

**COMMISSION ON STATE MANDATES**

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April 1, 2009

Mr. Keith Petersen  
SixTen and Associates  
3841 North Freeway Blvd., Suite 170  
Sacramento, CA 95834

Ms. Ginny Brummels  
State Controller's Office  
Division of Accounting & Reporting  
3301 C Street, Suite 500  
Sacramento, CA 95816

*And Affected State Agencies and Interested Parties (see enclosed mailing list)*

Re: **Adopted Statement of Decision and Timeline for Submission of Proposed Parameters and Guidelines or Reasonable Reimbursement Methodology Tuition Fee Waivers; 02-TC-21**  
Contra Costa Community College District, Claimant  
Statutes 1975, Chapter 78 (SB 82); Statutes 1976, Chapter 990 (AB 4289);  
Statutes 1977, Chapters 36 and 242 (AB 447 and AB 645);  
Statutes 1979, Chapter 797 (AB 1549);  
Statutes 1980, Chapters 580 and 789 (AB 2567 and AB 2825);  
Statutes 1981, Chapter 102 (AB 251); Statutes 1982, Chapter 1070 (AB 2627);  
Statutes 1983, Chapter 317 (SB 646); Statutes 1988, Chapter 753 (AB 3958);  
Statutes 1989, Chapters 424, 900, and 985 (AB 1237, AB 259, and SB 716);  
Statutes 1990, Chapter 1372 (SB 1854); Statutes 1991, Chapter 455 (AB 1745);  
Statutes 1992, Chapters 170 and 1236 (AB 3058 and SB 2000);  
Statutes 1993, Chapter 8 (AB 46);  
Statutes 1995, Chapters 389 and 758 (AB 723 and AB 446);  
Statutes 1997, Chapter 438 (AB 1317); Statutes 1998, Chapter 952 (AB 639);  
Statutes 2000, Chapters 571 and 949 (AB 1346 and AB 632);  
Statutes 2001, Chapter 814 (AB 540); and Statutes 2002, Chapter 450 (AB 1746)  
Education Code Section 68044, et al.  
California Code of Regulations, Title 5, Section 54002, et al.  
Revised Guidelines and Information, "Exemption from Nonresident Tuition," Chancellor  
of the California Community Colleges (May 2002)

Dear Mr. Petersen and Ms. Brummels:

The Commission on State Mandates adopted the attached Statement of Decision on March 27, 2009. State law provides that reimbursement, if any, is subject to Commission approval of parameters and guidelines for reimbursement of the mandated program, approval of a statewide cost estimate, a specific legislative appropriation for such purpose, a timely-filed claim for reimbursement, and subsequent review of the claim by the State Controller's Office.

Following is a description of the responsibilities of all parties and of the Commission during the parameters and guidelines phase.

- **Draft Parameters and Guidelines.** Pursuant to California Code of Regulations, title 2, section 1183.12, the Commission staff is expediting the parameters and guidelines process by enclosing draft parameters and guidelines to assist the claimant. The proposed reimbursable activities are limited to those approved in the Statement of Decision by the Commission.
- **Claimant's Review of Draft Parameters and Guidelines.** Pursuant to California Code of Regulations, title 2, section 1183.12, subdivisions (b) and (c), the successful test claimant may file modifications and/or comments on the proposal with Commission staff by **May 1, 2009**. The claimant may also propose a reasonable reimbursement methodology pursuant to Government Code section 17518.5 and California Code of Regulations, title 2, section 1183.13. The claimant is required to submit an original and two (2) copies of written responses to the Commission and to simultaneously serve copies on the state agencies and interested parties on the mailing list.
- **State Agencies and Interested Parties Comments.** State agencies and interested parties may submit recommendations and comments on staff's draft proposal and the claimant's modifications and/or comments within 30 days of service. State agencies and interested parties are required to submit an original and two (2) copies of written responses or rebuttals to the Commission and to simultaneously serve copies on the test claimant, state agencies, and interested parties on the mailing list. The claimant and other interested parties may submit written rebuttals. (See Cal. Code Regs., tit. 2, § 1183.11.)
- **Adoption of Parameters and Guidelines.** After review of the draft parameters and guidelines and all comments, Commission staff will recommend the adoption of an amended, modified, or supplemented version of staff's draft parameters and guidelines. (See Cal. Code Regs., tit. 2, § 1183.14.)
- **Review of Statewide Cost Estimate.** Commission staff may develop the statewide cost estimate based on initial reimbursement claims filed with the Office of the State Controller, application of a reasonable reimbursement methodology, or use a different methodology based on recommendations from the test claimant, the Department of Finance, or other interested parties. Before presenting a statewide cost estimate to the Commission for adoption, Commission staff shall disclose to the parties and interested parties the methodology, basis for any assumptions made, and sources of any data used to develop the estimate. (See Cal. Code Regs., tit. 2, § 1183.3.)
- **Adoption of Statewide Cost Estimate.** At least ten days prior to the next hearing, Commission staff shall issue a final staff analysis and a staff recommendation for adoption of the statewide cost estimate.

#### **Reasonable Reimbursement Methodology and Statewide Estimate of Costs**

- **Test Claimant and Department of Finance Submission of Letter of Intent.** Within 30 days of the Commission's adoption of a Statement of Decision on a test claim, the test claimant(s) and the Department of Finance may notify the executive director of the Commission in writing of their intent to follow the process described in Government Code sections 17557.1–17557.2 and section 1183.30 of the Commission's regulations to develop a *reasonable reimbursement methodology* and *statewide estimate of costs* for the

initial claiming period and budget year for reimbursement of costs mandated by the state. The letter of intent shall include the date on which the test claimant and the Department of Finance will submit a plan to ensure that costs from a representative sample of eligible claimants are considered in the development of a reasonable reimbursement methodology.

- **Test Claimant and Department of Finance Submission of Plan.** Pursuant to the letter of intent, the test claimant and the Department of Finance shall submit an original and two copies of the *jointly developed plan* for development of a reasonable reimbursement methodology and statewide estimate of costs to the Commission.
- **Test Claimant and Department of Finance Submission of Draft Reasonable Reimbursement Methodology and Statewide Estimate of Costs.** Pursuant to the plan, the test claimant and the Department of Finance shall submit an original and two copies of the *Draft Reasonable Reimbursement Methodology and Statewide Estimate of Costs* to the Commission. See Government Code section 17557.1 for guidance in preparing and filing a timely submission. Any filings made pursuant to Government Code section 17557.1 shall be simultaneously served on the other parties and interested parties on the mailing list.
- **Review of Proposed Reasonable Reimbursement Methodology and Statewide Estimate of Costs.** Upon receipt of the jointly developed proposals, Commission staff shall notify all recipients that they shall have the opportunity to review and provide written comments or recommendations concerning the draft reasonable reimbursement methodology and proposed statewide estimate of costs within fifteen (15) days of service. Claimants, state agencies, and interested parties shall submit an original and two copies of any written responses to Commission staff and shall simultaneously serve a copy on the other parties and interested parties. The test claimant and Department of Finance may submit written rebuttals to Commission staff and simultaneously serve a copy on the other parties and interested parties.
- **Adoption of Reasonable Reimbursement Methodology and Statewide Estimate of Costs.** At least ten days prior to the next hearing, Commission staff shall issue review comments and a staff recommendation on whether the Commission should approve the draft reasonable reimbursement methodology and adopt the proposed statewide estimate of costs pursuant to Government Code section 17557.2.

Please contact Nancy Patton at (916) 323-3562 if you have any questions.

Sincerely,

  
PAULA HIGASHI  
Executive Director

Enclosures

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