## BEFORE THE COMMISSION ON STATE MANDATES STATE OF CALIFORNIA

In the Matter of:	No. 07-2
Amendments to California Code of Regulations, Title 2, Division 2, Chapter 2.5,	ORDER TO INITIATE RULEMAKING PROCEEDINGS
Articles 1, 3, and 7	Implementation of AB 1222

Pursuant to California Code of Regulations, title 2, section 1189.2, the Commission on State Mandates ("Commission") hereby adopts this order to institute rulemaking proceedings in accordance with the procedures of Government Code sections 11346.2, 11346.4, 11346.8, and 11346.9.

PROPOSED REGULATORY ACTION. The Commission proposes to amend sections 1181.1, 1181.2, 1181.3, 1183.01, 1183.04, 1183.08, 1183.11, 1183.13, 1183.14, and 1188.3; and to renumber 1183.30 to 1183.25; and to add sections 1183.081, 1183.131, a new 1183.30, 1183.31, and 1183.32 of the California Code of Regulations, Division 2, Title 2, Chapter 2.5.

AUTHORITY AND REFERENCE. Government Code section 17527, subdivision (g), authorizes the Commission to adopt the proposed regulations. The purpose of this rulemaking is to implement statutory changes made by AB 1222 (Stats. 2007, ch. 329). The proposed regulations will conform the definition of "reasonable reimbursement methodology"; establish a new process for the Department of Finance and test claimant to jointly develop reasonable reimbursement methodologies and statewide estimates of costs for approval and adoption by the Commission; and, make technical amendments to add statutory references to a new procedure for legislatively determined mandates.

WRITTEN COMMENT PERIOD. Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission. The Commission will only consider written comments received at the Commission's office by 5:00 p.m. on February 4, 2008. Submit comments to:

Cathy Cruz Jefferson, Senior Program Analyst Commission on State Mandates 980 Ninth Street, Suite 300, Sacramento, CA 95814 Phone: (916) 323-3562 FAX: (916) 445-0278 Email: cathy.cruz@csm.ca.gov

PUBLIC HEARING. The Commission will hold a hearing on January 31, 2008, if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than January 18, 2008.

Date:	By:
	Paula Higashi, Executive Director