BEFORE THE
STATE OF CALIFORNIA
COMMISSION ON STATE MANDATES

IN RE REASONABLE REIMBURSEMENT METHODOLOGY ON: Welfare and Institutions Code Section 8103(f) and (g) Statutes 1999, Chapter 578 Jointly Developed by County of Los Angeles, claimant and Department of Finance.	Case No.: 07-RRM-01 (99-TC-11) *Firearm Hearings for Discharged Inpatients* EXTENSION OF TERM OF REASONABLE REIMBURSEMENT METHODOLOGY AND STATEWIDE ESTIMATE OF COSTS PURSUANT TO GOVERNMENT CODE SECTIONS 17557.1 AND 17557.2 (*Approved May 24, 2013*) (*Served May 28, 2013*)

STATEMENT OF DECISION

The Commission on State Mandates (Commission) adopted this statement of decision and amended jointly proposed reasonable reimbursement methodology on consent during a regularly scheduled hearing on May 24, 2013. The law applicable to the Commission's determination of a reimbursable state-mandated program is article XIII B, section 6 of the California Constitution, Government Code sections 17500 et seq., and related case law.

I. Summary of the Mandate

On April 26, 2006, the Commission on State Mandates adopted its statement of decision finding that Welfare and Institutions Code section 8103(f) and (g), as amended by Statutes 1999, chapter 578 imposed a reimbursable state-mandated program on county, or city and county district attorney offices within the meaning of section 6 of article XIII B of the California Constitution.

The test claim statutes 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) of the test claim statutes.

The County of Los Angeles (County) and the Department of Finance (Finance) filed the first Joint Request for a Reasonable Reimbursement Methodology and Statewide Estimate of Costs pursuant to AB 1222 (Gov. Code, §§ 17557.1-17557.2) on this mandate. 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 must be supported by document(s) showing the names of the petitioners and their hearing dates.

II. Procedural History

On June 26, 2008, the Commission approved this RRM for a two-year term expiring on June 30, 2010. On May 27, 2010, the Commission approved an amendment extending the term of the RRM by one year to remain in effect until June 30, 2011. The mandate was suspended by the Legislature in the 2011-2012 and 2012-2013 fiscal years. On March 6, 2013, the Commission issued a notice of end of term to Finance and the County.[1] On April 5, 2013, Finance and the County jointly proposed extending the term of the RRM to June 30, 2015.[2] On April 10, 2013, the Commission issued the draft staff analysis and proposed joint request to extend term of reasonable reimbursement methodology with a 30-day comment period ending on May 10, 2013.[3] No comments were received.

III. Commission Findings

Section IV of the agreement provides that the terms may be renewed if Finance and the County jointly propose amendments, or propose the RRM remain in effect.

Since Finance and the County agree to extend the term of the RRM to June 30, 2015, the Commission may approve this request by the adoption of the agreement, as amended.

The proposed amendments are as follows:

- **Section III. Terms of Agreement –** extends term of agreement from "three" to "seven" years, with an expiration date of "June 30, 2015."
- **Section IV. Amendment of Agreement –** changes expiration date to "June 30, 2015."

IV. Conclusion

The Commission adopts this statement of decision to approve the attached amended jointly proposed reasonable reimbursement methodology.

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[1] Exhibit A, Notice of End of Term issued March 6, 2013.

[2] Exhibit B, Department of Finance and County of Los Angeles Joint Request to Extend Term of RRM dated April 5, 2013.

[3] Exhibit C, Draft Staff Analysis and Proposed Joint Request to Extend Term of RRM issued April 10, 2013.

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

Firearm Hearings for Discharged Inpatients (99-TC-11)
Welfare and Institutions Code Section 8103(f) and (g)
Chapter 578, Statutes of 1999
Adopted: June 26, 2008
Amended: May 27, 2010
Amended: May 24, 2013

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

Counties and City and County (Eligible Claimants)

I. Summary of the Mandate

On April 26, 2006, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Welfare and Institutions Code Section 8103(f) and (g), Statutes 1999, chapter 578, imposes a reimbursable state-mandated program on county or city and county district attorney 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 attorney's 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 legislation.

<u>Reimbursable Activities</u>

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 RRM:

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 Government Code section 17514. 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 (Finance) and the County of Los Angeles (county 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 Controller's 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 Government Code Section 17558(c) 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 Government Code Section 17564.

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. Expiration of Agreement

The terms of the RRM agreement shall expire on June 30, 2015, unless Finance and the county claimant submit a joint request for early termination of the RRM pursuant to Government Code Section 17557.2(a) or the test claim statutes are repealed.

The terms of Article XIII B, Section 6(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. Extension or Amendment of Agreement

The terms of the agreement may be amended or renewed, pursuant to Government Code Section 17557.2, if Finance and the county claimant jointly propose amendments or, after the term expiration date, propose the RRM remain in effect. The parties may also elect to allow the RRM to expire on June 30, 2015 by notifying the Commission that the county claimant will submit proposed parameters and guidelines subject to the Commission's procedures.

V. Record Retention

The document(s) used to support the application of a reasonable reimbursement methodology is subject to an audit by the State Controller's Office (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.