



August 13, 2010



Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

The Department of Finance (Finance) has reviewed the test claim, Claim No. CSM-09-TC-02, "Sheriff Court-Security Services" submitted by Los Angeles County (claimant). The claimant asserts that a reimbursable state mandate was created by shifting the financial responsibility of retiree health benefits from the state to the counties. Specifically, the claimant alleges that the test claim statutes removed the state's obligation to pay counties for the costs of retiree health benefits of sheriff personnel who were assigned court security duties.

Finance, however, believes the state did not transfer the costs of the retiree health benefits to the counties, and the test claim is not a reimbursable mandate. Unlike the state's obligation in *Lucia Mar School District v. Bill Honig, et al.* (1988) 44 Cal.3d 830 cited in the test claim, the state did not previously have the requirement to provide complete or partial financial responsibility for the costs of the retiree health benefits. The costs of the retiree health benefits were not explicitly included in the definition of "costs of service" in any of the statutory requirements plead by the claimant. The state's obligation to fund any costs associated with retiree health benefits, therefore, is permissive and not required by law.

Finance recommends that this test claim be denied because it is not a reimbursable state mandate within the meaning of Article XIII B, section 6 of the California Constitution.

As required by the Commission's regulations, a "Proof of Service" has been enclosed indicating that the parties included on the mailing list which accompanied your July 14, 2010 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

Ms. Paula Higashi
August 13, 2010
Page 2

If you have any questions regarding this letter, please contact Carla Shelton, Associate Finance Budget Analyst at (916) 445-8913.

Sincerely,

A handwritten signature in black ink, appearing to read "Zlatko Theodorovic". The signature is written in a cursive style with a large, stylized initial "Z".

ZLATKO THEODOROVIC
Assistant Program Budget Manager

Enclosure

PROOF OF SERVICE

Test Claim Name: Sheriff Court-Security Services
Test Claim Number: CSM-09-TC-02

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 12th Floor, Sacramento, CA 95814.

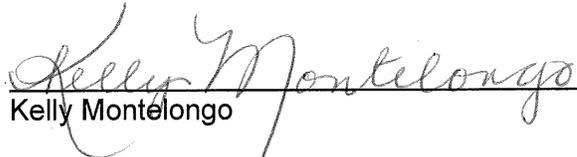
On 8-13-2010, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 12th Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

County of Los Angeles
Department of Auditor-Controller
Kenneth Hahn Hall of Administration
Attention: Leonard Kaye
500 West Temple Street, Suite 525
Los Angeles, CA 90012

And all parties 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 8-13-2010 at Sacramento, California.


Kelly Montelongo

Commission on State Mandates

Original List Date: 7/1/2010

Mailing Information: Completeness Determination

Last Updated:

List Print Date: 07/07/2010

Mailing List

Claim Number: 09-TC-02

Issue: Sheriff Court-Security Services

TO ALL PARTIES AND INTERESTED PARTIES:

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.)

Ms. Juliana F. Gmur

MAXIMUS

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Ms. Hasmik Yaghobyan

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Los Angeles, CA 90012

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Sacramento, CA 95814

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Enclosure A

DECLARATION OF CARLA SHELTON
DEPARTMENT OF FINANCE
CLAIM NO. CSM-09-TC-02 "Sheriff Court-Security Services"

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

August 13, 2010
at Sacramento, CA

Carla Shelton
Carla Shelton