

AMENDED IN ASSEMBLY MAY 16, 2006

AMENDED IN ASSEMBLY MAY 2, 2006

AMENDED IN ASSEMBLY APRIL 25, 2006

AMENDED IN ASSEMBLY APRIL 3, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2846**

---

---

**Introduced by Assembly Member Daucher**

February 24, 2006

---

---

An act to add ~~Sections 17551.5 and~~ *Section* 17566 to the Government Code, relating to state-mandated local programs.

LEGISLATIVE COUNSEL'S DIGEST

AB 2846, as amended, Daucher. State-mandated local programs: local educational agencies.

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law establishes a procedure for local governmental agencies to file a test claim for reimbursement of these costs with the Commission on State Mandates. Claims that are filed after the determination of the test claim are transferred to the Controller, who is required to pay and audit the claims from funds made available for that purpose.

~~This bill would require on or before January 1 of each year the Commission on State Mandates to determine preliminarily whether each bill that is chaptered during the preceding calendar year~~

~~mandates a new program or higher level of service, as specified. The bill would also require the commission to, within 90 days of the effective date of each bill that is chaptered as an urgency statute, preliminarily determine whether the bill mandates a new program or higher level of service, as specified. The bill would provide that the preliminary determination made by the commission would not bind the commission, as specified.~~

~~The~~*This* bill would require the Controller to provide a local educational agency that ~~filed~~ *files* a reimbursement claim with the Controller before January 1, 2007, relating to educational services provided by a local educational agency, as defined, for which no appropriation is made on or before January 1, 2007, with the option of receiving 80% of the total amount claimed in full satisfaction of the claim. The bill would require a local educational agency to accept or reject the option by March 31, 2007. The bill would authorize the Controller to object to the election made by the agency to settle the claim within 90 days of the election being made by the agency. The bill would require that an objection by the Controller to the election made by an agency be followed by an audit of the mandated cost reimbursement of the agency ~~that would be required. The bill would require that audit~~ to be completed within 180 days.

The bill would require the Department of Finance, the Legislative Analyst's Office, the State Department of Education, the California Association of School Business Officials, and the California County Superintendents Educational Services Association to establish a working group to determine, to the extent feasible, a unit rate for educational services mandated by the state as of January 1, 2007, and provided by a local educational agency. The bill would require that working group to establish a process for determining a unit rate, ~~where that if~~ *if* a unit rate is appropriate, for new mandates identified by the commission. The bill would require the new unit rate to be added to the original unit rate. The bill would provide that to the extent a unit rate is not appropriate for a particular mandate, the law relating to reimbursement claims as it existed on January 1, 2006, shall apply.

The bill ~~would authorize~~, if a reimbursement claim is initially filed with the Controller on or after January 1, 2007, ~~would authorize~~ a local educational agency to settle the claim by using the established unit rate, as specified, instead of the allocation formula or uniform allowance of the commission. The bill would permit a school district, *notwithstanding an existing provision of law*, to file a claim for

reimbursement pursuant to the *above* unit rate established by the specified provision for a claim totaling \$1,000 or less. The bill would prohibit the Controller from auditing a claim that is settled by using the established *above* unit rate.

*The bill would provide that the above provisions relating to the establishment of a unit rate and the election by a local educational agency to use the established unit rate, as specified, do not apply to mandates relating to special education programs or services, or both.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. ~~Section 17551.5 is added to the Government~~  
2 ~~Code, to read:~~

3 ~~17551.5. (a) On or before January 1 of each year, the~~  
4 ~~commission shall make a preliminary determination of whether~~  
5 ~~each bill that is chaptered during the preceding calendar year~~  
6 ~~mandates a new program or higher level of service within the~~  
7 ~~meaning of Section 6 of Article XIII B of the California~~  
8 ~~Constitution.~~

9 ~~(b) The commission shall, within 90 days of the effective date~~  
10 ~~of each bill that is chaptered as an urgency statute, preliminarily~~  
11 ~~determine whether the statute mandates a new program or higher~~  
12 ~~level of service within the meaning of Section 6 of Article XIII B~~  
13 ~~of the California Constitution.~~

14 ~~(c) The preliminary determination made by the commission~~  
15 ~~pursuant to this section is not binding on the commission in~~  
16 ~~making its determination pursuant to Section 17551.~~

17 ~~SEC. 2.~~

18 SECTION 1. Section 17566 is added to the Government  
19 Code, to read:

20 17566. (a) (1) If a reimbursement claim is filed with the  
21 Controller before January 1, 2007, under this chapter, relating to  
22 educational services provided by a local educational agency, and  
23 no appropriation is made to pay the claim on or before January 1,  
24 2007, the Controller shall provide the agency with the option of  
25 receiving 80 percent of the total amount claimed as full  
26 satisfaction of the claim.

1 (2) A local educational agency that is offered the option of  
2 receiving 80 percent of the total amount claimed as full  
3 satisfaction of the claim shall make an election to accept or reject  
4 the option on or before March 31, 2007.

5 (3) (A) The Controller may object to the election made by a  
6 local educational agency to settle a reimbursement claim under  
7 this subdivision within 90 days of the election being made by that  
8 agency.

9 (B) An objection by the Controller to the election made by the  
10 local educational agency shall be followed by an audit of the  
11 mandated cost reimbursements of the agency ~~that~~. *The audit* shall  
12 be completed within 180 days.

13 (b) (1) The Department of Finance, the Legislative Analyst's  
14 Office, the State Department of Education, the California  
15 Association of School Business Officials, and the California  
16 County Superintendents Educational Services Association shall  
17 establish a working group to determine, to the extent feasible, a  
18 unit rate for educational services mandated by the state as of  
19 January 1, 2007, and provided by a local educational agency.

20 (2) The working group shall establish a process for  
21 determining a unit rate, ~~where that~~ *if a* unit rate is appropriate, for  
22 each mandate identified by the commission.

23 (3) If ~~the a~~ unit rate is not appropriate for a particular mandate,  
24 the law relating to reimbursement claims as it existed on January  
25 1, 2006, shall apply.

26 (c) (1) If a reimbursement claim is initially filed with the  
27 Controller on or after January 1, 2007, under this chapter relating  
28 to educational services provided by a local educational agency,  
29 the agency may settle the reimbursement claim by using the unit  
30 rate established under subdivision (b), instead of the allocation  
31 formula or uniform allowance of the commission.

32 (2) (A) On or before June 30 of each year, each local  
33 educational agency shall elect whether it will use the unit rate  
34 established under subdivision (b) or the allocation formula or  
35 uniform allowance of the commission to settle a reimbursement  
36 claim filed under this chapter in the following fiscal year. If the  
37 local educational agency elects to use a unit rate established  
38 under subdivision (b), the agency shall compile a list of all the  
39 mandates, for which a unit rate was established, that apply to that

1 agency. If a mandate does not apply to that agency, there shall be  
2 no reimbursement.

3 (B) A local educational agency that elects to use the unit rate  
4 established under subdivision (b), shall comply with all of the  
5 requirements of the mandate, for which the agency elected to use  
6 a unit rate.

7 (C) The Controller may annually evaluate up to 5 percent of  
8 the local educational agencies that elect to use the unit rate  
9 established under subdivision (b) for the purpose of ensuring  
10 compliance with this section.

11 (3) Notwithstanding Section 17564 or any other provision of  
12 law, a school district may file a claim for reimbursement  
13 pursuant to the unit rate established by subdivision (b) for a claim  
14 totaling one thousand dollars (\$1,000) or less.

15 (4) The Controller shall not audit a reimbursement claim  
16 settled by using the unit rate established under subdivision (b).

17 (d) (1) For purposes of this section, the term “local  
18 educational agency” means a school district, a county office of  
19 education, or a charter school.

20 (2) Notwithstanding Section 17519, the term “local  
21 educational agency” does not include a community college  
22 district.

23 (e) *Subdivisions (b) and (c) shall not apply to any mandate*  
24 *relating to special education programs or services, or both.*