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STATE OF CALIFORNIA COMMISSION ON STATE MANDATES

REPORT TO THE DEPARTMENT OF FINANCE: WORKLOAD LEVELS AND BACKLOG

September 15, 2006

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INTRODUCTION

Commission on State Mandates

Article XIII B, section 6 of the California Constitution was approved in 1979 to require the state to reimburse local agencies and school districts for increased costs mandated by the state resulting from new statutes or executive orders passed by the California State Legislature, the Governor, or a state agency. 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 is also authorized to hear claims from local agencies and school districts that the State Controller has incorrectly reduced reimbursement claims.²

Commission Workload

The Commission's workload is backlogged, due to budget reductions and statutes that imposed new program requirements upon the Commission. In 2005, the Commission estimated it would take approximately seven years to complete its pending workload. As a result, the Commission was provided with three limited-term positions and one permanent position to eliminate its workload. The 2006 State Budget Act converted the Commission's limited-term positions to permanent status, and required the Commission to annually report to the Department of Finance on the status of its workload and backlog.

Report to Department of Finance

The 2006 State Budget Act states:³

The Commission on State Mandates shall, on or before September 15, 2006, and annually thereafter, submit to the Director of Finance a report identifying the workload levels and any backlog for the staff of the commission.

Following are tables identifying the Commission's overall pending workload, including separate tables showing test claim and incorrect reduction claim workload. The report also includes tables that show the Commission's elimination of workload during the past six years.⁴

¹ Statutes 1984, chapter 1459 (Sen. Bill No. 2337), Government Code section 17500, et seq.

² Government Code section 17551.

³ Statutes 2006, chapter 47 (Assem. Bill No. 1801).

⁴ The tables do not reflect work completed by attorneys and administrative staff on litigation, and special projects, such as mandate reform and responding to audits performed by the Bureau of State Audits.

Table A. Pending Test Claims⁵
By Fiscal Year of Filing and Claimant Type

| Filing Date by Fiscal Year | Total New Filings | Pending School District Test Claims | Pending Local Agency Test Claims | Total Pending Test Claims |
|-----------------------------------|--------------------------|--|---|----------------------------------|
| Pre-1996-1997 | Not Available | 0 | 2 ⁶ | 2 |
| 1996-1997 | 11 | 4 ⁷ | 0 | 4 |
| 1997-1998 | 25 | 1 | 0 | 1 |
| 1998-1999 | 27 | 2 | 0 | 2 |
| 1999-2000 | 15 | 0 | 0 | 0 |
| 2000-2001 | 28 | 2 | 3 | 5 |
| 2001-2002 | 30 | 6 | 6 | 12 |
| 2002-2003 | 51 | 29 | 13 | 42 |
| 2003-2004 | 23 | 9 | 8 | 17 |
| 2004-2005 | 4 | 1 | 2 | 3 |
| 2005-2006 | 6 | 3 | 2 | 5 |
| 2006-2007 | 1 | | 1 | 1 |
| Totals | | 57 | 37 | 94 |

⁵ See Exhibits A and B.

⁶ These two test claims were inactive, then assumed by new claimants.

⁷ Commission staff postponed these and other test claims when the California Supreme Court agreed to review the *Expulsions* test claim.

**Table B. Pending Incorrect Reduction Claims⁸
By Fiscal Year of Filing and Claimant Type**

| Filing Date by Fiscal Year | Total New Filings | Pending School District Claims | Pending Local Agency Claims | Total Pending Claims |
|-----------------------------------|--------------------------|---------------------------------------|------------------------------------|-----------------------------|
| Pre 2000-2001 | 436 | | | 0 |
| 2000-2001 | 17 | | 1 | 1 |
| 2001-2002 | 6 | 2 | | 2 |
| 2002-2003 | 75 | | 72 | 72 |
| 2003-2004 | 7 | 5 | | 5 |
| 2004-2005 | 5 | 4 | 1 | 5 |
| 2005-2006 | 30 | 28 | 2 | 30 |
| 2006-2007 | 1 | 1 | | 1 |
| Totals | | 40 | 76 | 116 |

⁸ See Exhibits C and D.

Table C. Complete Pending Workload, September 15, 2006

| Type of Action | September 15, 2006 | July 14, 2006 | September 15, 2005 |
|--|--------------------|---------------|--------------------|
| Test Claims to be Heard and Determined | 94 | 102 | 106 |
| Test Claims to be Reconsidered | 1 | 0 | 0 |
| Test Claims to be Reconsidered Based on Court Action | 0 | 0 | 1 |
| Test Claims to be Reconsidered, as Directed by the Legislature | 2 | 0 | 3 |
| Incorrect Reduction Claims to be Heard and Determined | 116 | 116 | 86 |
| Incorrect Reduction Claims to be Reconsidered Based on Court Action | 0 | 6 | Not Available |
| Proposed Parameters and Guidelines, and Amendments | 25 | 28 | 32 |
| Parameters and Guidelines to be Amended or Set Aside, as Directed by the Legislature or Court Action | 0 | 1 | 3 |
| Statewide Cost Estimates to be Adopted | 7 | 7 | 2 |
| New Test Claim Filings to be Reviewed | 0 | 0 | 0 |
| New Incorrect Reduction Claim Filings to be Reviewed | 0 | 0 | 7 |
| Appeals of Executive Director's Decision | 0 | 0 | 0 |
| Regulatory Actions Pending | 1 | 1 | 1 |

**Table D. Commission Decision Making
1999-2000 through 2005-2006**

| | 1999-2000 | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 |
|---|------------------|------------------|------------------|------------------|-----------|-----------------|--------------------|
| Test Claims Heard & Determined ⁹ | 9 | 24 | 16 | 19 | 22 | 17 | 6 |
| Test Claims Reconsidered | NA | NA | NA | NA | NA | 5 ¹⁰ | 9 |
| Parameters and Guidelines and Amendments Adopted or Set Aside | 19 ¹¹ | 16 | 16 | 7 | 20 | 6 | 43 |
| Statewide Cost Estimates Adopted | 8 | 5 | 10 | 10 | 3 | 14 | 2 |
| Incorrect Reduction Claims Heard & Determined | 1 | 14 | 3 | 70 | 10 | 0 | 0 |
| Positions | 13 | 17 ¹² | 17 ¹³ | 15 ¹⁴ | 9.7 | 9.7 | 13.7 ¹⁵ |

⁹ Includes test claims that are withdrawn and dismissed after the staff analysis is issued and the claim is set for hearing.

¹⁰ Directed by the Legislature.

¹¹ Includes six Special Education programs that were consolidated for parameters and guidelines.

¹² The Chief Legal Counsel position was vacant for six months (January 2, 2001 through June 30, 2001).

¹³ The Chief Legal Counsel position was vacant for four months (July 1, 2001 through October 30, 2001).

¹⁴ Includes Staff Counsel III position that was authorized beginning in 2002-03 but never filled due to hiring freeze and then budget reductions.

¹⁵ The Chief Legal Counsel position was vacant for two months, one new staff Counsel III (LT) position was vacant for 11 months, one Staff Counsel III (LT) position was vacant for five months, and one Staff Counsel III position was vacant for five months, one Staff Counsel position was vacant for two months, and one Staff Counsel was on Family Leave and a part time schedule for eight months.