

COMMISSION ON STATE MANDATES

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July 23, 2008

Mr. David L. Riley
County of Orange Health Care Agency
405 W. 5th Street, 7th Floor
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Ms. Carla Castaneda
Department of Finance
915 L Street, 12th Floor
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Ms. Ginny Brummels
Division of Accounting and Reporting
State Controller's Office
3301 C Street, Suite 501
Sacramento, CA 95816

Mr. Mark Hagiya
Department of Health Services
P.O. Box 997413, MS0010
Sacramento, CA 95899-7413

And: Interested Parties
(see enclosed mailing list)

Re: **Notice of Complete Test Claim Filing and Schedule for Comments**
General Health Care Services for Inmates, 07-TC-12

On June 30, 2008, a test claim was filed on the above named program by the County of Orange Health Care Agency Claimant. Following initial review, the Commission staff found the test claim to be complete. The Commission is now requesting state agencies and interested parties to comment on the test claim as specified in the enclosed notice.

Please contact Heidi Palchik at (916) 323-8218 if you have questions.

Sincerely,

A handwritten signature in cursive script that reads "Paula Higashi".

PAULA HIGASHI
Executive Director

Enclosures:

Notice of Complete Test Claim Filing and Schedule for Comments
Copy of Test Claim (state agencies only)
Mailing List

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Penal Code, Section 4011.10
Statutes 2005, Chapter 481 (SB 159)
Statutes 2006, Chapter 303 (SB 896)

Filed on June 30, 2008

By the County of Orange Health Care Agency,
Claimant.

No. 07-TC-12

General Health Care Services for Inmates

NOTICE OF COMPLETE TEST CLAIM
AMENDMENT FILING AND SCHEDULE
FOR COMMENTS (Gov. Code, § 17500 et
seq.; Cal. Code Regs., Tit. 2, §§ 1183,
subd.(g), & 1183.02)

**TO: County of Orange
Department of Health Services
Department of Finance
State Controller's Office
Interested Parties**

On June 30, 2008, the County of Orange Health Care Agency, Claimant, filed a test claim amendment on the above-described statutes and/or executive orders alleging a reimbursable state-mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514. The test claim amendment is complete. A pdf file of the test claim amendment will be posted on the Commission's website under "For Public Comment." The test claim amendment will be heard and determined by the Commission on State Mandates pursuant to article XIII B, section 6, Government Code section 17500 et seq., and case law. The procedures for hearing and determining this claim are prescribed in the Commission's regulations, California Code of Regulations, title 2, chapter 2.5, section 1181.

COMMENT PERIOD

The key issues before the Commission are:

- Do the provisions listed above impose a new program or higher level of service within an existing program upon local entities within the meaning of article XIII B, section 6 of the California Constitution and costs mandated by the state pursuant to Government Code section 17514 of the Government Code?
- Does Government Code section 17556 preclude the Commission from finding that any of the test claim provisions impose costs mandated by the state?
- Have funds been appropriated for this program (e.g., state budget) or are there any other sources of funding available? If so, what is the source?

State Agency Review of Test Claim - State agencies are requested to analyze the test claim amendment merits and to file written comments within 30 days, or no later than **August 22, 2008**. Requests for extensions of time may be filed in accordance with sections 1183.01, subdivision (c), and 1181.1, subdivision (g) of the regulations.

Claimant Rebuttal - The claimant and interested parties may file rebuttals to state agencies' comments under section 1183.03 of the regulations. The rebuttal is due 30 days from the actual service date of written comments from any state agencies.

Mailing Lists - Under section 1181.2 of the regulations, the Commission will promulgate a mailing list of parties, interested parties, and interested persons for each test claim and provide the list to those included on the list, and to anyone who requests a copy. Any written material filed with the Commission on this claim shall be simultaneously served on the other parties listed on the mailing list provided by the Commission.

Consolidating Test Claims - Pursuant to Commission regulations, the executive director may consolidate part or all of any test claim with another test claim. See sections 1183.05 and 1183.06 of the regulations.

INFORMAL/PREHEARING CONFERENCE

An informal conference or prehearing conference may be scheduled if requested by any party. See sections 1183.04 and 1187.4 of the regulations.

HEARING AND STAFF ANALYSIS

A tentative hearing date for the test claim amendment will be set when the draft staff analysis of the claim is being prepared. At least eight weeks before a hearing is conducted, the draft staff analysis will be issued to parties, interested parties, and interested persons for comment. Comments are due at least five weeks prior to the hearing or on the date set by the Executive Director, pursuant to section 1183.07 of the regulations. Before the hearing, a final staff analysis will be issued.

Dismissal of Test Claims - Under section 1183.09 of the regulations, test claims may be dismissed when postponed or placed on inactive status by the claimant for more than one year. Before dismissing a test claim, the Commission will provide 60 days notice and opportunity for other parties to take over the claim.

Parameters and Guidelines - If the Commission determines that a reimbursable state mandate exists, the claimant is responsible for submitting proposed parameters and guidelines for reimbursing all eligible local entities. See section 1183.1 of the regulations. All interested parties and affected state agencies will be given an opportunity to comment on the claimant's proposal before consideration and adoption by the Commission.

Reasonable Reimbursement Methodology - Government Code section 17557 requires the Commission, when adopting parameters and guidelines, to consult with claimants, Department of Finance, the State Controller, and the Legislature to consider a reasonable reimbursement methodology. Government Code section 17518.5 authorizes the claimant or any affected state agency or interested party to propose a reasonable reimbursement methodology.

Statewide Cost Estimate - The Commission is required to adopt a statewide cost estimate of the reimbursable state-mandated program within 12 months of receipt of a test claim. This deadline

may be extended for up to six months upon the request of either the claimant or the Commission.

Alternative Process - Within 30 days of the Commission's adoption of a statement of decision on a test claim, the test claimant and the Department of Finance may notify the executive director in writing of their intent to follow the process described in Government Code section 17557.1 (effective Jan. 1, 2008) 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. If this letter of intent is submitted, the Commission will provide further information for all parties and interested parties to the test claim.


PAULA HIGASHI, Executive Director

July 23, 2008

