

Mandate Reimbursement Process

LEGISLATIVE ANALYST'S OFFICE

Presented To:
Assembly Special Committee on State Mandates
Hon. John Laird, Chair





A Mandate Reimbursement Process With Greater Emphasis on Accountability and Results

Time	Action	Maximum Elapsed Time (In Months)
	The Legislature passes a law, a state agency promulgates a regulation, the Governor signs an executive order.	
Up to 12 months	Local agencies may file a claim up to one year after (1) a mandate is created or (2) they experience increased costs.	12
Up to 12 months	Reconfigured Commission on State Mandates (CSM) deliberates. State and local agencies fund CSM activities through reimbursements and fees.	24
Up to 4 months	If CSM finds a mandate, the State Controller's Office (SCO), with assistance from an ongoing local agency advisory body, develops a "reasonable reimbursement methodology" that balances accuracy with simplicity—and specifies a future date when revision to the methodology shall be considered.	28
Up to 2 months	The CSM reviews the proposed SCO reimbursement methodology. The CSM may return the methodology to SCO for revision if it finds the methodology inconsistent with the CSM mandate determination.	30
Up to 2 months	If necessary, the SCO reviews CSM comments and may make changes to its methodology.	32
Up to 2 months	The CSM either approves the SCO methodology or adopts findings identifying its concerns with the methodology. The CSM reports the mandate, the SCO methodology, and any concerns to the Legislature and administration.	30 - 34
Up to 6 months	The Legislature funds the mandate (either in legislation or the budget) and specifies the reimbursement methodology. If the Legislature does not fund the mandate, the SCO shall notify affected local agencies that the mandate is invalid, pursuant to state statute. Legislative Counsel prepares draft legislation for the chair of the local government policy committees to introduce to codify the repeal of the mandate.	36 - 40
Annually thereafter	Local agencies submit claims for mandate reimbursement in the fiscal year after costs are incurred. The Governor proposes and Legislature appropriates funding for mandates in the annual budget bill, including any funding needed to pay prior year mandate deficiencies. The annual suspension process in the budget bill is repealed. If mandate reimbursement is not provided, the mandate is invalid. (As in above, the SCO will notify local agencies and Legislative Counsel will prepare draft legislation for the chair of the local government policy committees to introduce to codify the repeal of the mandate.) If a valid local claim is unpaid for more than two years after submittal, a local agency may bring action in superior court to have the mandate declared invalid.	
	The SCO, with the support of its local advisory body, will establish a timetable for review of all existing reimbursement methodologies.	
	The CSM is authorized to reconsider mandate determinations if it finds that material information was not considered during its deliberations or that there have been substantial changes to state or federal law or case law.	