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STATE OF CALIFORNIA COMMISSION ON STATE MANDATES

DIRECTOR OF FINANCE: 2014 REPORT ON WORKLOAD LEVELS AND BACKLOG REDUCTION PLAN

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Executive Summary

This report includes information on the Commission on State Mandates' (Commission) workload levels and backlog reduction plan. The information herein is reported on a fiscal year basis (i.e. from July 1-June 30), to enable apples to apples comparisons over the years and eliminate the need to track data in a variety of manners simply for preparation of reports.

A. Statutory Reporting Requirement

The 2014 Budget Act requires the Commission to report to the Director of Finance on workload levels and backlog. Specifically, it states:

The Commission on State Mandates shall, on or before September 15, 2014, and annually thereafter, submit to the Director of Finance a report identifying the workload levels and any backlog for the staff of the Commission.¹

This report satisfies that statutory reporting requirement.

B. Historic Reasons for the Backlog

The backlog exists for several reasons:

- 1984 – When the Commission was created, the statutes allowed the filing of test claims on statutes and regulations going back to 1975, with no statute of limitations.
- 2002 – AB 3000 imposed a three-year statute of limitations for the filing of test claims. It also provided a one-year grandfather clause to file test claims on statutes and executive orders going back to 1975, resulting in 51 new test claims filed in 2002-2003, and 23 test claims filed in 2003-2004.
- From fiscal year 2002-2003 to 2008-2009 the Commission's position authority was reduced from 17 PYs to 10.5 PYs.²
- 2004 – AB 2856 imposed a new statute of limitations of one year from the effective date of a statute or executive order, or the date of first incurring costs.
- 2004-2006 – Through AB 2851, 2855, 138, and 1805 and SB 512 and 1895, the Legislature directed the Commission to reconsider 14 test claims. In 2009, the Third District Court of Appeal found the reconsideration statutes unconstitutional and directed the Commission to set several reconsideration decisions aside.
- *National Pollutant Discharge Elimination System (NPDES) Permit Claims.* Prior to 2010, Government Code section 17516(c) defined 'executive orders' to exclude any order, plan, or regulation issued by the State Water Resources Control Board or any regional water quality control board. Therefore, local governments were not authorized to file test claims on NPDES permits. Government Code section 17516(c) was ruled unconstitutional by the courts. As a result, local agencies have filed 17³ NPDES permit test claims. The

¹ Statutes 2014, chapter 25, (SB 852), Item 8885-001-0001, Provision 2.

² Beginning fiscal year 2013-2014 the Commission's staff has increased by two PYs.

³ Two of these were filed in 2013-2014.

Commission decided five of these claims, but litigation on those decisions is currently pending in the Third District Court of Appeal and the California Supreme Court. There are 12 remaining NPDES test claims, which are inactive pending the outcome of the litigation.

C. Historic Backlog Reduction Plans

The September 15, 2010 Report to Finance⁴ stated that Commission staff would prepare a plan to reduce and ultimately eliminate the backlog of test claims and incorrect reduction claims (IRCs). The Backlog Reduction Plan was therefore issued by the Commission on May 11, 2011 and was updated on May 25, 2012. The plan described the nature of the backlog, with tables illustrating the claims before the Commission; the challenges the Commission faces in reducing the backlog; and, Commission staff's plan to reduce and ultimately eliminate the backlog.

In 2013, the Commission began combining the Report to Finance and Backlog Reduction Plan to avoid duplication of efforts and increase efficiency.

D. Workload

As of July 1, 2014, the Commission has a pending caseload of 17 test claims,⁵ one parameters and guidelines (Ps&Gs), and 10 statewide cost estimates (SCEs). These items have statutory deadlines for completion and are prioritized over other items.

Also currently pending are 74 incorrect reduction claims (IRCs), four parameters and guidelines amendments (PGAs), and two mandate redeterminations (MRs). Unlike test claims, Ps&Gs, and SCEs, these matters do not have a statutory deadline for completion, but must be heard within a reasonable amount of time from the date of filing.⁶

For the 2013-2014 fiscal year, the Commission had 12.5 staff positions. In 2013-2014, the Commission completed 13 test claims, 8 Ps&Gs, 10 PGAs, 22 IRCs, 12 SCEs and 2 MRs.

Many of the claims completed in 2013-2014 addressed complex issues regarding constitutional law, federal law and issues of procedure and many of these issues were issues of first impression. Additionally, there were more IRCs heard and decided but fewer withdrawn than in recent years.

E. Backlog Reduction Plan

This plan describes several tools Commission staff are employing to expeditiously reduce the backlog.

There are currently 17 test claims pending. Of those, five are set for hearing in 2014, and the remaining 12, regarding NPDES permits, are on inactive status pending the outcome of litigation which is currently pending in the Third District Court of Appeal and California Supreme Court. Therefore, as of the end of the 2014 calendar year, the test claim caseload will no longer be backlogged. Likewise, all parameters and guidelines, except one inactive pending court action,

⁴ 2010 Report to Finance: <http://www.csm.ca.gov/docs/091510b.pdf>.

⁵ This includes 12 NPDES permit test claims (two of which were filed in 2013-2014) that are inactive pending the outcome of litigation pending in the Third District Court of Appeal and the California Supreme Court.

⁶ *Horner v. Board of Trustees of Excelsior Union High School District of Los Angeles* (1964) 61 Cal.2d 79, 86.

have been heard and all SCEs have been set for hearing at the earliest possible date after the Commission receives claims data from the State Controller. Therefore the parameters and guidelines and SCE caseloads are no longer backlogged. Additionally, there are four PGAs remaining: one is set for hearing on July 25, 2014; two are tentatively set for September 26, 2014; and one is inactive pending court action. Therefore, after September 2014, there is no longer a PGA backlog. With regard to MRs, the only requests still pending are two that were filed in the 2013-2014 fiscal year; one is tentatively set for its first hearing on July 25, 2014 and the other on December 5, 2014. Based on the above, it is fair to say that the only truly backlogged items remaining are the 74 currently pending IRCs, nine of which were filed in the 2013-2014 fiscal year.

Because there is a statutory duty to adopt an SCE within 12-18 months of the filing of a test claim, test claims, parameters and guidelines and SCEs take priority over all other matters. The next priority for the Commission is resolution of PGAs and MRs, as these have a material effect on all eligible claimants and the state. IRCs have the lowest priority, since they affect only one local agency and have no statutory deadline by which they must be heard.

Of the 74 pending IRCs, 33 involve just two programs, *Health Fee Elimination* and *Investment Reports*. At the writing of the 2012 report, there were 90 of these particular claims pending (out of 121 total IRCs) - so the number of IRCs for these two programs has been reduced by nearly two-thirds over the past two fiscal years. The remaining IRCs are tentatively scheduled for hearing throughout 2014-2015 and 2015-2016. However, because IRCs have the lowest priority for hearing, their scheduling may be pushed to a later date if other items with higher priority, such as test claims, are filed. Hearing IRCs with cross-cutting issues first is one way that the Commission is helping to spur informal resolution of these claims between the claimants and the SCO. Staff has reviewed all of the IRCs in the pending caseload and has determined that most of the currently pending claims are not suitable for consolidation, since each has unique facts or issues of law, and so must be analyzed individually. Based on current caseload and staffing levels, Commission staff expects that the IRC backlog should be eliminated by the end of either the 2015-2016 or 2016-2017 fiscal year. Whether elimination of the IRC backlog takes less time or more time than the staff expectation will depend on a variety of factors, including the outcome and timing of the NPDES test claim litigation, discussed further in this report.

Eliminating the test claim backlog has enabled staff time to be redirected to analyzing the pending IRCs and will also allow new test claim filings to be immediately analyzed and set for hearing upon closure of the record. This in turn will enable the Commission to come closer to meeting the statutory deadline of 12-18 months for deciding the test claim and adopting the Ps&Gs and SCE for a program. At the beginning of the 2013-2014 fiscal year, Commission staff began tracking how long it takes to complete each test claim from the filing date to the adoption of the SCE. Pursuant to the Commission's regulations, extensions of time, postponements, continuances and time for preparing joint RRM requests by the parties do not count against the statutory deadline.⁷ Therefore, to improve transparency with regard to how the mandates process is working, Commission staff has also begun tracking the time for delays requested by the parties and deducting that time from the time it takes to adopt an SCE once a test claim is filed.

⁷ Title 2. California Code of Regulations, Section 1183.18.

2014 REPORT TO FINANCE AND BACKLOG REDUCTION PLAN

I. Background

A. Constitutional and Statutory Requirements for the Mandate Process

Article XIII B, section 6 of the California Constitution requires the state to provide a subvention of funds to reimburse local government for the costs of new programs or increased levels of service mandated by the state. Because the State Board of Control had failed to “adequately and consistently resolve complex legal questions involved in the determination of state-mandated costs” the Legislature created the Commission to succeed the Board of Control in making determinations on whether new statutes or executive orders are state-mandated programs within the meaning of article XIII B, section 6.⁸ Specifically, the Commission was established to “relieve unnecessary congestion of the judicial system . . .,” render sound quasi-judicial decisions, and provide an effective means of resolving disputes over the existence of state-mandated local programs.⁹

The Commission’s process provides the sole and exclusive procedure for local agencies and school districts (claimants) to seek reimbursement for costs mandated by the state as required by article XIII B, section 6 of the California Constitution.¹⁰ The Commission is required to hear and decide claims filed by local agencies and school districts that they are entitled to be reimbursed by the state for costs mandated by the state.¹¹

State law requires the Commission to adopt procedures to ensure that a statewide cost estimate (SCE) is adopted within 12 to 18 months after receipt of a test claim, when the Commission determines that a reimbursable mandate exists.¹² Prior to adopting an SCE for a mandated program, the Commission must first hear and decide the test claim and the parameters and guidelines (Ps&Gs), which may include reasonable reimbursement methodologies (RRMs) pursuant to Government Code sections 17557 (RRMs in proposed Ps&Gs or parameters and guidelines amendments (PGAs)) or 17557.1 (joint RRM). The Ps&Gs is the document that specifies the activities that are reimbursable, including the scope of the activities and how reimbursement may be claimed. Without specific understanding of the nature and scope of the reimbursable activities, any cost estimate would be highly speculative. Based on the above, the test claim decision, Ps&Gs, and SCE are required by statute to be adopted within 12 to 18 months of a test claim filing.

For RRM proposed for inclusion in the Ps&Gs pursuant to Government Code sections 17557 and 17518.5, the Commission is required to make additional factual determinations, based on substantial evidence in the record, that the proposed formula or unit cost reasonably reimburses all eligible claimants’ actual costs mandated by the state. The proposed RRM must be based on cost information from a representative sample of eligible claimants, information provided by

⁸ Government Code section 17500.

⁹ *Id.*

¹⁰ Government Code section 17552.

¹¹ Government Code section 17551.

¹² Government Code section 17553.

associations of local agencies and school districts, or other projections of local costs; and shall consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner. If these findings are made and an RRM is adopted by the Commission in the Ps&Gs, then the claiming is based on the adopted formula or unit cost, in lieu of requiring detailed documentation of actual costs incurred.

The Commission is also required to hear and decide other claims that affect the workload of the Commission. These include: 1) incorrect reduction claims (IRCs) filed by local agencies and school districts alleging that the SCO has incorrectly reduced reimbursements; 2) proposed amendments to previously adopted Ps&Gs (PGAs); 3) review of the SCO's claiming instructions; and 4) mandate redeterminations (MRs). There is no statutory timeframe for completing IRCs, PGAs, review of claiming instructions, or MRs. However, an administrative agency is required to hold a hearing within a reasonable time when the statutes governing the process do not fix a time limit to conduct the hearing.¹³ The ability of the Commission to hear and decide these matters within a reasonable timeframe is affected by the number of pending matters in the initial mandate determination process.

The adoption of an RRM in either Ps&Gs or a PGA pursuant to Government Code sections 17557 or 17518.5 streamlines the claiming process and reduces or eliminates auditing issues on reimbursement claims filed with the State Controller's Office (SCO) and was proposed by the Legislative Analyst's Office (LAO) for that reason. However, the process of adopting an RRM pursuant to Government Code 17557 increases the workload of the Commission when adopting or amending Ps&Gs, by requiring the additional factual finding that the proposal reasonably reimburses all eligible claimants' actual costs mandated by the state as required by article XIII B, section 6 of the California Constitution. Analyzing such proposals requires significant staff time, in some instances more time than was required for the underlying test claim analysis. However, as of July 1, 2014, the Commission has adopted three, denied four, and dismissed four withdrawn RRM proposals submitted pursuant to 17557-most in the 2013-2014 fiscal year. Additionally, there are two pending PGAs which include proposed RRMs; one is set for hearing at the July 25, 2014 hearing and the other for the September 26 2014 hearing.

To date, only one joint RRM, and one extension of that joint RRM, under Government Code sections 17557.1 and 17557.2, has ever been approved. The joint RRM process allows the test claimant and the Department of Finance (Finance), with broad support from a wide range of local agencies and school districts, to jointly develop an RRM and Statewide Estimate of Costs¹⁴ for adoption by the Commission. The parties are required to notify the Commission of their intent to proceed under the joint RRM process within 30 days of the adoption of the decision on a test claim. This is a short period of time, considering that the Ps&Gs (which define the scope of the reimbursable activities) would not be adopted for at least 60 days after the adoption of the test claim.

¹³ *Horner v. Board of Trustees of Excelsior Union High School District of Los Angeles* (1964) 61 Cal.2d 79, 86.

¹⁴ Not to be confused with a statewide cost estimate (SCE).

B. Historic Reasons for the Backlog

The backlog exists for several reasons:

- 1984 – When the Commission was created, the statutes allowed the filing of test claims on statutes and regulations going back to 1975, with no statute of limitations.
- 2002 – AB 3000 imposed a three-year statute of limitations for the filing of test claims. It also provided a one-year grandfather clause to file test claims on statutes and executive orders going back to 1975, resulting in 51 new test claims filed in 2002-2003, and 23 test claims filed in 2003-2004.
- From fiscal year 2002-2003 to 2008-2009 the Commission’s position authority was reduced from 17 PYs to 10.5 PYs.¹⁵
- 2004 – AB 2856 imposed a new statute of limitations of one year from the effective date of a statute or executive order, or the date of first incurring costs.
- 2004-2006 – Through AB 2851, 2855, 138, and 1805 and SB 512 and 1895, the Legislature directed the Commission to reconsider 14 test claims. In 2009, the Third District Court of Appeal found the reconsideration statutes unconstitutional and directed the Commission to set several reconsideration decisions aside.
- *National Pollutant Discharge Elimination System (NPDES) Permit Claims.* Prior to 2010, Government Code section 17516(c) defined ‘executive orders’ to exclude any order, plan, or regulation issued by the State Water Resources Control Board or any regional water quality control board. Therefore, local governments were not authorized to file test claims on NPDES permits. Government Code section 17516(c) was ruled unconstitutional by the courts. As a result, local agencies have filed 17¹⁶ NPDES permit test claims. The Commission decided five of these claims, but litigation on those decisions is currently pending in the Third District Court of Appeal and the California Supreme Court. There are 12 remaining NPDES test claims, which are inactive pending the outcome of the litigation.

II. Commission Workload Considerations

A. Workload Completed in 2013-2014

In 2013-2014, 13 test claims, 8 Ps&Gs, 10 PGAs, 22 IRCs, 12 SCEs and two MRs were completed. This increased level of productivity over 2012-2013 can be attributed, in part, to the fact that in 2013-2014, the Commission gained two additional positions: an attorney III and a senior legal analyst, and an increase of five percent in staff hours for existing staff, because the personal leave program ended June 30, 2013. Additionally, staff implemented several efficiency measures including combining the final staff analysis and proposed statement of decision into a single document: the proposed decision, and e-filing, which, in addition to reducing the burden on the parties, makes documents available to the attorneys in an electronic format. Finally, there were fewer employees who were new to their positions in 2013-2014 (2 out of 13) than in 2012-2013 (4 out of 11) and it takes time to learn mandates law and the mandates process.

¹⁵ Beginning fiscal year 2013-2014 the Commission’s staff has increased by two PYs.

¹⁶ Two of these were filed in 2013-2014.

B. Position Authority

Like many state agencies, during the long-term budget crisis of 2001-2002 through 2012-2013, Commission staffing levels decreased significantly. This was a significant contributor to the Commission's backlog. In the 2001-2002 to 2003-2004 budget years, Commission staff was drastically reduced from a high of 17 positions to a low of 9.7 positions, as a result of the energy crisis and budget crisis that followed. Around the same time, in 2002, AB 3000 imposed a statute of limitation for filing a test claim and included a grandfather clause, allowing the filing of claims on statutes, regulations and executive orders dating back to 1975 until September 30, 2003. Thus, a great number of large and complex test claims were filed without sufficient staff to analyze them resulting in a significant backlog of claims. In 2006, the Legislature provided the Commission with three limited-term positions to eliminate the backlog. Since those positions were very difficult to fill, they were made permanent in 2007. However, as a result of budget cuts in 2008 and 2009, two positions were eliminated. Finally, for most of the time from 2008-2009 to 2012-2013, Commission staff, like most state employees, were subject to furlough and personal leave programs, which effectively reduced personnel hours by an additional five to fifteen percent throughout those years.¹⁷

According to the Bureau of State Audits (BSA): "despite the State's budget issues, cutting staff who determine state mandates has been shortsighted. Specifically, such actions over the last few years have contributed to delays related to stalled test claims that allow the buildup of millions of dollars of potential claims that the State is constitutionally required to reimburse."¹⁸

Based on these facts, the Commission submitted a budget change proposal for 2013-2014, which established in the 2013-2014 budget two new positions: an attorney III and a senior legal analyst. As of July 1, 2014, the Commission has 12.5 positions: one executive director (exempt), one chief legal counsel (CEA IV), one assistant executive director (SSM II), three attorney IIIs, one attorney I, one senior information systems analyst, one senior legal analyst, two and a half associate governmental program analysts, and one office technician. Table A. shows completed workload and position authority for the past 5 fiscal years.

Table A. includes matters heard by the Commission as well as matters withdrawn or dismissed prior to a hearing. While staff resources are committed to matters that are withdrawn or dismissed, the impact of the newly added staff is most clearly reflected in the number of items heard and decided by the Commission as this requires the highest commitment of staff resources.

In its justification for the budget change proposal, staff projected a 20% increase in productivity with the addition of the two new positions. In fiscal year 2012-2013, the Commission heard and decided 33.5 items. In fiscal year 2013-2014, the Commission heard and decided 47.5 items, exceeding the projection in the budget change proposal.

¹⁷ Bargaining Unit 2 was furloughed for three days per month for about five months longer than other employees. Attorneys perform the analyses of test claims, Ps&Gs, and IRCs. For the 2012-2013 fiscal year, all employees were subject to a one day per month paid leave program.

¹⁸ California State Auditor Report 2009-501, p. 22.

Table A. Commission Decision Making and Position Authority 2009-2010 to 2013-2014¹⁹

Matters Completed	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Test Claims	18 ²⁰	11	14 ²¹	11	13
Parameters and Guidelines	6	6	8	12	8
Statewide Cost Estimates	5	6	6	8	12
Parameters and Guidelines Amendments	56 ²²	2	8	3	10 ²³
Requests for Reconsideration	0	0	0	.5 ²⁴	.5
Requests to Review Claiming Instructions	0	0	1	0	0
Incorrect Reduction Claims	1	15	35 ²⁵	42 ²⁶	22 ²⁷
Mandate Redeterminations	NA	0	0	0	2
Positions	11.0	10.5 ²⁸	10.5 ²⁹	10.5 ³⁰	12.5

¹⁹ This table does not reflect work completed for litigation, regulations, and special projects.

²⁰ 16 decided, two withdrawn and dismissed.

²¹ 12 decided, two withdrawn and dismissed.

²² This figure includes boilerplate language amendments to approximately 50 Ps&Gs that were batched for Commission decision and three that were withdrawn or dismissed.

²³ Six decided, four dismissed.

²⁴ Requests for reconsideration require two hearings. The first hearing was held May 24, 2013 and the second was held in July 26, 2013.

²⁵ 11 decided, 24 withdrawn.

²⁶ Zero decided, 42 withdrawn.

²⁷ Four decided, 18 withdrawn.

²⁸ During most of the 2010-2011 fiscal year Commission staff were furloughed three days per month, resulting in an effective 15% reduction in staff hours for that year.

²⁹ For nearly five months of the 2011-2012 fiscal year, the assistant executive director served as interim executive director and the executive director position was vacant. In addition, one of the attorney III positions was vacant for nearly three months because it was vacated by the current executive director. All staff was furloughed or on the personal leave program for the fiscal year.

³⁰ As discussed above, three positions were filled with new staff and all staff received one day of personal leave per month for 2012-2013, resulting in a 5% reduction of staff hours.

C. Pending Caseload

The Commission's caseload consists of: test claims; Ps&Gs and PGAs, which may include a RRM pursuant to Government Code sections 17557 or 17557.1; SCEs; IRCs; MRs and, requests to review claiming instructions. Caseload may also consist of regulatory actions, litigation, inquiries from state agencies, and joint proposals for an RRM.

Table B. Pending Caseload as of July 1, 2014

Type of Action	Number Pending
Test Claims ³¹	17
Incorrect Reduction Claims ³²	74
Proposed Parameters and Guidelines ³³	1
Proposed Parameters and Guidelines Amendments ³⁴	4
Statewide Cost Estimates ³⁵	10
Requests for Mandate Redetermination ³⁶	2
New Test Claim Filings to be Reviewed	0
Litigation Matters Pending	7
Regulatory Actions	1
Responding to inquires from the LAO, BSA, and other state agencies	Ongoing ³⁷

Test Claims

The Commission's test claim caseload will no longer be backlogged as of the end of the 2014 calendar year. There are 17 test claims pending. Five of them are tentatively set for hearing in July and September 2014, and the remaining 12 are inactive pending outcome of litigation pending in the Third District Court of Appeal and the California Supreme Court. Test claims filed with the Commission are now analyzed as soon as the comment and rebuttal periods are complete and the record is closed and are tentatively set for hearing as soon as possible

³¹ All are filed by local agencies. See Exhibit A.

³² See Exhibit D.

³³ See Exhibit B.

³⁴ See Exhibit E.

³⁵ See Exhibit C.

³⁶ See Exhibit F.

³⁷ The Commission regularly responds to inquires from the LAO regarding mandates. Since the Commission has obtained additional staff, the BSA has removed the Commission from its annual report on "Recommendations Not Fully Implemented After One Year".

thereafter. Table C. shows the pending test claim filings by fiscal year and claimant type.

Table C. Pending Test Claims by Fiscal Year of Filing and Claimant Type

Filing Date by Fiscal Year	Pending School District Test Claims (K-14)	Pending Local Agency Test Claims	Total Pending Test Claims
2009-2010 ³⁸	0	2	2
2010-2011	0	9	9
2011-2012	0	2	2
2012-2013	0	2	2
2013-2014	0	2	2
Totals	0	17	17*

* 12 of the pending test claims are claims regarding National Pollutant Discharge Elimination System (NPDES) permits which have been placed on inactive status until pending litigation is complete.

Parameters and Guidelines

Currently, there is one pending Ps&Gs which is inactive pending court action. As noted above, Ps&Gs are a high priority for the Commission since an SCE cannot be adopted until after claims have been filed following adoption of the Ps&Gs and issuance of the State Controller's claiming instructions. Generally, the most common reasons for delay of these items include litigation relating to the test claim decision, disputes regarding the activities claimed to be reasonably necessary to comply with the mandate, pending agreements between the parties on a RRM, or pending requests by one of the parties to include an RRM in the Ps&Gs. Table D shows the pending Ps&Gs as of the end of each fiscal year. Commission staff, following the backlog reduction plan, has expedited Ps&Gs immediately upon an approved or partially approved test claim. Therefore, Ps&Gs can be heard as soon as the next Commission hearing thus preventing a backlog in Ps&Gs.

Table D. Pending Parameters and Guidelines by Fiscal Year of Filing and Claimant Type

Fiscal Year Test Claim Decision Was Adopted	Pending School District Ps&Gs (K-14)	Pending Local Agency Ps&Gs	Total Pending Ps&Gs
2007-2008	0	1	1 ³⁹
Totals	0	1	1

³⁸ All test claims filed prior to 2009-2010 have been decided; however, there are still outstanding SCEs pending for some of those test claims due to the deadlines by which initial claims are due.

³⁹ Pending Action of the Third District Court of Appeal - Discharge of Stormwater Runoff, 07-TC-09.

Statewide Cost Estimates

Existing law requires the Commission to adopt a SCE within 12 to 18 months of a test claim filing, when the Commission determines that a state mandate exists. Generally, the Commission's practice is to use actual reimbursement claims filed by the claimants to develop the SCE, because prior attempts to prepare SCEs using other data was so inaccurate that it provided no useful information. Though not perfect, using actual claims data does provide useful information which brings the estimate much closer to the actual costs than in past SCEs which did not rely on actual claims. The SCO develops claiming instructions within 90 days after the adoption of Ps&Gs. Claimants have 120 days from the release of the claiming instructions to file claims for the initial period of reimbursement. However, if reimbursement is based on a uniform cost, it may be possible to prepare the SCE before reimbursement claims have been filed since costs can be more accurately predicted using the formula. Commission staff typically sets SCEs for the first hearing after the claims data is received from the Controller which is typically 7 to 9 months after the adoption of Ps&Gs. Table E shows the current SCE caseload pending before the Commission.

Table E. Pending Statewide Cost Estimates by Fiscal Year and Claimant Type

Fiscal Year Parameters and Guidelines Adopted	Pending School District (K-14) SCEs	Pending Local Agency SCEs	Total Pending SCEs
2010-2011	0	1 ⁴⁰	1
2013-2014	2	7	9
Totals	2	8	10

Incorrect Reduction Claims (IRCs)

The IRC caseload is backlogged. There are currently 74 IRCs pending that allege a total of \$109,392,152 in incorrect reductions to mandate reimbursement claims. Table F. shows the pending IRC caseload by fiscal year that the claim was filed and claimant type.

Table F. Pending Incorrect Reduction Claims by Fiscal Year of Filing and Claimant Type

Filing Date by Fiscal Year	Pending School District Claims	Pending Local Agency Claims	Total Pending Claims by Fiscal Year
2002-2003	0	8	8
2004-2005	1	0	1
2005-2006	15	1	16
2006-2007	1	0	1
2007-2008	4	3	7
2008-2009	4	1	5
2009-2010	6	1	7
2010-2011	10	2	12

⁴⁰ Inactive pending action of the California Supreme Court – Municipal Storm Water and Urban Runoff Discharges, 03-TC-04, 03-TC-19, 03-TC-20, and 03-TC-21.

2011-2012	1	2	3
2012-2013	0	5	5
2013-2014	6	3	9
Totals	48	35	74

IRCs are filed with the Commission based on actions taken by the SCO. Unlike test claims, where one claimant represents all potential claimants statewide, individual claimants file IRCs with the Commission on individual reimbursement claims filed by the individual claimant.⁴¹ Though the Commission may combine IRCs on the same program and similar issues for purposes of analysis, oftentimes IRCs do not lend themselves to consolidation because issues unique to each claim must be addressed.

The process for resolving IRCs can be complex, and differs with each claim. For some claims, once the claimant files an IRC, an informal conference may be conducted where Commission staff mediates the issues in dispute between the claimant and the SCO. If the issues are resolved in the informal conference, the IRC is settled. When the issues cannot be resolved, attorneys prepare a detailed analysis of the legal and fiscal issues, the Commission approves or denies the IRC, and adopts a decision. Whether or not the issues are resolved at an informal conference, staff must spend time to prepare and review the record (including the records for the test claim decision, parameters and guidelines, and claiming instructions) review detailed reimbursement claims, and determine the legal and audit issues. This process can be lengthy, particularly in cases where numerous IRCs are filed on one program. There are currently 21 state-mandated programs with pending IRCs. Table G. shows the number of IRCs listed by program, claimant type and, total reduction amount per program.

Table G. Pending IRCs and Amount of Alleged Incorrect Reductions by Program

Program	Number of IRCs Pending	Reduction Amount
	Local Agency Claims	
<i>Absentee Ballots</i>	1	\$19,284
<i>Animal Adoption</i>	2	\$6,765,065
<i>Child Abduction and Recovery</i>	2	\$1,564,942
<i>Domestic Violence Treatment Services</i>	1	\$748,675
<i>Firefighters' Cancer Presumption</i>	1	\$516,132
<i>Handicapped and Disabled Students</i>	2	\$21,413,252
<i>Handicapped and Disabled Students II</i>	1	\$448,202
<i>Handicapped and Disabled Students and Seriously Emotionally Disturbed (SED) Pupils</i>	1	\$3,738,045
<i>Investment Reports</i>	8	\$216,637
<i>Peace Officers Bill of Rights</i>	2	\$29,968,698

⁴¹ California has 58 counties so county claims are limited to 58 potential IRCs per program, per year. However, mandates involving cities, school districts, and special districts create thousands of potential IRCs.

<i>Seriously Emotionally Disturbed Pupils (SEDS): Out-of-State Mental Health Services</i>	4	\$11,346,570
<i>Sexually Violent Predators</i>	1	\$203,363
Subtotal	26	\$76,948,865
	School District Claims	
<i>Emergency Procedures, Earthquake & Disasters</i>	2	\$1,941,572
<i>Notification of Truancy</i>	8	\$2,917,719
<i>Notification to Teachers: Pupils Subject to Suspension or Expulsion</i>	1	\$354,046
<i>School District of Choice: Transfer and Appeals</i>	1	\$25,081
Subtotal	12	\$5,238,418
	Community College District Claims	
<i>Collective Bargaining</i>	7	\$2,101,966
<i>Enrollment Fee Collection and Waivers</i>	1	\$3,766,932
<i>Health Fee Elimination</i>	25	\$19,218,286
<i>Integrated Waste Management</i>	2	\$2,107,681
<i>Mandate Reimbursement Process</i>	1	\$10,004
Subtotal	36	\$27,204,869
TOTAL	74	\$109,392,152

Parameters and Guidelines Amendments (PGAs)

Currently, there are four PGAs pending, including two that include a proposed RRM. As with IRCs, there is no statutory deadline for completing PGAs, but PGAs are generally prioritized over IRCs because, like test claims, they affect all eligible claimants as well as the state.

**Table H. Pending Parameters and Guidelines Amendments
by Fiscal Year of Filing and Claimant Type**

Fiscal Year Filed	K-14	Local Agency	State Controller	Department of Finance	Totals
2008-2009	1	0	0	0	1
2011-2012	0	1	1	1	3
Totals	1	1	1	1	4

III. Challenges to Reducing the Backlog

As of July 1, 2014, the Commission has 17 test claims and 74 IRCs pending.⁴² Additionally, the current caseload of the Commission includes the preparation of SCEs, Ps&Gs, PGAs, and (MRs), which are included in the plan to provide a fuller understanding of the Commission's caseload and priorities. The Commission faces a wide range of challenges and factors that may delay completion of the caseload, as discussed below.

A. Multiple Statutory Requirements

The Commission is charged by law with multiple responsibilities in addition to hearing test claims and IRCs. Government Code section 17500 et seq. also requires the Commission to adopt Ps&Gs, hear requests to amend Ps&Gs, prepare SCEs, hear requests to review the Controller's claiming instructions, hear mandate redetermination requests, and review county applications for a finding of severe financial distress. Each matter must proceed in accordance with the due process procedures outlined in the Government Code and the Commission's regulations, which allow for party and interested party participation.

In 2010, SB 856 was enacted which established a new mandate redetermination (MR) process to allow mandates to undergo revision when appropriate. So far, four MRs have been filed with the Commission.

While the Commission has not received a county application for a finding of significant financial distress since 2005, state law is clear that when these applications are filed, the county is entitled to a final decision by the Commission within 90 days. If the Commission receives an application, substantial staff resources will need to be shifted to conduct the required investigation, hearing, and determination.

Parties are authorized to request an extension of time for filing comments and postponement of items set for hearing. Under specified conditions, when good cause is shown, the executive director is required by statute to grant the request. The Commission frequently receives requests for extensions and postponements that result in items on the agenda being postponed.

The Commission also periodically amends its regulations. In 2011, Commission staff prepared two regulatory packages. In 2013-2014, staff prepared a major clean up and streamlining regulation package to clarify the mandates process.

B. Litigation

The Commission is involved in seven significant litigation matters.

Commission staff is involved in two litigation matters that address NPDES permits issued by the Regional Water Quality Control Boards under the Porter-Cologne Act with complaints and cross-complaints filed by the state and the local agencies subject to the permits. These cases present many issues of first impression relating to whether a state-mandated program exists and whether local agencies can collect fees for the services provided. While Commission staff is not briefing these matters, staff has filed responses and is actively monitoring the cases and answering questions from the court and the parties. These cases are currently pending in the Third District Court of Appeal and the California Supreme Court.

⁴² These numbers include new filings received in the 2013-2014 fiscal year.

In addition, another five matters have been filed, which have required, and will continue to require the commitment of substantial staff time. These cases include the following:

- *California School Board Association (CSBA) v. State of California et al.*, Alameda County Superior Court, Case No. RG11554698 (Regarding 2010-2011 Budget Trailer Bills, Mandates Process for K-12 Schools, and the Redetermination Process.)
- *Commission on State Mandates, et al.*, San Diego County Superior Court, Case No. 37-2014-00005050-CU-WM-CTL (Regarding Mandate Redetermination, Sexually Violent Predators, As modified by Proposition 83, General Election, November 7, 2006.)
- *Santa Clarita Valley Sanitation District v. Commission on State Mandates, California Regional Water Quality Control Board, Department of Finance*, Los Angeles County Superior Court, Case No. BS148024 (Regarding Test Claim Decision for Upper Santa Clara River Chloride Requirements, 10-TC-09, Los Angeles Regional Water Quality Control Board Resolution No. R4-2008-012, adopted December 11, 2008; approved by United States Environmental Protection Agency April 6, 2010.)
- *County of Los Angeles v. Commission on State Mandates, Department of Finance*, Los Angeles County Superior Court, Case No. BS148845, (Regarding Test Claim Decision for Public Guardianship Omnibus Conservatorship Reform, 07-TC-05(Specified Probate Code Sections as added or amended by Statutes 2006; Chapter 490 (SB 1116), Statutes 2006, Chapter 492 (SB 1716), and Statutes 2006, Chapter 493 (AB 1363).)
- *Coast Community College District, et al. v. Commission on State Mandates, et al.*, Sacramento County Superior Court, Case No. 34-2014-80001842 (Regarding Test Claim Decision for Minimum Conditions for State Aid, 02-TC-25/02-TC-31(Specified Education Code Sections as added or amended by Statutes 1975, Chapter 802; Statutes 1976, Chapters 275, 783, 1010, and 1176; Statutes 1977, Chapters 36 and 967; Statutes 1979, Chapters 797 and 977; Statutes 1980, Chapter 910; Statutes 1981, Chapters 470 and 891; Statutes 1982, Chapters 1117 and 1329; Statutes 1983, Chapters 143 and 537; Statutes 1984, Chapter 1371; Statutes 1986, Chapter 1467; Statutes 1988, Chapters 973 and 1514; Statutes 1990, Chapters 1372 and 1667; Statutes 1991, Chapters 1038, 1188, and 1198; Statutes 1995, Chapters 493 and 758; Statutes 1998, Chapter 365, 914, and 1023; Statutes 1999, Chapter 587; Statutes 2000, Chapter 187; and Statutes 2002, Chapter 1169; specified California Code of Regulations, Title 5, Sections, Handbook of Accreditation and Policy Manual, Accrediting Commission for Community and Junior Colleges (Summer 2002); “Program and Course Approval Handbook” Chancellor’s Office California Community Colleges (September 2001).)

C. Number and Complexity of Filings

As previously noted, the most labor-intensive activity for Commission staff is preparing proposed decisions for test claims, Ps&Gs, MRs and IRCs.

1. Test Claims

Prior to 2002, test claim filings averaged approximately 24 per year. As discussed above, in 2002 AB 3000 imposed a three-year statute of limitations for filing a test claim,⁴³ and provided a

⁴³ Note that the definition of executive order includes regulations.

one-year grandfather clause (to September 30, 2003) to file test claims on statutes and executive orders going back to 1975, resulting in 51 new test claims filed in fiscal year 2002-03 and 23 test claims filed in 2003-2004. However, test claim filings have since decreased. This may be because of the short statute of limitations (now twelve months from the effective date of the statute or executive order or from first incurring costs), or it may be, as some local governments and local government associations have stated in comments on matters and in litigation filings, attributable to frustration at the time and effort required to process a test claim, or because the Legislature rarely enacts or funds mandates anymore, due to budgetary constraints. It may also be that over the course of the last several years, local governments have not had the resources to monitor legislation and prepare claims, due to the economic crisis and resultant budget cuts.

Nonetheless, the 12 pending NPDES permit claims and the five claims currently pending in the Third District Court of Appeal and the California Supreme Court may significantly impact workload. The time that these claims will require to analyze, hear and decide will depend on the courts' interpretation of the state-mandate issue and its direction to the Commission on any remand of the pending claims being litigated. In the case pending in the Third District Court of Appeal, the trial court found that the Commission needs to make a factual determination of whether the permit requirements exceed the federal maximum extent practicable (MEP) standard, applying an eight part test. If the trial court's ruling is upheld, the factual determinations will require the analysis of substantial evidence in the record (including a review of all of the facts relied upon by the regional board) in accordance with Government Code section 17559, and will have significant implications for Commission workload. Commission staff expects that such an analysis of the 17 NPDES claims would take approximately one full year, of nearly all Commission staff time dedicated to completion of these items.

Finally, test claims are often thought to be filed on one individual statute or code section. This is not correct. Test claims can be filed on numerous statutes (each containing numerous code sections), regulations, and executive orders. For example, the 51 test claims filed in 2002 allege that nearly 500 statutes, and 400 regulatory sections and executive orders are mandated programs. By law, each statute, code section, regulation, and executive order pled requires a finding by the Commission. Moreover, even when a test claim is only on one statute, that statute may raise complex issues of law or an issue of first impression and so may require substantial staff time despite its apparently small size. As a result, the time it may take to hear and decide any particular test claim is variable.

2. Reasonable Reimbursement Methodologies and Parameters and Guidelines

A request to include a reasonable reimbursement methodology (RRM) in parameters and guidelines (Ps&Gs) is a request made by a local entity claimant, Finance, the Controller, or an affected state agency, pursuant to Government Code section 17557 and 17518.5. Under this proceeding, the Commission is required to make additional factual determinations, based on substantial evidence in the record, that the proposed formula or unit cost reasonably represents the costs mandated by the state for all eligible claimants in the state. The proposed RRM must be based on cost information from a representative sample of eligible claimants, information provided by associations of local agencies and school districts, or other projections of local costs; and shall consider the variation in costs among local agencies and school districts to implement the mandate in a cost-efficient manner. If these findings are made and an RRM is adopted by the Commission in the Ps&Gs, then the claiming is based on the adopted formula or unit cost, in lieu of requiring detailed documentation of actual costs incurred.

The adoption of an RRM pursuant to Government Code sections 17557 or 17518.1 streamlines the claiming process and reduces or eliminates auditing issues on reimbursement claims filed with the Controller and was proposed by the LAO for that reason. However, the process increases the responsibility of the Commission when adopting or amending Ps&Gs, by requiring the additional factual finding that the proposal reasonably represents the mandated costs incurred by all eligible claimants in the state pursuant to article XIII B, section 6 of the California Constitution. Analyzing such proposals requires significant staff time, in some instances longer than the time required for a test claim analysis. There are currently two proposed RRMs in PGAs pending before the Commission.

3. Incorrect Reduction Claims

Unlike test claims, where one claimant represents all potential claimants statewide in a manner analogous to a class action lawsuit, individual claimants file IRCs with the Commission and seek redress for reductions that apply only to that one claimant.⁴⁴ The process for resolving IRCs can be complex and differs with each claim. Most IRCs involve issues of law and fact. Thus, analysis of each IRC requires legal and fiscal consideration, as well as a technical review of the Controller's audit. For some claims, once the claimant files an IRC, an informal conference is conducted where Commission staff mediates the issues in dispute between the claimant and the Controller. If the issues are resolved in the informal conference, the IRC may be settled.

When the issues cannot be resolved, Commission staff prepares a detailed analysis of the legal and audit issues in the proposed decision. The Commission approves or denies the IRC, and adopts a decision. Whether or not the issues are resolved at the informal conference, Commission staff must spend time to prepare and review the record (including the original test claim record, Ps&Gs, and claiming instructions), review detailed reimbursement claims, and determine the legal and fiscal issues. This process can be lengthy, particularly in cases where numerous IRCs are filed on one program.

As stated above, there are 74 IRCs pending as of July 1, 2014. However, since the beginning of the 2011-2012 fiscal year, the Controller has issued over 250 audit reports on 25 mandated programs.⁴⁵ Commission staff has been informed by claimant representatives that, in response to recent SCO audits, numerous IRCs will likely be filed in the near future.

D. Number and Level of Positions

As discussed above, the Commission's position authority was reduced nearly half between 2002 and 2009 and the reductions were compounded by the furlough and personal leave programs that followed. The continual decrease in staff and staff hours is one of the primary factors that caused or exacerbated the backlog. The number of matters completed is based on the number of positions and staff hours and on the classification and level of those positions. However, with the two new positions beginning and the personal leave program ending in July 2013, the Commission is now in a better position to expeditiously resolve the backlogged matters and

⁴⁴ California has 58 counties, so county claims are limited to 58 potential IRCs per test claim. Mandates involving cities or school districts, however, create the potential for over 1,600 IRCs per test claim.

⁴⁵ The statute of limitations to file an IRC is three years (2 CCR 1185.1).

newly filed matters. A reduction in staff would likely result in a permanent reduction in productivity. Additionally, staff turnover would result in a temporary reduction in productivity.

E. Delays Caused by Litigation and Requests for Extensions or Postponements

Commission decisions on test claims are sometimes delayed because of request for extensions and postponements or because they are litigated. When that occurs, Commission proceedings on Ps&Gs and SCEs are delayed, sometimes for several years. An extreme example of this was in *Behavioral Intervention Plans* (BIPs), CSM 4464, where there were 27 extension requests granted while the Ps&Gs were pending, followed by seven years of litigation resulting in a nearly 13-year delay in the adoption of Ps&Gs. Though this matter was an outlier, other claims are also delayed because of extensions, postponements and litigation.

Hearing postponements, by definition, delay the completion of pending matters. Currently, there is no limit to the number of extensions and postponements that may be requested by the parties. For some claims, more than 10 requests for 60 day extensions and postponements have been requested and granted. For every six requests granted, a year or more is added to the time to complete the claim. Under specified conditions, when good cause is shown, the executive director is required by statute to grant the request. The Commission frequently receives requests for extensions and postponements that result in items on the proposed agenda being postponed. The handling of these requests and revision and reissuance of the agenda also takes staff time away from the processing of other pending matters.

Additionally, handling litigation on one matter draws staff time away from other pending matters.

F. Other Pending Work Contributes to the Test Claim Backlog

Litigation, Ps&Gs and PGAs that include complex RRM requests pursuant to 17557, IRCs, and past requests to reconsider existing test claims, have all contributed to the delay in eliminating the test claim backlog in the past. In particular, the RRM process was not considered when the statutory 12 to 18 month timeline for completing the test claim process through the adoption of the SCE was established. RRMs require significant additional staff time for the Ps&Gs and PGAs adoption process. Additionally, mandate redetermination requests have been and will likely continue to be filed and they require a two-hearing process which requires practically double the necessary staff work required to complete a test claim.

G. Unique Issues Related to the IRC Backlog

The filing of an IRC is an appeal of a SCO decision. The same factors that contributed to the test claim backlog also contribute to the IRC backlog, including the number and complexity of the filings, number, classification and level of positions, and other pending matters. Additionally, unlike for test claims, Ps&Gs and SCEs, there is no statutory deadline for completing IRCs. Therefore, IRCs have lower priority when setting matters for hearing, though the Commission makes every effort to hear all matters filed within a reasonable time.

H. Number of Commission Meetings

The Commission is required by statute to conduct at least six public meetings per year, and tentatively schedules two additional meetings each year. Preparation for each Commission meeting consumes a significant amount of staff time, regardless of the number of items set for hearing. Though it may seem counterintuitive, the more meetings the Commission holds, the

fewer items it can complete for hearing. This is attributable to timing of the release of drafts for public comment, the requirement to provide service and public notice on all matters, and the time required to prepare hearing materials for Commission members and the public.

IV. Backlog Reduction Strategy

The Commission has had a long-standing practice of prioritizing test claims, Ps&Gs and SCEs because of the statutory deadline attached to those matters and otherwise generally hears matters in the order filed with the Commission. This first-in-time approach is a core policy that has served the Commission well. Over the years, however, the Commission has made exceptions to this policy in certain circumstances. For example, when a court has ruled on a matter before the Commission, the Commission has consistently responded by moving that matter ahead in the queue, whether or not the courts have ordered the Commission to do so.

Commission staff has also taken matters out of order for staff development purposes and has also, on occasion, assigned less-complicated matters out of order to a staff person who has just completed a particularly difficult assignment. This increases the opportunities for staff to gain experience in a wide variety of legal matters and prevents staff burnout.

The Commission remains committed to continuing to eliminate the backlog by adhering to the first-in-time policy, unless circumstances justify an exception. The following are strategies the Commission is employing to more efficiently decide matters, with a goal of eliminating the backlog as soon as possible: (1) claim consolidation; (2) common issues; (3) simple test claims and single-issue IRCs; (4) stakeholder requests; and (5) joint RRM.

A. Claim Consolidation

Pursuant to California Code of Regulations, title 2, section 1183.5, the executive director may, subject to appeal, “consolidate part or all of any test claim with another test claim or sever a test claim, if necessary to ensure the complete, fair, or timely consideration of any test claim.” Similarly, Government Code section 17558.8 and section 1185.3 of the Commission’s regulations allow the executive director to consolidate IRCs. To date, the Commission has consolidated numerous test claims. However, consolidation has been used sparingly for IRCs because it only works if the issues of law and fact are the same, the claimants filed their reimbursement claims in the same manner and for the same costs, and the SCO auditors were consistent in making claim reductions based on similar documentation. Commission staff has reviewed all currently pending IRCs and has determined that almost all of them are not suitable for consolidation and will require individual analyses. For future IRCs though, it may be appropriate to consolidate claims filed by different claimants so that one decision may be adopted by the Commission to resolve multiple claims.

In addition, if the Commission decides an issue in one matter that is contested in other matters, the time required to complete those other matters may be reduced. The short hand for this concept is “same issue” or “cross cutting issues.” For example, in 2010, the Commission adopted decisions on the County of Los Angeles and the City of Tustin *Investment Reports* IRCs. In doing so, the Commission resolved certain crosscutting issues common to nearly all of these IRCs. At that time, there were 72 pending IRCs on this program. As of July 1, 2014, only 8 IRCs remain pending on this program. It appears that most of the remaining *Investment Reports* IRCs may be resolved informally through negotiations with claimants and SCO staff, though the largest obstacle at this time, for all but one of the claims, is locating a responsive claimant

representative with knowledge of these claims. Commission staff has been working with SCO staff to locate representatives of the claimants who have filed these IRCs. In fiscal year 2012-2013, thirty-eight *Investment Reports* IRCs were settled and withdrawn and in fiscal year 2013-2014, eleven were settled and withdrawn.

B. Requests to Expedite

Commission staff occasionally receives requests from a party to expedite certain matters. Naturally, all parties would like their claims decided as quickly as possible. Though generally such requests are disfavored in the interest of fairness to other parties who have been waiting for a longer time to have their matters heard, on occasion certain matters may be expedited, particularly where consolidation with an earlier filed claim is appropriate or where the request has broad support or because of the importance of the speedy resolution of a particular matter to both state and local agencies.

C. Joint Reasonable Reimbursement Methodologies (Joint RRM)s

A joint RRM and statewide estimate of cost (SEC, not to be confused with an SCE) is based on a settlement agreement between Finance and the local governments pursuant to Government Code section 17557.1 and 17557.2. The RRM and SEC remain in effect for five years, unless another term is provided in the agreement or the agreement is jointly terminated by the parties. The Commission can approve a joint RRM and proposed SEC simply with a showing that an agreement between Finance and a local entity has been reached, and that the joint methodology is broadly supported by a wide range of local agencies or school districts. If more joint RRM and SECs are negotiated by the parties, as was recommended in the 2009 BSA Report and by others, the agreements may result in less work required of Commission staff and would likely reduce auditing issues on reimbursement claims since the claim does not need to be supported with documentation of actual costs incurred. To date, the Commission has adopted only one joint RRM and SEC, which took approximately three years for the parties to negotiate. The joint RRM and SEC were in effect for three fiscal years before the program was suspended by the Legislature. That joint RRM was recently jointly extended through 2015. Currently, there are no pending joint RRM.

V. Plan of Action

Despite the uncertainty caused by the many factors discussed in this report, only some of which are within the Commission's control, Commission staff believes that the following updated plan to reduce the backlog can be achieved.

A. With the Exception of the NPDES Permit Claims, Complete All Test Claims Filed Through 2013-2014 in 2014-2015

With the exception of the NPDES Permit claims, which are pending outcome of litigation, Commission staff plans to present the remaining test claims to the Commission for hearing and decision by the end of the 2014 calendar year. Focusing on the test claims first will bring the Commission closer to meeting the statutory deadline for adopting SCEs. As soon as possible after these test claims are resolved, the Commission will adopt Ps&Gs and SCEs for those claims that are approved. It takes approximately two to four months after adoption of the test claim to adopt expedited Ps&Gs (assuming no extensions or postponements) and approximately another seven to nine months to adopt the SCE. Staff has dramatically sped up the Ps&Gs process by

encouraging claimants to make use of the Commission's expedited Ps&Gs, which reduces by more than half, the time needed to adopt Ps&Gs.

B. Complete all Currently Pending PGAs and MRs by January 24, 2015

As mentioned earlier in this report, the Commission generally prioritizes PGAs and MRs over IRCs because they affect a large number of agencies. Therefore, all PGAs and MRs currently pending are tentatively set for hearing no later than January 24, 2015.

C. Support the Continued Informal Resolution of IRCs and Hear and Decide all Currently Pending IRCs Which are Not Settled by June 30, 2016 or June 30, 2017

The BSA 2009 Report shed light on the negative impacts both to the state and local governments posed by delays in deciding IRCs. From 2011 to present, Commission staff has redoubled its efforts to complete staff analyses for IRCs and to work with the parties to resolve IRCs. Commission staff will continue to work with the Controller and claimants to resolve these IRCs and currently has all pending IRCs tentatively scheduled for hearing by the end of 2015-2016. However, whether the IRCs will actually be heard by May 2016 depends on a variety of factors, discussed below, especially the litigation pending in the California Supreme Court and whether new test claims, PGAs or MRs are filed in the interim.

Commission staff is continuing to work to complete the pending IRCs by encouraging the informal resolution of these claims, in addition to analyzing them for hearing and decision. Though this process may take significantly longer than anticipated in the Commission's prior backlog reduction plans, positive strides toward resolving these claims are being made. Specifically, staff has been focusing on the completion of IRCs with cross cutting issues and is actively encouraging and facilitating meetings between the claimants and the SCO to resolve the remaining claims. The Commission decided one IRC in 2009-2010, one IRC in 2010-2011, and eleven in 2011-2012. An additional 24 IRCs were informally resolved and withdrawn in 2011-2012 totaling 35 IRCs completed in that fiscal year. In 2012-2013, 42 IRCs were withdrawn as a result of this strategic approach. Following the 2011 Commission decision on the single *Health Fee Elimination* IRC, Commission staff met with SCO staff and the claimants' representative to discuss how to proceed with the remaining *Health Fee Elimination* IRCs. Staff consolidated an additional two of these IRCs and they were heard and decided on January 31, 2014. These two particular *Health Fee Elimination* IRCs contained issues that were included in many of the remaining *Health Fee Elimination* IRCs. Completion of these two claims has spurred resolution of many of the *Health Fee Elimination* IRCs, and could result in speedier resolution of the remaining *Health Fee Elimination* IRCs. In 2013-2014 four IRCs were heard and decided and 18 were resolved informally as a result of these and former decisions with crosscutting issues.

Similarly, Commission decisions on some single-issue IRCs may clarify the Commission's interpretation of certain issues of law so that claimants can evaluate and consider the merits of potential future claims prior to filing and the SCO can consider that interpretation when conducting future audits or settlement negotiations. Therefore, staff may strategically select some of these IRCs for hearing in the near future where the issue is likely to recur. All pending IRCs are tentatively set for hearing through the end of 2015-2016. However, as new test claims, PGAs or MRs are filed, those matters will be prioritized, potentially pushing the hearing on tentatively set IRCs to later dates.

The Commission has many options for addressing IRCs. For example, it may be appropriate to consolidate IRCs filed by different claimants so that one analysis and statement of decision are adopted by the Commission as discussed earlier under IV. Backlog Reduction Strategy. However, this only works if the issues are the same, and the Controller's auditors were consistent in making claim reductions, based on similar documentation. It is possible that once the Commission determines one IRC, other claims on the same program will be settled and withdrawn based on that decision. But, it may also be necessary for the Commission to adopt individual decisions on IRCs filed on the same program because documentation and the way reimbursement claims were filed may differ. Most IRCs involve issues of law and fact. Thus, the analysis of each IRC requires legal, analytical, and audit review.

VI. Conclusion

Over the years, a significant backlog of test claims and IRCs has accumulated in the Commissions pending caseload. This plan represents Commission staff's approach to reducing and ultimately eliminating that backlog as quickly as possible. It is important to note, however, that this ambitious plan is only an *estimate* of what can be completed in the coming years based on what staff knows as of July 1, 2014. Many factors beyond the control of Commission staff could increase the time it takes to eliminate the backlog.

Exhibits – Pending Workload

A. Test Claims as of July 1, 2014

	Test Claim #	Filed	Claimant	Name of Claim	Tentative Hearing Date
1.	09-TC-02	6/30/10	County of Los Angeles	<i>Sheriff Court-Security Services</i> Government Code Section 69926 as amended by Statutes 2009, Chapter 22 (SB 13) and as added by Statutes 2002, Chapter 1010 (SB 1396); and Government Code Sections 69927(a)(6) as amended and renumbered by Statutes 2009, Chapter 22 (SB 13) and as added as 69927(a)(5) by Statutes 2002, Chapter 1010 (SB 1396); and Government Code Sections 69927(b) as amended by Statutes 2009, Chapter 22 (SB 13) and as added by Statutes 2002, Chapter 1010 (SB 1396); and Government Code Sections 69920, 69921, 69921.5, 69922, and 69925 added by Statutes 2002, Chapter 1010 (SB 1396); and, Government Code Section 77212.5 as added by Statutes 1998, Chapter 764 (AB 92) and repealed but replaced and modified by Statutes 2002, Chapter 1010 (SB 1396) under Government Code Section 69926; and Rule 10.810 of the California Rules of Court Sections (a), (b), (c), (d) and Function 8 (Court Security). Rule 10.810 amended and renumbered effective January 1, 2007; adopted as Rule 810 effective July 1, 1988; previously amended effective July 1, 1989, July 1, 1990, July 1, 1991, and July 1, 1995. Subdivision (d) amended effective January 1, 2007 and previously amended and relettered effective July 1, 1995. Rule 10.810 identical to former Rule 810, except for the rule number. All references in statutes or rules to Rule 810 apply to this Rule.	9/26/2014

	Test Claim #	Filed	Claimant	Name of Claim	Tentative Hearing Date
2.	09-TC-03	6/30/10	County of Orange, Orange County Flood Control District, & Cities of Anaheim, Brea, Buena park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Huntington Beach, Irvine, Lake Forest, Newport Beach, Placentia, Seal Beach, Villa Park	<i>Santa Ana Regional Water Permit – Orange County</i> California Regional Water Quality Control Board, Santa Ana Region, Order No. R8-2009-0030	Inactive pending outcome of litigation
3.	10-TC-01	10/11/10	City of Brisbane	<i>Municipal Regional Stormwater Permit – San Mateo County</i> Municipal Regional Stormwater Permit Number CAS612008, issued by the Regional Water Quality Control Board, San Francisco Region as Order No. R2-2009-0074, October 14, 2009	Inactive pending outcome of litigation
4.	10-TC-02	10/13/10	City of Alameda	<i>Municipal Regional Stormwater Permit – Alameda County</i> Municipal Regional Stormwater Permit Number CAS612008, issued by the Regional Water Quality Control Board, San Francisco Region as Order No. R2-2009-0074, October 14, 2009	Inactive pending outcome of litigation
5.	10-TC-03	10/14/10	County of Santa Clara	<i>Municipal Regional Stormwater Permit – Santa Clara County</i> Municipal Regional Stormwater Permit Number CAS612008, issued by the Regional Water Quality Control Board, San Francisco Region as Order No. R2-2009-0074, October 14, 2009	Inactive pending outcome of litigation

	Test Claim #	Filed	Claimant	Name of Claim	Tentative Hearing Date
6.	10-TC-05	11/30/10	City of San Jose	<i>Municipal Regional Stormwater Permit – Municipal Operations (C.2)- City of San Jose</i> Municipal Regional Stormwater Permit Number CAS612008, issued by the Regional Water Quality Control Board, San Francisco Region as Order No. R2-2009-0074, October 14, 2009	Inactive pending outcome of litigation
7.	10-TC-07	1/31/11	Riverside County Flood Control & Water Conservation District, the County of Riverside, and the Cities of Beaumont, Corona, Hemet, Lake Elsinore, Moreno Valley, Perris and San Jacinto	<i>Santa Ana Regional Water Permit – Riverside County</i> California Regional Water Quality Control Board, Santa Ana Region, Order No. R8-2010-0033, effective January 29, 2010	Inactive Status Per Claimant Request
8.	10-TC-08	3/28/11	County of Santa Barbara	<i>Post Election Manual Tally (PEMT)</i> Office of Administrative Law File No. 2008-2009-002E, effective October 20, 2008; California Code of Regulations, Title 2, Division 7, Chapter 3, Post Election Manual Tallies Sections 20120, 20121, 20122, 20123, 20124, 20125, 20126 and 20127	7/25/2014

	Test Claim #	Filed	Claimant	Name of Claim	Tentative Hearing Date
9.	10-TC-10	6/30/11	San Bernardino County Flood Control District, County of San Bernardino, Cities of Big Bear Lake, Chino, Chino Hills, Colton, Fontana, Highland, Montclair, Ontario and Rancho Cucamonga	<i>Santa Ana Region Water Permit – San Bernardino County</i> California Regional Water Quality Control Board, Santa Ana Region, Order No. R8-2010-0036, effective January 29, 2010	Inactive Status Per Claimant Request
10.	10-TC-11	6/30/11	County of Orange, Orange County Flood Control District, Cities of Dana Point, Laguna Hills, Laguna Niguel, Lake Forest, Mission Viejo and San Juan Capistrano	<i>San Diego Region Water Permit – Orange County</i> California Regional Water Quality Control Board, Santa Diego Region, Order No. R9-2009-0002, adopted December 16, 2009	Inactive pending outcome of litigation

	Test Claim #	Filed	Claimant	Name of Claim	Tentative Hearing Date
11.	10-TC-12 (Consolidated with 12-TC-01)	6/30/11	South Feather Water & Power Agency, Paradise Irrigation District, Richvale Irrigation District, and Biggs-West Gridley Water District	Water Conservation <i>Water Conservation Act of 2009</i>, 10-TC-12 Water Conservation Act of 2009, S.B. x7-7, (Amend and repeal Section 10631.5 of, to add Part 2.55 [commencing with section 10608] to Division 6 of, and to repeal and add Part 2.8 [commencing with section 10800] of division 6 of the Water Code). Consolidated with <i>Agricultural Water Measurement</i>, 12-TC-01 California Code of Regulations, Title 23, Division 2, Chapter 5.1, Article 2, commencing with Section 597; Register 2012, No. 28.	9/26/2014
12.	11-TC-01	8/26/11	County of Ventura and Ventura County Watershed Protection District	Los Angeles Region Water Permit – Ventura County California Regional Water Quality Control Board, Los Angeles Region, Order No. R4-2010-0108, NPDES Permit No. CAS00-4002, Adopted July 8, 2010	Inactive Status Per Claimant Request
13.	11-TC-03	11/10/11	County of Riverside, Riverside County Flood Control & Water Conservation District and the Cities of Murrieta, Temecula and Wildomar	San Diego Region Water Permit – Riverside County California Regional Water Quality Control Board, San Diego Region, Order No. R9-2010-0016, NPDES No. CAS 0108766, Adopted November 10, 2010	Inactive Status Per Claimant Request

	Test Claim #	Filed	Claimant	Name of Claim	Tentative Hearing Date
14.	12-TC-01 (Consolidated with 10-TC-12)	2/28/13	South Feather Water & Power Agency, Paradise Irrigation District, Glenn-Colusa Irrigation District, and Oakdale Irrigation District	<i>Water Conservation</i> <i>Agricultural Water Measurement</i> , 12-TC-01 California Code of Regulations, Title 23, Division 2, Chapter 5.1, Article 2, commencing with Section 597; Register 2012, No. 28. Consolidated with <i>Water Conservation Act of 2009</i> , 10-TC-12 Water Conservation Act of 2009, S.B. x7-7, (Amend and repeal Section 10631.5 of, to add Part 2.55 [commencing with section 10608] to Division 6 of, and to repeal and add Part 2.8 [commencing with section 10800] of division 6 of the Water Code)	9/26/2014
15.	12-TC-02	6/11/13	County of Sacramento	<i>Top Two Candidates Open Primary Act</i> Statutes 2009, Chapter 2 (SCA 4); Statutes 2009, Chapter 1 (SB 6); Statutes 2012, Chapter 3 (AB 1413) Secretary of State's CC/ROV Memorandums #11005, #11125, #11126, and #12059	9/26/2014

	Test Claim #	Filed	Claimant	Name of Claim	Tentative Hearing Date
16.	13-TC-01	6/30/14	Cities of Agoura Hills, Bellflower, Beverly Hills, Carson, Cerritos, Commerce, Covina, Downey, Huntington Park, Lakewood, Manhattan Beach, Norwalk, Pico Rivera, Rancho Palos Verdes, Redondo Beach, San Marino, Santa Clarita, Santa Fe Springs, Signal Hill, South El Monte, Vernon, Westlake Village, and Whittier	<i>Los Angeles Region Water Permit – Cities of Los Angeles</i> California Regional Water Quality Control Board Los Angeles Region, Order No. R4-2012-0175	Not Set
17.	13-TC-02	6/30/14	County of Los Angeles and Los Angeles County Flood Control District	<i>Los Angeles Region Water Permit – County of Los Angeles</i> California Regional Water Quality Control Board Los Angeles Region, Order No. R4-2012-0175	Not Set

B. Parameters and Guidelines as of July 1, 2014

	File Number	Original Filing Date	Date SOD Adopted	Ps&Gs Record Close Date⁴⁶	Claimant	Name of Test Claim	Tentative Hearing Date
1.	07-TC-09	6/30/08	3/26/10	11/16/10	County of San Diego	<i>Discharge of Stormwater Runoff</i> California Regional Water Quality Control Board, San Diego Region, Order No. R9-2007-001, (NPDES No. CAS0108758); Waste Discharge Requirements for Discharges of Urban Runoff From the Municipal Separate Storm Sewer Systems (MS4s) Draining the Watersheds of the County of San Diego, the Incorporated Cities of San Diego County, the San Diego Unified Port District, and the San Diego County Regional Airport Authority, adopted on January 24, 2007	Inactive pending court action

⁴⁶ This is the date that all comments have been submitted or parties have indicated they will not file comments, and the Ps&Gs are ready for staff analysis.

C. Statewide Cost Estimates as of July 1, 2014

	File Number	Original Filing Date	Date SOD Adopted	Date Ps&Gs Adopted	Date Claims Due from SCO ⁴⁷	Claimant	Name of Test Claim	Tentative Hearing Date
1.	CSM-4509 (12-MR-01)	5/29/96	12/6/13	5/30/14	1/15/15	Department of Finance	<i>Sexually Violent Predators</i> Welfare and Institutions Code Sections 6250 and 6600 through 6608; Statutes 1995, Chapter 762, Statutes 1995, Chapter 763, Statutes 1996, Chapter 4	3/27/2015
2.	00-TC-22	6/29/01	12/6/07	12/6/13	7/31/14	County of Los Angeles	<i>Interagency Child Abuse and Neglect (ICAN) Investigation Reports</i> Pen. Code §§ 11165.9, 11166, 11166.2, 11166.9, 11168 (formerly 11161.7), 11169, 11170, Stats. 1977, ch. 958, Stats. 1980, ch. 1071, Stats. 1981, ch. 435, Stats. 1982, ch.s162 and 905, Stats. 1984, ch. 1423 and 1613, Stats. 1985, ch. 1598, Stats. 1986, ch. 1289 and 1496, Stats. 1987, ch. 82, 531 and 1459, Stats. 1988, ch. 269, 1497 and 1580, Stats. 1989, ch. 153, Stats. 1990, ch. 650, 1330, 1363 and 1603, Stats. 1992, ch. 163, 459 and 1338, Stats. 1993, ch. 219 and 510, Stats. 1996, ch. 1080 and 1081, Stats. 1997, ch. 842, 843 and 844, Stats. 1999, ch. 475 and 1012, and Stats. 2000, ch. 916; and executive orders California Code of Regulations, title 11, section 903, and “Child Abuse Investigation Report” Form SS 8583	9/26/2014

⁴⁷ Estimated date based on the issuance or prospective issuance of SCO claiming instructions.

	File Number	Original Filing Date	Date SOD Adopted	Date Ps&Gs Adopted	Date Claims Due from SCO⁴⁷	Claimant	Name of Test Claim	Tentative Hearing Date
3.	03-TC-04, 03-TC-19, 03-TC-20, 03-TC-21	9/5/03, Refiled 10/18/07	7/31/09	3/24/11	9/28/11	County of Los Angeles, Cities of Artesia, Beverly Hills, Carson, Norwalk, Rancho Palos Verdes, Westlake Village, Azusa, Commerce, Vernon, Bellflower, Covina, Downey, Monterey Park, Signal Hill	<i>Municipal Storm Water and Urban Runoff Discharges</i> Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Part 4Fc3	Inactive pending outcome of litigation
4.	03-TC-18	9/29/03	12/1/11	12/6/13	7/31/14	City of Newport Beach	<i>Peace Officers Procedural Bill of Rights II</i> Stats 1976, Ch 465; Stats 1994, Ch 1259; Stats 1997, Ch 148; Stats 1998, Chs 786, 263, and 112; Stats 1999, Ch 338; Stats 2000, Ch 209; and Stats 2002, Chs 1156 and 170	9/26/2014
5.	05-TC-01	8/12/05	9/27/13	1/24/14	8/24/14	County of Los Angeles	<i>Accounting for Local Revenue Realignments</i> Health & Safety Code § 33681.1.2; Stats of 2004, Ch 211 (SB 1096) Stats 2004, Ch 610 (AB 2115); Health & Safety Code §§ 33681.13, 33681.14 (SB 1096); Health & Safety Code § 33681.15 (AB 2115); Revenue & Taxation Code §§ 96.81, 97.75, 97.76, 97.77 (SB 1096); Revenue & Taxation Code §§ 97.31, 98.02, (SB 1096); Revenue & Taxation Code § 97.68 Stats of 2003, Ch 162 (AB 1766) (SB 1096); Revenue & Taxation Code §§ 97.70, 97.71, 97.72, 97.73 (SB 1096) and AB 2115)	12/5/2014

	File Number	Original Filing Date	Date SOD Adopted	Date Ps&Gs Adopted	Date Claims Due from SCO⁴⁷	Claimant	Name of Test Claim	Tentative Hearing Date
6.	07-TC-04	10/23/07	5/25/12	9/28/12	Revised SCE	State Controller's Office, Requester	<i>Local Agency Ethics (AB 1234)</i> Government Code Sections 53232.2(b), 53232.3(a) and (b), 53235(f) and 53235.2(a) Statutes 2005, Chapter 700	7/25/2014
7.	08-TC-03	1/28/09	1/24/14	3/28/14	11/4/14	County of Los Angeles	<i>State Authorized Risk of Assessment Tool for Sex Offenders (SARATSO)</i> Statutes 2006, Chapter 337 (SB 1128) amending Sections 290, 290.3, 290.46, 1203, 1203c, 1203.6, 1203.075, to add Sections 290.03, 290.04, 290.05, 290.06, 290.07, 290.08, 1203e, 1203f; Statutes of 2006, Chapter 886 (SB 1849), amending Sections, 290.46, 1202.8 and to repeal Sections 290.04, 290.05 and 290.06 of the Penal Code; Statutes of 2006, Chapter 336 (SB 1178) amending Sections 1202.8 and add Sections 290.04, 290.05 and 290.06 of the Penal Code; Statutes 2007, Chapter 579 (SB 172) amending Sections 290.04, 290.05, 290.03 adding Sections 290.011, 290.012 and to repeal and add Section 290 to the Penal Code, relating to Sex Offenders and California Department of Mental Health's Executive Order, SARATSO (State Authorized Risk Assessment Tool for Sex Offenders) Review Committee Notification, issued February 1, 2008	1/23/2015
8.	08-TC-04	1/29/09	12/6/13	3/28/14	11/4/14	County of Alameda	<i>Medi-Cal Eligibility of Juvenile Offenders</i> Welfare and Institutions Code section 14029.5, Statutes 2006, Chapter 657 (SB 1469)	1/23/2015

	File Number	Original Filing Date	Date SOD Adopted	Date Ps&Gs Adopted	Date Claims Due from SCO ⁴⁷	Claimant	Name of Test Claim	Tentative Hearing Date
9.	10-TC-06	11/23/10	3/28/14	5/30/14	1/15/15	Twin Rivers Unified School District	<i>Race to the Top</i> Education Code Sections 53100, 53101, 53200, 53201, 53201.5, 53202 and 53203, as added by Statutes 2009-2010, 5th Extraordinary Session, Chapter 2, Section 8 (SB5X 1), effective April 13, 2010;; Education Code Section 60601, Section 9 as added by Statutes 1995, Chapter 975, Section 1 (AB 265); Amended Statutes 1996, Chapter 69, Section 1 (SB 430), effective June 21, 1996, operative until January 1 2002; Statutes 2001, Chapter 722, Section 2 (SB 233); Statutes 2004, Chapter 233, Section 1 (SB 1448), repealed January 1, 2011; Statutes 2007, Chapter 174, Section 11 (SB 80), effective August 24, 2007, repealed January 1, 2012; Statutes 2009-2010, 5th Extraordinary Session, Chapter 2, Section 9 (SBX5 1), effective April 13, 2010, inoperative July 1, 2013, repealed January 1, 2014; Education Code Sections 48353, 48354, 48355, 48356, 48357, 48358, 48359, 48359.5, 48360 and 48361, as added by Statutes 2009-2010, 5th Extraordinary Session, Chapter 3, Section 1 (SBX5 4), effective April 13, 2010; Education Code Sections 53300, 53301 and 53303, as added by Statutes 2009-2010, 5th Extraordinary Session, Chapter 3, Section 2 (SBX5 4), effective April 13, 2010; California Code of Regulations, Title 5, Section 4702; new section filed as emergency and operative August 2, 2010 (Register 2010, No. 32). A Certificate of Compliance must be transmitted to OAL by January 31, 2011, or emergency language will be repealed by operation of law on the following day.	3/27/2015

	File Number	Original Filing Date	Date SOD Adopted	Date Ps&Gs Adopted	Date Claims Due from SCO⁴⁷	Claimant	Name of Test Claim	Tentative Hearing Date
10.	11-TC-02	9/26/11	7/26/13	12/6/13	7/15/14	Twin Rivers Unified School District	<i>Immunization Records – Pertussis</i> Health & Safety Code Sections 120325 and 120335; Statutes 2010, Chapter 434 (AB 354)	9/26/2014

D. Incorrect Reduction Claims as of July 1, 2014

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
1	05-4452-I-01	6/26/06	San Diego Unified School District	2001-2002, 2002-2003	Notification to Teachers: Pupils Subject to Suspension or Expulsion	School	7/25/2014
2	04-4241-I-01	4/13/05	San Diego Unified School District	2001-2002, 2002-2003	Emergency Procedures, Earthquake Procedures, and Disasters	School	9/26/2014
3	05-4241-I-06	11/10/05	Poway Unified School District	2000-2001, 2001-2002, 2002-2003	Emergency Procedures, Earthquake Procedures, and Disasters	School	9/26/2014
4	05-4206-I-03	9/6/05	Long Beach Community College District	2001-2002, 2002-2003	Health Fee Elimination	CCD	9/26/2014
5	05-4206-I-05	9/6/05	State Center Community College District	1999-2000, 2000-2001, 2001-2002	Health Fee Elimination	CCD	9/26/2014
6	05-4206-I-06	9/9/05	Los Rios Community College District	1997-1998, 1998-1999, 1999-2000, 2000-2001, 2001-2002	Health Fee Elimination	CCD	12/5/2014
7	05-4206-I-07	9/9/05	Glendale Community College District	2000-2001, 2001-2002	Health Fee Elimination	CCD	9/26/2014
8	05-4206-I-09	9/15/05	North Orange County Community College District	2001-2002, 2002-2003	Health Fee Elimination	CCD	9/26/2014

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
9	05-4206-I-10	9/15/05	Foothill-De Anza Community College District	1999-2000, 2000-2001, 2001-2002	Health Fee Elimination	CCD	9/26/2014
10	05-4206-I-11	3/27/06	El Camino Community College District	2000-2001, 2001-2002, 2002-2003	Health Fee Elimination	CCD	12/5/2014
11	05-4206-I-12	6/16/06	Santa Monica Community College District	2001-2002, 2002-2003	Health Fee Elimination	CCD	9/26/2014
12	05-4485-I-03	9/9/05	Los Rios Community College District	1999-2000, 2000-2001	Mandate Reimbursement Process	CCD	9/26/2014
13	05-4425-I-09	9/6/05	San Mateo County Community College District	1999-2000, 2000-2001, 2001-2002	Collective Bargaining	CCD	12/5/2014
14	05-4425-I-10	9/19/05	Foothill-De Anza Community College District	1999-2000, 2000-2001, 2001-2002	Collective Bargaining	CCD	12/5/2014
15	05-4425-I-11	12/19/05	Gavilan Joint Community College District	1995-1996	Collective Bargaining	CCD	12/5/2014
16	08-4425-I-15	7/22/08	Contra Costa Community College District	2001-2002; 2002-2003; 2003-2004	Collective Bargaining	CCD	12/5/2014
17	08-4425-I-16	2/5/09	Los Rios Community College District	2001-2002; 2002-2003; 2003-2004	Collective Bargaining	CCD	12/5/2014
18	09-4425-I-17 Consolidated with 10-4425-I-18	8/4/09	Sierra Joint Community College District	2002-2003, 2003-2004, 2004-2005, 2005-2006	Collective Bargaining	CCD	12/5/2014

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
19	10-4425-I-18 Consolidated with 09-4425- I-17	2/4/11	Sierra Joint Community College District	2002-2003	Collective Bargaining	CCD	12/5/2014
20	05-4282-I-03	5/25/06	County of San Mateo	1996-1997, 1997-1998, 1998-1999	Handicapped and Disabled Students	Local	1/23/2015
21	06-4206-I-13	7/3/06	Pasadena Area Community College District	1999-2000, 2000-2001, 2001-2002	Health Fee Elimination	CCD	1/23/2015
22	07-4206-I-14	8/14/07	Pasadena Area Community College District	2002-2003, 2003-2004	Health Fee Elimination	CCD	1/23/2015
23	07-4206-I-15	10/2/07	Rancho Santiago Community College District	2000-2001, 2001-2002, and 2002- 2003	Health Fee Elimination	CCD	1/23/2015
24	07-4206-I-16	10/11/07	Sierra Joint Community College District	2001-2002, 2002-2003, and 2003- 2004	Health Fee Elimination	CCD	1/23/2015
25	08-4206-I-17	2/5/09	Santa Monica Community College District	2003-2004; 2004-2005; 2005-2006	Health Fee Elimination	CCD	1/23/2015
26	08-4206-I-18	2/5/09	Los Rios Community College District	2002-2003; 2003-2004; 2004-2005	Health Fee Elimination	CCD	1/23/2015
27	10-4206-I-36 Consolidated with 09-4206- I-21	12/9/10	Kern Community College District	2003-2004, 2004-2005, 2005-2006, 2006-2007	Health Fee Elimination	CCD	1/23/2015
28	09-4206-I-21 Consolidated with 10-4206-I-36	9/25/09	Kern Community College District	2003-2004, 2004-2005, 2005-2006, 2006-2007	Health Fee Elimination	CCD	1/23/2015

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
29	02-9635802-I-20	9/19/02	City of Huntington Beach	1995-1996, 1996-1997	Investment Reports	Local	3/27/2015
30	02-9635802-I-22	9/19/02	City of Redding	1995-1996, 1996-1997	Investment Reports	Local	3/27/2015
31	02-9635802-I-27	9/19/02	County of Marin	1995-1996, 1997-1998,	Investment Reports	Local	3/27/2015
32	02-9635802-I-30	9/30/02	County of Riverside	1995-1996, 1997-1998	Investment Reports	Local	3/27/2015
33	02-9635802-I-58	10/16/02	City Of Concord	1995-1996, 1996-1997	Investment Reports	Local	3/27/2015
34	02-9635802-I-62	10/16/02	City Of Lathrop	1995-1996, 1996-1997	Investment Reports	Local	3/27/2015
35	02-9635802-I-67	10/16/02	City Of Stockton	1995-1996, 1996-1997, 1998-1999	Investment Reports	Local	5/22/2015
36	02-9635802-I-73	10/17/02	City Of Santa Ana	1996-1997	Investment Reports	Local	3/27/2015
37	09-4206-I-22	9/25/09	Long Beach Community College District	2003-2004, 2004-2005, 2005-2006	Health Fee Elimination	CCD	5/29/2015
38	09-4206-I-24	10/5/09	Foothill-De Anza Community College District	2002-2003, 2003-2004, 2004-2005, 2005-2006	Health Fee Elimination	CCD	5/29/2015
39	09-4206-I-25	10/5/09	Yosemite Community College District	2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007	Health Fee Elimination	CCD	5/29/2015
40	09-4206-I-29	6/15/10	San Diego Community College District	2003-2004, 2004-2005, 2005-2006, 2006-2007	Health Fee Elimination	CCD	5/29/2015

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
41	10-4206-I-31	7/16/10	San Bernardino Community College District	2003-2004; 2004-2005; 2005-2006; 2006-2007	Health Fee Elimination	CCD	5/29/2015
42	10-4206-I-32	9/1/10	State Center Community College District	2002-2003, 2003-2004, 2005-2006, 2006-2007	Health Fee Elimination	CCD	7/24/2015
43	10-4206-I-33	10/26/10	El Camino Community College District	2003-2004, 2004-2005, 2005-2006, 2006-2007	Health Fee Elimination	CCD	5/29/2015
44	10-4206-I-34	11/22/10	Foothill-De Anza Community College District	2002-2003, 2003-2004, 2004-2005	Health Fee Elimination	CCD	5/29/2015
45	10-4206-I-35	11/29/10	San Mateo County Community College District	2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007	Health Fee Elimination	CCD	7/24/2015
46	05-904133-I-02	12/12/05	Los Angeles Unified School District	1998-1999, 1999-2000, 2000-2001	Notification of Truancy	School	7/24/2015
47	10-904133-I-09	10/6/10	San Juan Unified School District	2002-2003, 2003-2004, 2004-2005, 2005-2006	Notification of Truancy	School	7/24/2015
48	10-904133-I-10 consolidated with 13-904133-I-12	11/1/10	Riverside Unified School District	2003-2004, 2004-2005, 2005-2006, 2006-2007	Notification of Truancy	School	7/24/2015

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
49	13-904133-I-11	10/1/13	San Juan Unified School District	2006-2007, 2007-2008, 2008-2009, 2009-2010	Notification of Truancy	School	7/24/2015
50	13-904133-I-12 consolidated with 10-904133-I-10	11/15/13	Riverside Unified School District	2003-2004, 2004-2005, 2005-2006, 2006-2007	Notification of Truancy	School	7/24/2015
51	13-904133-I-13	11/15/13	Riverside Unified School District	2007-2008, 2008-2009, 2009-2010	Notification of Truancy	School	7/24/2015
52	07-904133-I-05 Consolidated with 10-904133-I-07	12/18/07	San Juan Unified School District	1999-2000; 2000-2001; 2001-2002	Notification of Truancy	School	7/24/2015
53	10-904133-I-07 Consolidated with 07-904133-I-05	7/16/10	San Juan Unified School District	1999-2000; 2000-2001; 2001-2002	Notification of Truancy	School	7/24/2015
54	07-3713-I-02	7/25/07	County of Santa Clara	2000-2001, 2001-2002, 2002-2003	Absentee Ballots	Local	9/25/2015
55	08-4237-I-02	1/28/09	County of Santa Clara	1999-2000; 2000-2001; 2001-2002	Child Abduction and Recovery Program	Local	9/25/2015
56	12-4237-I-03	11/29/12	County of Santa Clara	2003-2004, 2004-2005, 2005-2006, 2006-2007	Child Abduction and Recovery Program	Local	9/25/2015

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
57	07-9628101-I-01	8/15/07	County of Santa Clara	1998-1999, 1999-2000, 2000-2001	Domestic Violence Treatment Services	Local	9/25/2015
58	10-4499-I-01	9/16/10	County of Santa Clara	2003-2004, 2004-2005, 2005-2006	Peace Officers Bill of Rights (POBOR)	Local	9/25/2015
59	07-4509-I-02	7/25/07	County of Santa Clara	1998-1999, 1999-2000, 2000-2001	Sexually Violent Predators	Local	9/25/2015
60	12-9705-I-04	5/7/13	County of Los Angeles	2003-2004, 2004-2005, 2005-2006	Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services	Local	12/4/2015
61	13-9705-I-05	9/9/13	County of San Diego	2005-2006	Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services	Local	12/4/2015
62	10-9705-I-01	11/10/10	County of San Diego	2001-2002, 2002-2003, 2003-2004, 2004-2005	Seriously Emotionally Disturbed Pupils (SEDS): Out-of-State Mental Health Services	Local	12/4/2015

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
63	11-9705-I-02	11/9/11	County of Orange	2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006	Seriously Emotionally Disturbed Pupils (SEDS): Out-of-State Mental Health Services	Local	12/4/2015
64	11-9811-I-01	3/8/12	City of Hayward	1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2005-2006, 2006-2007, 2007-2008	Animal Adoption	Local	1/22/2016
65	13-9811-I-02	4/7/14	City of Los Angeles	1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2005-2006, 2006-2007, and 2007-2008	Animal Adoption	Local	1/22/2016
66	13-9913-I-01	3/26/14	Gavilan Community College District	1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, and 2007-2008	Enrollment Fee Collection and Waivers	CCD	3/25/2016

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
67	09-4081-I-01	1/14/10	City of Los Angeles	2003-2004	Firefighter's Cancer Presumption	Local	1/22/2016
68	13-4282-I-06	8/2/13	County of Los Angeles	2003-2004, 2004-2005, 2005-2006	Handicapped and Disabled Students	Local	1/22/2016
69	12-0240-I-01	6/11/13	County of Los Angeles	2002-2003, 2003-2004	Handicapped and Disabled Students II (02-TC-40/02-TC-49)	Local	1/25/2016
70	12-9705-I-03	3/8/13	County of Orange	2006-2007, 2007-2008, and 2008-2009	Handicapped and Disabled Students; Handicapped and Disabled Students II; and Seriously Emotionally Disturbed (SED) Pupils: Out-of-State Mental Health Services	Local	1/22/2016
71	12-4499-I-02	9/28/12	City of Los Angeles	2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008	Peace Officers Bill of Rights (POBOR)	Local	1/22/2016
72	11-4451-I-05	7/29/11	Chula Vista Elementary School District	1997-1998	School District of Choice: Transfers and Appeals	School	1/22/2016

#	File Number	Filing Date	Claimant	Fiscal Year	Name	Type	Tentative Hearing Date
73	13-0007-I-01	3/28/14	Pasadena Area Community College District	1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, and 2007-2008	Integrated Waste Management	CCD	3/25/2016
74	13-0007-I-02	6/19/14	Sierra Joint Community College District	1999-2000, 2000-2001, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, and 2009-2010	Integrated Waste Management	CCD	3/25/2016

E. Parameters and Guidelines Amendments as of July 1, 2014

	Claim Number	Date Filed	Requestor	Program	Tentative Hearing Date
1.	08-PGA-02 (99-TC-13 & 00-TC-15)	5/22/09	Los Rios, Cerritos, Citrus, El Camino, Gavilan, Kern, Long Beach, Mt. San Jacinto, Palomar, Pasadena Area, San Bernardino, Santa Monica, State Center, Sierra Joint, Victor Valley, West Kern, and Yosemite Community College Districts	<i>Enrollment Fee Collection and Waivers</i>	7/25/2014 (RRM)
2.	11-PGA-01 (05- PGA-56, 07-PGA- 01, CSM-4133)	7/1/11	State Controller's Office	<i>Notification of Truancy</i>	9/26/2014
3.	11-PGA-03 (CSM- 4435)	7/25/11	Department of Finance	<i>Graduation Requirements</i>	Inactive at request of claimant pending court action
4.	11-PGA-09 (CSM-4499, 05-RL-4499-01, 06- PGA-06)	3/29/12	County of Los Angeles	<i>Peace Officers Procedural Bill of Rights (POBOR)</i>	9/26/2014 (RRM)

F. Requests for Mandate Redetermination as of July 1, 2014

	MR #	FILED	REQUESTER	NAME OF REQUEST	TENTATIVE HEARING DATE
1.	13-MR-01	7/29/13	Department of Finance	<i>Fire Safety Inspections of Care Facilities, (01-TC-16)</i> Health and Safety Code Section 13235(a); as added or amended by Statutes 1989, Chapter 993; Statutes 2009, Chapter 12 (ABX4 12)	First Hearing 7/25/2014 Second Hearing 9/26/2014
2.	13-MR-02	7/29/13	Department of Finance	<i>Open Meetings Act/Brown Act Reform, (CSM-4257/4469) Open Meetings Act/Brown Act Reform, (CSM-4257/4469)</i> Government Code Sections 54952, 54954.2, 54954.3, 54957.1, and 54957.7; as added or amended by Statutes 1986, Chapter 641; Statutes 1993, Chapters 1136, 1137, and 1138	First Hearing 12/5/2014 Second Hearing 1/23/2015