

**COMMISSION ON STATE MANDATES**

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March 27, 2014

Ms. Vanessa Burke  
Chief Financial Officer  
City of Stockton  
425 N. El Dorado St.  
Stockton, CA 95202

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

*And Parties, Interested Parties, and Interested Persons (See Mailing List)*

**Request for Claimant Action**

*Investment Reports*, 02-9635802-I-67  
Statutes 1995, Chapter 783 (SB 564)  
Statutes 1996, Chapters 156 (SB 864) and 749 (SB 109)  
Fiscal Years 1995-1996, 1996-1997 and 1998-1999  
City of Stockton, Claimant

Dear Ms. Burke and Ms. Kanemasu:

On October 16, 2002, the City of Stockton filed the above-named incorrect reduction claim (IRC) with the Commission on State Mandates (Commission). An IRC is a claim alleging that the Office of the State Controller (Controller) incorrectly reduced the reimbursement claim of a local agency or school district. The Commission is a quasi-judicial body whose primary responsibility is to hear and decide test claims that allege that the Legislature or a state agency imposed a reimbursable state mandate program upon local government. Additionally, the Commission hears and decides IRCs.

**Communication with the Office of the State Controller**

It has been several years since the filing of this claim and due to a significant caseload backlog, the Commission has not yet heard this matter. After the Commission adopted two decisions on IRCs on the *Investment Reports* program addressing issues that cut across all or most of the pending IRCs on this program, a stipulation was entered into between claimant representatives, the Commission, and the Controller to attempt to negotiate settlements on the remaining IRCs on this program. As a result, settlements have been negotiated by the claimants and the Controller on approximately 59 out of the 70 IRCs filed on the *Investment Reports* program. However, for some local governments, changes in staffing and claimant representatives may have led to the loss of institutional knowledge concerning their IRC filing and consequently a paucity of communication between the claimant and the Controller. If you wish to discuss the potential settlement of this IRC with the Controller, please contact Jay Lal, Manager, Division of Accounting and Reporting at [jlal@sco.ca.gov](mailto:jlal@sco.ca.gov) or (916) 324-0256.

**Commission Hearing and Submittal of Additional Documents**

Having eliminated much of its backlog, the Commission has tentatively scheduled the hearing of IRCs on this program. **This IRC is tentatively scheduled for hearing in March 2015.** As this hearing date is tentative and subject to change (to either an earlier or later date), you may wish to

Ms. Burke and Ms. Kanemasu

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monitor the pending caseload for IRCs, which provides the tentative hearing dates for all pending IRCs here: [http://www.csm.ca.gov/docs\\_pending/all\\_irc.pdf](http://www.csm.ca.gov/docs_pending/all_irc.pdf)

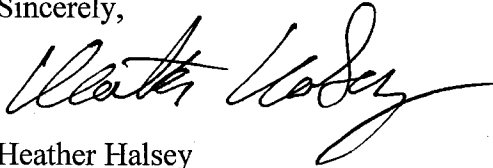
Please review your *Investment Reports* IRC on the Commission's website at [http://www.csm.ca.gov/pending\\_caseload.php#i2](http://www.csm.ca.gov/pending_caseload.php#i2). Given that so much time had elapsed and that the Commission has adopted decisions on two IRCs for this program,<sup>1</sup> which may address some of the same issues raised in your claim, if you are unable to or do not wish to negotiate a settlement with the Controller, you may wish to submit additional comments or documentary evidence to further support your claim for hearing. If so, please make such submittals as soon as possible, but no later than August 1, 2014, so that they may be considered in the draft decision on the IRC. You are advised that documents filed with the Commission are required to be simultaneously served on everyone on the mailing list for the matter, and to be accompanied by a proof of service. However, this requirement may also be satisfied by electronically filing your documents. Please see <http://www.csm.ca.gov/dropbox.shtml> on the Commission's website for instructions on electronic filing. (Cal. Code Regs., tit. 2, § 1181.2.)

#### **Communication with the Commission**

Please contact the Commission by **April 24, 2014** to indicate whether you plan to negotiate with the Controller or wish to proceed with the hearing of this matter.

Please contact Jason Hone at [jason.hone@csm.ca.gov](mailto:jason.hone@csm.ca.gov) or (916) 323-3562 if you have any questions.

Sincerely,



Heather Halsey  
Executive Director

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<sup>1</sup> County of Los Angeles, 00-9635802-01 (<http://www.csm.ca.gov/pendingclaims/ir22.shtml>) and City of Tustin, 02-9635802-47 (<http://www.csm.ca.gov/pendingclaims/ir23.shtml>).

**DECLARATION OF SERVICE BY EMAIL**

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On, March 27, 2014, I served the:

**Request for Claimant Action**

*Investment Reports, 02-9635802-I-67*

Statutes 1995, Chapter 783 (SB 564)

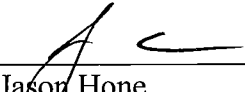
Statutes 1996, Chapters 156 (SB 864) and 749 (SB 109)

Fiscal Years 1995-1996, 1996-1997 and 1998-1999

City of Stockton, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 27, 2014 at Sacramento, California.

  
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Jason Hone  
Commission on State Mandates  
980 9<sup>th</sup> Street, Suite 300  
Sacramento, CA 95814

# COMMISSION ON STATE MANDATES

## Mailing List

**Last Updated:** 3/26/14

**Claim Number:** 02-9635802-I-67

**Matter:** Investment Reports

**Claimant:** City of Stockton

### TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.2.)

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