primary or general election.
- B. Ongoing Activities
 1. Make an application for permanent absent voter status available to any voter.
 2. Upon receipt of an application or request for permanent absent voter status:
 - a. Determine (1) whether the applicant is a registered voter and, (2) whether the signature of the applicant and residence address on the application or request appears to be the same as that on the original affidavit of registration.
 - b. Mark the permanent absent voter affidavit for identification.
 3. For each application or request for permanent absent voter status received and verified for registration, place the voter’s name on a list of those whom an absentee ballot is sent each time there is an election within the voter’s precinct.
 4. Maintain a copy of the list on file open to public inspection for election and governmental purposes.
 5. Send a copy of the list of all voters who qualify as permanent absent voters to each city elections official or district elections official charged with the duty of conducting an election within the county on the sixth day before an election.
 6. Process and count ballots received from voters on the permanent absent voter list in the same manner as all other absent voter ballots.
 7. If the permanent absent voter fails to return an executed absent voter ballot for any statewide direct primary or general election, delete the voter’s name from the list of permanent absent voters.

If costs to perform the activities identified above have been claimed under the Absentee Ballots program (CSM 3713), the Permanent Absent Voters I program (CSM 4358), or any other program, the costs are not eligible for reimbursement under these parameters and guidelines.

Assumptions

Staff reviewed the claims data submitted by counties and a city and county and compiled by the SCO. The actual claims data showed that 36 claims were filed for fiscal years 2002-2003 through 2010-2011 for a total of \$2,265,372.²⁴ Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

- *The actual amount claimed for reimbursement may increase and exceed the statewide*

²⁴ Claims data reported as of June 13, 2012.

cost estimate.

There are currently 58 counties in California. Of those, only 23 counties filed reimbursement claims for this program for fiscal years 2002-2003 through 2010-2011. If other eligible claimants file late or amended claims, the amount of reimbursement claims may exceed the statewide cost estimate. Late claims for this program for fiscal years 2002-2003 through 2010-2011 may be filed until June 5, 2013. Late claims for fiscal year 2011-2012 may be filed until February 15, 2014.

- *There may be several reasons that non-claiming counties did not file for reimbursement, including but not limited to:*
 1. Some counties cannot reach the \$1,000 threshold for filing reimbursement claims.
 2. Counties did not have supporting documentation to file a reimbursement claim.
- *The number of reimbursement claims filed will vary from year to year.*

This program requires county elections officials to make an application for permanent absent voter status available to any voter. Therefore, the total number of reimbursement claims filed with the SCO could increase based on the number of permanent absent voter applications filed with the county.

- *It appears as though some local governments may be claiming activities under this program that should be claimed under either the Permanent Absent Voters I program or under the Absentee Ballots program.*

For example, the City and County of San Francisco stated in their claim that they use an electronic management system and they claimed costs for the “ongoing maintenance of the absentee voter list for San Francisco. The annual share of maintenance cost for 2010-2011 owing to absentee voters is \$25,057.72.” Therefore, it is possible that this activity is not one of the limited approved activities under the *Permanent Absent Voters II* program.

- *The total amount of reimbursement for this program may be lower than the statewide cost estimate because the SCO may reduce any reimbursement claim for this program.*

The SCO may conduct audits, and reduce any claims it deems to be excessive or unreasonable.

Methodology

Fiscal Years 2002-2003 through 2010-2011

The statewide cost estimate for fiscal years 2002-2003 through 2010-2011 was developed by totaling the 36 actual reimbursement claims filed with the SCO for these years.

The statewide cost estimate includes nine fiscal years for a total of \$2,265,372. This averages to \$251,708 annually in costs for the state for this nine year period. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
2002-2003	1	\$9,310
2003-2004	1	\$14,834

2004-2005	1	\$24,382
2005-2006	1	\$21,868
2006-2007	1	\$24,807
2007-2008	2	\$18,688
2008-2009	3	\$191,573
2009-2010	3	\$121,578
2010-2011	23	\$1,838,332
TOTAL	36	\$2,265,372

Comments on Draft Staff Analysis and Proposed Statewide Cost Estimate

On August 30, 2012, Commission staff issued the draft staff analysis and proposed statewide cost estimate for comment.²⁵ On September 10, 2012, the Department of Finance submitted comments stating that they have no concerns with the Commission’s recommendation to adopt the proposed statewide cost estimate.²⁶

Conclusion

On September 28, 2012, the Commission adopted the statewide cost estimate of \$2,265,372 for costs incurred in complying with the *Permanent Absent Voters II* program.

²⁵ Exhibit B. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)

²⁶ Exhibit C. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)

**Statewide Cost Estimate
\$247,711**

Education Code Sections 81820, 81821(a), (b), (e), and (f)

Statutes 1980, Chapter 910; Statutes 1981, Chapter 470; Statutes 1981, Chapter 891; and
Statutes 1995, Chapter 758

Community College Construction

02-TC-47

Santa Monica Community College District, Claimant

STAFF ANALYSIS

Background and Summary of the Mandate

This test claim, filed on June 27, 2003, requested reimbursement for capital construction plans of community college districts; capital outlay projects funded with or without the assistance of the state; and state-supported energy conservation projects of a community college district. On October 27, 2011, the Commission adopted a statement of decision partially approving the test claim for new requirements imposed on community college districts with respect to the capital construction plan. Parameters and guidelines were adopted on March 23, 2012.²⁷

The Commission's decision recognized that under existing law, the governing board of the community college district is required to prepare and submit to the Board of Governors a plan for capital construction that reflects the capital construction of the district for the five-year period commencing with the next proposed year of funding. The plan is subject to continuing review, is annually extended each year, and any changes to the plan, if any, have to be annually reported to the Board of Governors.²⁸

Although the requirement to prepare and submit a five-year plan is not a new program or higher level of service, some of the required contents of the plan were expanded by the test claim statutes. Thus, the Commission found that the test claim statutes imposed a reimbursable state-mandated program by requiring community college districts to include the following new information in their five year plan, subject to continuing review, and report to the Board of Governors on any changes:

- The plans of the district concerning its future student services programs, and the effect on estimated construction needs that may arise because of particular student services to be emphasized. (§ 81821(a).)
- The enrollment projections for each educational center within a community college district, made cooperatively by the Department of Finance and the district. (§ 81821(b).)
- An annual inventory of all land of the district using standard definitions, forms, and instructions adopted by the Board of Governors. (§ 81821(e).)

²⁷ Exhibit A. (Attached to complete SCE found on the "Commission Decisions" page at www.csm.ca.gov)

²⁸ Former Education Code section 20065 (Stats. 1974, ch. 280), renumbered to section 81820.

- An estimate of district funds which shall be made available for capital outlay matching purposes pursuant to regulations adopted by the board of governors. (§ 81821(f).)

All other reimbursement for activities requested by the claimant with respect to capital outlay projects and state-supported energy conservation projects were denied by the Commission.

Eligible claimants were required to file initial reimbursement claims (for costs incurred between July 1, 2001, and June 30, 2011) with the State Controller's Office (SCO) by October 23, 2012. Reimbursement claims for fiscal year 2011-2012 are due by February 15, 2013.

Eligible Claimants and Period of Reimbursement

Any community college district as defined in Government Code section 17519, which incurs increased costs as a result of this mandate, is eligible to claim reimbursement.

Government Code section 17557(e) states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim was filed on June 27, 2003, establishing eligibility for reimbursement for the 2001-2002 fiscal year. Therefore, the costs incurred for compliance with the mandated activities are reimbursable on or after July 1, 2001.

Reimbursable Activities

The parameters and guidelines authorize reimbursement of each eligible claimant for the following activities:

Include the following information in the initial five-year plan for capital construction (for community college districts established on or after July 1, 2001), and continually review and report any required modifications or changes with respect to the following information in the subsequent annual update submitted to the Board of Governors by February 1 of each succeeding year:

- The plans of the district concerning its future student services programs, and the effect on estimated construction needs that may arise because of particular student services to be emphasized. (§ 81821(a).)
- The enrollment projections for each educational center within a community college district, made cooperatively by the Department of Finance and the district. (§ 81821(b).)
- An annual inventory of all land of the district using standard definitions, forms, and instructions adopted by the Board of Governors. (§ 81821(e).)
- An estimate of district funds which shall be made available for capital outlay matching purposes pursuant to regulations adopted by the Board of Governors. (§ 81821(f).)

Statewide Cost Estimate

Assumptions

Staff reviewed the reimbursement claims data submitted by two community college districts (Los Rios and Rancho Santiago) and compiled by the SCO. The actual claims data showed that 13 initial claims were filed for fiscal years 2001-2002 through 2010-2011 and two annual claims for fiscal year 2011-2012 for a total of \$247,711.²⁹ Based on this data, staff made the following

²⁹ Claims data reported as of November 1, 2012.

assumptions and used the following methodology to develop a statewide cost estimate for this program.

- *The actual amount claimed for reimbursement may increase and exceed the statewide cost estimate.*
 - There are currently 72 community college districts in California. Of those, only two districts filed initial reimbursement claims totaling \$209,740 for this program for fiscal years 2001-2002 through 2010-2011. If other eligible claimants file late or amended initial claims, the amount of reimbursement claims may exceed the statewide cost estimate. Late initial claims for this program for fiscal years 2001-2002 through 2010-2011 may be filed until October 23, 2013.
 - Also, according to the claims data, those same two districts already filed annual reimbursement claims totaling \$37,971 for fiscal year 2011-2012. Late annual reimbursement claims for fiscal year 2011-2012 may be filed until February 15, 2014.
- *The number of reimbursement claims filed will vary from year to year.*

This program requires community college districts to report modifications or changes, if any, with respect to the new information required to be included in their five-year capital construction plans, to the Board of Governors. Therefore, the total number of reimbursement claims filed with the SCO will increase or decrease based on the number of community college districts that have modifications to report.
- *The Commission approved only a portion of this program as a mandate. Community college districts are only reimbursed for reporting specific information in the initial five-year plan for capital construction (for community college districts established on or after July 1, 2001), and for continually reviewing and reporting any modifications or changes with respect to the new approved activities in an annual update submitted to the Board of Governors. There may be several reasons that the other 70 community college districts did not file for reimbursement, including but not limited to:*
 - No new community college districts were established;
 - Community college districts have not made modifications to their five-year plan with regard to capital construction; or
 - Community college districts did not have supporting documentation to file a reimbursement claim.
- *The total amount of reimbursement for this program may be lower than the statewide cost estimate because the SCO may reduce any reimbursement claim for this program.*

The SCO may conduct audits and reduce any claims it deems to be excessive or unreasonable.

Methodology

Fiscal Years 2001-2002 through 2011-2012

The statewide cost estimate for fiscal years 2001-2002 through 2011-2012 was developed by totaling the 15 reimbursement claims filed with the SCO for these years, for a total of \$247,711. This averages to \$22,519 annually in costs for the state over this eleven-year period. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year³⁰	Number of Claims Filed with SCO	Estimated Cost
2001-2002	1	\$10,529
2002-2003	1	\$9,243
2003-2004	1	\$7,958
2004-2005	1	\$8,060
2005-2006	1	\$16,881
2006-2007	1	\$23,793
2007-2008	1	\$24,916
2008-2009	2	\$34,087
2009-2010	2	\$35,722
2010-2011	2	\$38,551
2011-2012	2	\$37,971
<i>TOTAL</i>	15	\$247,711

Comments on the Draft Staff Analysis and Proposed Statewide Cost Estimate

On November 8, 2012, Commission staff issued the draft staff analysis and proposed statewide cost estimate for comment.³¹ No comments were received.

Conclusion

On December 7, 2012, the Commission adopted the statewide cost estimate of **\$247,711** for costs incurred in complying with the *Community College Construction* program.

³⁰ Initial reimbursement claims were filed for fiscal years 2001-2002 through 2010-2011 and annual reimbursement claims were filed for fiscal year 2011-2012.

³¹ Exhibit B. (Attached to complete SCE found on the “Commission Decisions” page at www.csm.ca.gov)