

Reasonable Reimbursement Methodology
Jointly Requested by the County of Los Angeles and the Department of Finance

Firearm Hearings for Discharged Inpatients (99-TC-11)
Welfare and Institutions Code Section 8103, Subdivisions (f) and (g)
Statutes 1999, Chapter 578

Initial Period of Reimbursement: July 1, 1998 through June 30, 2007
Budget Year: 2009-2010

Eligible Claimants: Counties and City and County
Approved: June 26, 2008

I. Summary of the Mandate

On April 26, 2006, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that subdivisions (f) and (g) of section 8103 of the Welfare and Institutions Code (test claim statute) impose a reimbursable state-mandated program on county or city and county district attorneys' offices within the meaning of section 6 of article XIII B of the California Constitution and section 17514 of the Government Code for the district attorneys' activities in representing the People of the State of California in civil hearings.

Statutes 1999, chapter 578 established hearing procedures for persons detained for mental health treatment and evaluation, and eventually discharged, to challenge the firearm prohibition law through a civil hearing in superior court. Under the firearm prohibition law, the detained patient shall not own, possess, control, receive, or purchase a firearm for five years except as permitted pursuant to subdivisions (f) and (g) (subject hearings) of the test claim statute.

Reimbursable Activities

Any county or city and county that has a district attorney's office that incurs increased costs may claim reimbursement for the activities identified below at the rates established by the reasonable reimbursement methodology:

1. District attorney services required to process a case related to the subject hearings. Activities include, but are not limited to, performing necessary legal tasks to prepare and plead case at the hearing.
2. Legal secretary/paralegal services required to process a case related to the subject hearings. Activities include, but are not limited to, performing administrative functions necessary to process documents for the hearing.
3. Expert witness services required to provide consultation on a case related to the subject hearings. Activities include consulting services provided at the hearing.

These activities are reasonable methods of complying with a mandate pursuant to paragraph (4) of subdivision (a) of section 1183.1, Title 2, of the California Code of Regulations.

Reimbursement Period

The reimbursement period for the mandate begins September 29, 1999 for subdivision (f) of section 8103 of the Welfare and Institutions Code and begins July 1, 1998 for subdivision (g) of section 8103 of the Welfare and Institutions Code.

II. Reasonable Reimbursement Methodology

A reasonable reimbursement methodology means a formula for reimbursing local agencies for costs mandated by the state, as defined in section 17514 of the Government Code. A reasonable reimbursement methodology shall be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies, or other projections of local costs. A reasonable reimbursement methodology shall consider the variation in costs among local agencies to implement the mandate in a cost-efficient manner. Whenever possible, a reasonable reimbursement methodology shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs. (Gov. Code, § 17518.5.)

The Department of Finance and the County of Los Angeles (test claimant) collaboratively developed the following reasonable reimbursement methodology (RRM) rates to reimburse eligible claimants for all direct and indirect costs for the reimbursable activities specified in Section I above, pursuant to Government Code sections 17557.1-17557.2.

RRM Rates
For Fiscal Years 1998-99 to 2007-08

Fiscal Year	RRM Rate /Petitioned Case
1998-1999	\$36
1999-2000	\$41
2000-2001	\$46
2001-2002	\$51
2002-2003	\$56
2003-2004	\$61
2004-2005	\$66
2005-2006	\$71
2006-2007	\$76
2007-2008	\$81

The RRM allows each eligible claimant to be reimbursed based on the rates per petitioned case. The rate for subsequent years will be adjusted by the implicit price deflator.

State reimbursement shall be calculated by multiplying the RRM rate by the number of subject hearings pursuant to the test claim statutes for the specified year. The number of subject hearings shall be supported by document(s) showing the names of the petitioners and their hearing dates.

An eligible claimant may file a reimbursement claim pursuant to the State Controller's (Controller) claiming instructions. Pursuant to section 17561 of the Government Code, reimbursement for state-mandated costs may be claimed as follows:

1. For initial reimbursement claims for fiscal years 1998-1999 through 2006-2007, eligible claimants shall submit claims based on the RRM to the Controller within 120 days of the date the claiming instructions are issued.
2. An eligible claimant may, by February 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim based on the RRM for costs incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 of the Government Code between November 15 and February 15, an eligible claimant filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

If total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by section 17564 of the Government Code.

There also shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

III. Terms of Agreement

The terms of the reasonable reimbursement methodology agreement shall be in effect for two years and expire on June 30, 2010, unless the Department of Finance and the test claimant submit a joint request for early termination of the RRM pursuant to subdivision (a) of section 17557.2 of the Government Code or the test claim statutes are repealed.

The terms of subdivision (b) of section 6 of article XIII B of the California Constitution also shall apply to this agreement, and require that beginning in fiscal year 2009-2010, the Legislature shall suspend the mandate for that fiscal year, or provide reimbursement in the annual Budget Act.

IV. Amendment of Agreement

- A. At the conclusion of the term of this agreement established in Section III above, the Department of Finance and the test claimant agree to consider jointly whether amendments to the reasonable reimbursement methodology are necessary.
- B. The Department of Finance and the test claimant may do one of the following:
 - 1. Jointly propose amendments to the reasonable reimbursement methodology by submitting the information described in paragraphs (1), (3), and (4) of subdivision (b) of Government Code section 17557.2, and providing an estimate of the mandate's annual cost for the subsequent budget year.
 - 2. Jointly propose that the reasonable reimbursement methodology remain in effect.
 - 3. Allow the reasonable reimbursement methodology to expire and notify the Commission that the test claimant will submit proposed parameters and guidelines to the Commission pursuant to subdivision (a) of section 17557 of the Government Code.
- C. The Commission shall either approve the continuation of the reasonable reimbursement methodology or approve the jointly proposed amendments to the reasonable reimbursement methodology if the information submitted demonstrates that the proposed amendments were developed in accordance with section 17557.1 and meet the requirements of subdivision (a) of section 17557.2.

V. Record Retention

The document(s) used to support the application of a reasonable reimbursement methodology is subject to an audit by the Controller. The number of subject hearings claimed for reimbursement is subject to verification with records on file with the Department of Justice. The Controller may initiate an audit within three years of the date that the actual reimbursement claim is filed or last amended, whichever is later. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.