

Department of Finance

BUDGET NO. 8860

REPORT NO. 1

GOVERNMENT CODE- GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000. - 22980.]

(Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 4. FISCAL AFFAIRS [16100. - 17700.]

(Division 4 added by Stats. 1945, Ch. 119.)

PART 7. STATE-MANDATED LOCAL COSTS [17500. - 17630.]

(Part 7 added by Stats. 1984, Ch. 1459, Sec. 1.)

CHAPTER 4. Identification and Payment of Costs Mandated by the State [17550. - 17617.]

(Chapter 4 added by Stats. 1984, Ch. 1459, Sec. 1.)

ARTICLE 1. Commission Procedure [17550. - 17571.]

(Article 1 added by Stats. 1984, Ch. 1459, Sec. 1.)

17562.

(a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to increase information regarding state mandates and establish a method for regularly reviewing the costs and benefits of state-mandated local programs.

(b) (1) The Controller shall submit a report to the Joint Legislative Budget Committee and fiscal committees by October 31 of each fiscal year beginning with the 2007–08 fiscal year. This report shall summarize, by state mandate, the total amount of claims paid per fiscal year and the amount, if any, of mandate deficiencies or surpluses. This report shall be made available in an electronic spreadsheet format.

(2) The Controller shall submit a report to the Joint Legislative Budget Committee, the applicable fiscal committees, and the Director of Finance by April 30 of each fiscal year. This report shall summarize, by state mandate, the total amount of unpaid claims by fiscal year that were submitted before April 1 of that fiscal year. The report shall also summarize any mandate deficiencies or surpluses. It shall be made available in an electronic spreadsheet, and shall be used for the purpose of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIII B of the California Constitution.

(c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified.

(d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall report total annual state costs for mandated programs and, as appropriate, provide an analysis of specific mandates and make recommendations on whether the mandate should be repealed, funded, suspended, or modified.

(e) (1) A statewide association of local agencies or school districts or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit a letter to the Chairs of the Assembly Committee on Education or the Assembly Committee on Local Government, as the case may be, and the Senate Committee on Education or the Senate Committee on Local Government, as the case may be, specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year.

(2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst.

(3) The Department of Finance shall review all statutes enacted each year that contain provisions making inoperative Section 17561 or Section 17565 that have resulted in costs or revenue losses mandated by the state that were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the statutes. The Department of Finance shall also review all statutes enacted each year that may result in cost savings authorized by the state. The Department of Finance shall submit an annual report of the review required by this subdivision, together with the recommendations as it may deem appropriate, by December 1 of each year.

(f) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following:

(1) The reports and recommendations submitted pursuant to subdivision (e).

(2) The reports submitted pursuant to Sections 17570, 17600, and 17601.

(3) Legislation to continue, eliminate, or modify any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment.

[\(Amended by Stats. 2011, Ch. 382, Sec. 1.2. Effective January 1, 2012.\)](#)

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|---------|---------------------|---|----------------------|--|--------|------------------|---------------|
| AB-2856 | Laird | State mandates: Commission on State Mandates. | Chaptered 09/29/2004 | 09/29/2004 - Chaptered by Secretary of State - Chapter 890, Statutes of 2004. 09/29/2004 - Approved by the Governor. | - | | |
| AB-3000 | Committee on Budget | State and local government. | Chaptered 09/30/2002 | 09/30/2002 - Chaptered by Secretary of State - Chapter 1124, Statutes of 2002. 09/30/2002 - | - | | |

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|---------|---------------------------------------|---|----------------------|--|------------------------------|------------------|---------------|
| | | | | Approved by the Governor. | | | |
| SB-11 | | State-mandated local programs. | Chaptered 10/16/1995 | | - | | |
| SB-19 | | State-mandated local programs. | Chaptered 05/15/1996 | | - | | |
| SB-86 | Committee on Budget and Fiscal Review | State government. | Chaptered 08/24/2007 | 08/24/2007 - Chaptered by Secretary of State. Chapter 179, Statutes of 2007. | Secretary of State-Chaptered | Yes | Two Thirds |
| SB-194 | Committee on Governance and Finance | Local government: omnibus bill. | Chaptered 09/30/2011 | 09/30/2011 - Chaptered by Secretary of State. Chapter 382, Statutes of 2011. | Secretary of State-Chaptered | Yes | Majority |
| SB-866 | Committee on Budget and Fiscal Review | Local government finance: state-mandated reimbursement receivables. | Enrolled 10/11/2010 | 11/30/2010 - Died on file. | Senate-Died | Yes | Two Thirds |
| SB-1191 | Speier | State and local reporting requirements. | Chaptered 10/12/2001 | 10/12/2001 - Chaptered by Secretary of State. Chapter 745, Statutes of 2001. | - | | |

COMMENTS/RECOMMENDATIONS:

Many of the reporting requirements contained in this code section are to be performed by the State Controller and the LAO. The Department of Finance is responsible for reporting on unintended fiscal consequences mandated by the state that were not identified when the statute was enacted. The Legislature may wish to modify this reporting requirement to make it contingent upon when the State is actually making payments for mandates.

REPORT NO. 2

WEAFARE AND INSTITUTIONS CODE

DIVISION 9. PUBLIC SOCIAL SERVICES [10000. - 18996.]

(Division 9 added by Stats. 1965, Ch. 1784.)

PART 2. ADMINISTRATION [10500. - 10985.]

(Part 2 added by Stats. 1965, Ch. 1784.)

CHAPTER 2. State Department of Social Services [10550. - 10619.]

(Heading of Chapter 2 amended by Stats. 1977, Ch. 1252.)

ARTICLE 2. Powers and Duties [10600. - 10619.]

(Article 2 added by Stats. 1965, Ch. 1784.)

10614.5.

Upon the request of the Joint Legislative Budget Committee, the Department of Finance shall make immediately available data on monthly caseloads and expenditures for public social services programs supervised by the State Department of Social Services. In addition, this data shall be incorporated into and made an integral part of the budget data system.

(Added by Stats. 1985, Ch. 1094, Sec. 1.)

NO RELATED LEGISLATION

COMMENTS/RECOMMENDATIONS:

This Report is upon request of the Legislature. The Legislature may want to retain this option in statute.

REPORT NO. 3

REVENUE AND TAXATION CODE

DIVISION 2. OTHER TAXES [6001. - 60708.]

(Heading of Division 2 amended by Stats. 1968, Ch. 279.)

PART 5. VEHICLE LICENSE FEE [10701. - 11006.]

(Part 5 added by Stats. 1941, Ch. 40.)

CHAPTER 2. Imposition of Fee [10751. - 10789.]

(Chapter 2 added by Stats. 1941, Ch. 40.)

ARTICLE 1. Computation of Fee [10751. - 10760.]

(Article 1 added by Stats. 1941, Ch. 40.)

10752.2.

(a) For initial or renewal registrations due on and after May 19, 2009, but before July 1, 2011, in addition to the annual license fee for a vehicle, other than a commercial motor vehicle described in Section 9400.1 of the Vehicle Code, imposed pursuant to Sections 10752 and 10752.1, a sum equal to 0.15 percent of the market value of the vehicle as determined by the department, shall be added to that annual fee.

(b) Notwithstanding Chapter 5 (commencing with Section 11001) or any other law to the contrary, all revenues (including penalties), less refunds, derived from fees collected pursuant to subdivision (a) shall be deposited in the General Fund and transferred to the Local Safety and Protection Account, which is hereby established in the Transportation Tax Fund.

Notwithstanding Section 13340 of the Government Code, all moneys in the account are hereby continuously appropriated, without regard to fiscal year, to the Controller for allocation pursuant to Sections 29553, 30061, and 30070 of the Government Code, Section 13821 of the Penal Code, and Sections 18220 and 18220.1 of the Welfare and Institutions Code. All revenue derived from subdivision (a) that is received after June 30, 2011, shall be deemed to have been received during the 2010–11 fiscal year for purposes of allocation by the Controller.

(c) (1) In 2010 and each calendar year thereafter, the Director of Finance shall, no later than January 10 and upon the enactment of the Budget Act during the calendar year, make a written determination of whether any of the moneys derived from fees collected pursuant to subdivision (a) are being allocated by the state for any purpose not authorized by subdivision (b), and shall immediately submit his or her written determination to all of the following:

(A) The Director of the Department of Motor Vehicles.

(B) The Joint Legislative Budget Committee.

(C) The Senate and Assembly Appropriations Committees.

(D) The Senate and Assembly Revenue and Taxation Committees.

(2) If the Director of Finance determines that any moneys derived from fees collected pursuant to subdivision (a) are being allocated by the state for a purpose not authorized by subdivision (b), the Director of the Department of Motor Vehicles shall, upon receipt of the written determination, immediately cease collection of the fees imposed by subdivision (a), and shall resume collection of those fees only upon his or her receipt of written determination provided under paragraph (1) that specifies that none of the moneys derived from fees collected pursuant to subdivision (a) are being allocated by the state for a purpose not authorized by subdivision (a).

(Amended by Stats. 2011, Ch. 35, Sec. 6. Effective June 30, 2011.)

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|---------|---------------------------------------|---|---------------------------|---|--------------------------------------|------------------|---------------|
| ABX3-3 | Evans | Income taxes: sales and use taxes: vehicle license fees. | Chaptered 02/20/2009 | 02/20/2009 - Chaptered by Secretary of State. Chapter 18, Statutes of 2009-10 Third Extraordinary Session. | Secretary of State-Chaptered | Yes | Two Thirds |
| ABX1-9 | Chesbro | Taxation: vehicle license fees. | Introduced 12/13/2010 | 09/12/2011 - Died at Desk. | Assembly-Died | Yes | Two Thirds |
| ABX1-18 | Blumenfield | The Schools and Local Public Safety Protection Act of 2011. | Amended Senate 06/09/2011 | 09/14/2011 - Died on third reading file. | Senate-Died | Yes | Two Thirds |
| ABX1-41 | Solorio, Charles Calderon | Vehicle license fees. | Introduced 08/31/2011 | 09/12/2011 - Died at Desk. | Assembly-Died | Yes | Two Thirds |
| AB-66 | Chesbro | Taxation: vehicle license fees. | Introduced 12/13/2010 | 02/01/2012 - Died pursuant to Art. IV, Sec. 10(c) of the Constitution. 02/01/2012 - From committee: Filed with the Chief Clerk pursuant to Joint Rule 56. | Assembly-Died - Revenue and Taxation | Yes | Two Thirds |
| SB-89 | Committee on Budget and Fiscal Review | Vehicles: vehicle license fee and registration fee. | Chaptered 06/30/2011 | 06/30/2011 - Chaptered by Secretary of State. Chapter 35, Statutes of 2011. | Secretary of State-Chaptered | Yes | Majority |
| SB-373 | Walters | Vehicle license fees: new vehicles. | Amended Senate 05/06/2009 | 02/01/2010 - Returned to Secretary of Senate pursuant to Joint Rule 56. | Senate-Died - Revenue and Taxation | Yes | Majority |

COMMENTS/RECOMMENDATIONS:

Under this requirement, the Department of Finance would be responsible for reporting any misuse of Vehicle License Fee (VLF) revenue which is already prohibited under existing law.

REPORT NO. 4

GOVERNMENT CODE

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000. - 22980.]

(Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 3. EXECUTIVE DEPARTMENT [11000. - 15986.]

(Division 3 added by Stats. 1945, Ch. 111.)

PART 3. DEPARTMENT OF FINANCE [13000. - 13881.]

(Part 3 added by Stats. 1945, Ch. 112.)

CHAPTER 2. Powers and Duties, Generally [13070. - 13144.]

(Chapter 2 added by Stats. 1945, Ch. 112.)

ARTICLE 2. Infrastructure Plan [13100. - 13104.]

(Article 2 repealed and added by Stats. 1999, Ch. 606, Sec. 3.)

13103.5.

(a) The department may perform audits, as it deems necessary, of the allocations or expenditures made in accordance with Article XIXB of the California Constitution.

(b) Any audit performed pursuant to this section shall be reported to both houses of the Legislature.

(Amended by Stats. 2002, Ch. 1124, Sec. 14. Effective September 30, 2002.)

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|---------|---|--|-----------------------------|--|-------------------------|------------------|---------------|
| AB-1431 | Committee on Accountability and Administrative Review | Government reports. | Amended Assembly 01/24/2012 | 01/31/2012 - In Senate. Read first time. To Com. on RLS. for assignment. | Senate-Pending Referral | Yes | Majority |
| AB-3000 | Committee on Budget | State and local government. | Chaptered 09/30/2002 | 09/30/2002 - Chaptered by Secretary of State - Chapter 1124, Statutes of 2002. 09/30/2002 - Approved by the Governor. | | | |
| SB-759 | Murray | Transportation: traffic congestion relief. | Chaptered 10/14/2001 | 10/14/2001 - Chaptered by Secretary of State. Chapter 911, Statutes of 2001. 10/14/2001 - Approved by Governor. | | | |

COMMENTS/RECOMMENDATIONS:

This audit requirement of Proposition 42 is obsolete.

REPORT NO. 5.

EDUCATION CODE

TITLE 2. ELEMENTARY AND SECONDARY EDUCATION [33000. - 64100.]

(Title 2 enacted by Stats. 1976, Ch. 1010.)

DIVISION 4. INSTRUCTION AND SERVICES [46000. - 64100.]

(Division 4 enacted by Stats. 1976, Ch. 1010.)

PART 28. GENERAL INSTRUCTIONAL PROGRAMS [51000. - 53303.]

(Part 28 enacted by Stats. 1976, Ch. 1010.)

CHAPTER 18. Race to the Top [53100. - 53303.]

(Chapter 18 added by Stats. 2010, 5th Ex. Sess., Ch. 2, Sec. 8.)

ARTICLE 1. General Provisions [53100. - 53103.]

(Article 1 added by Stats. 2010, 5th Ex. Sess., Ch. 2, Sec. 8.)

53101.

(a) The Governor, the Superintendent, and the state board shall jointly develop a single high-quality plan or multiple plans, in collaboration with participating local educational agencies, as necessary, to submit as part of an application for federal Race to the Top funds, authorized under the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

(b) The Department of Finance, concurrent with the submission of the plan to the Attorney General, shall provide the appropriate policy and fiscal committees of both houses of the Legislature with a copy of the state plan or plans, including any amendments.

(c) The plan submitted pursuant to subdivision (b) shall include a budget or expenditure plan consistent with the requirements of the Race to the Top program and application. At a minimum, the plan shall address how the Race to the Top program funds and any other applicable federal funds shall be used to provide resources to the low-achieving and persistently lowest-achieving schools as defined in this chapter. These resources may include, but are not necessarily limited to, professional development, technical assistance, and partnering with schools that have successfully transitioned from low- to higher-performing status.

(d) It is the intent of the Legislature that funding for local educational agencies be the highest priority in the allocation of Race to the Top program funds.

[\(Added by Stats. 2010, 5th Ex. Sess., Ch. 2, Sec. 8. Effective April 12, 2010.\)](#)

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|---------|--------------|---|-----------------------------|--|-------------------------|------------------|---------------|
| ABX5-8 | Brownley | Public schools: Race to the Top. | Amended Assembly 12/10/2009 | 01/12/2010 - From Senate committee without further action. | Senate-Died - Education | Yes | Majority |
| AB-1212 | Wyland | California Local Education Accountability Reform Act. | Amended Assembly 05/04/2005 | 01/31/2006 - From committee: Filed with the Chief Clerk pursuant to Joint Rule 56. Died pursuant to Art. IV, Sec. 10(c) of the Constitution. | - | Yes | Majority |

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|---------|--------------|--|----------------------|---|------------------------------|------------------|---------------|
| AB-2647 | Chavez | High School Remediation Funding Flexibility Program. | Enrolled 08/25/2004 | 09/21/2004 - Vetoed by Governor. | - | | |
| SBX5-1 | Steinberg | Public schools: Race to the Top. | Chaptered 01/07/2010 | 01/07/2010 - Chaptered by Secretary of State. Chapter 2, Statutes of 2009-10 Fifth Extraordinary Session. | Secretary of State-Chaptered | Yes | Majority |

COMMENTS/RECOMMENDATIONS:

This "Race to the Top" report was submitted to the Legislature in January 2010.

REPORT NO. 6

EDUCATION CODE

TITLE 3. POSTSECONDARY EDUCATION [66000. - 101060.]

(Title 3 enacted by Stats. 1976, Ch. 1010.)

DIVISION 5. GENERAL PROVISIONS [66000. - 70129.]

(Division 5 enacted by Stats. 1976, Ch. 1010.)

PART 40. DONAHOE HIGHER EDUCATION ACT [66000. - 67400.]

(Part 40 enacted by Stats. 1976, Ch. 1010.)

CHAPTER 2. General Provisions [66010. - 66085.]

(Chapter 2 enacted by Stats. 1976, Ch. 1010.)

ARTICLE 4.5. Doctoral Programs in Education [66040. - 66040.7.]

(Article 4.5 added by Stats. 2005, Ch. 269, Sec. 1.)

66040.7.

The California State University, the Department of Finance, and the Legislative Analyst's Office shall jointly conduct a statewide evaluation of the new programs implemented under this article. The results of the evaluation shall be reported, in writing, to the Legislature and Governor on or before January 1, 2011. The evaluation required by this section shall consider all of the following:

- (a) The number of new doctoral programs in education implemented, including information identifying the number of new programs, applicants, admissions, enrollments, degree recipients, time-to-degree, attrition, and public school and community college program partners.
- (b) The extent to which the programs established under this article are fulfilling identified state needs for training in educational leadership, including statewide supply and demand data that considers capacity at the University of California and in California's independent colleges and universities.
- (c) Information on the place of employment of students and the subsequent job placement of graduates.
- (d) Any available evidence on the effects that the graduates of the programs are having on elementary and secondary school and community college reform efforts and on student achievement.
- (e) Program costs and the fund sources that were used to finance these programs, including a calculation of cost per degree awarded.
- (f) The costs of the programs to students, the amount of financial aid offered, and student debt levels of graduates of the programs.
- (g) The extent to which the programs established under this article are in compliance with the requirements of this article.

(Added by Stats. 2005, Ch. 269, Sec. 1. Effective January 1, 2006.)

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|--------|--------------|--|----------------------|---|--------|------------------|---------------|
| SB-724 | Scott | Public postsecondary education: California State University: Doctor of Education | Chaptered 09/22/2005 | 09/22/2005 - Chaptered by Secretary of State. Chapter | - | Yes | Majority |

| Bill | Lead Authors | Subject | Latest Bill Version | Last History Action | Status | Fiscal Committee | Vote Required |
|------|--------------|----------|---------------------|--|--------|------------------|---------------|
| | | degrees. | | 269, Statutes of 2005. 09/22/2005 - Approved by Governor. | | | |

COMMENTS/RECOMMENDATIONS:

This one-time report was completed and submitted in January 2011.