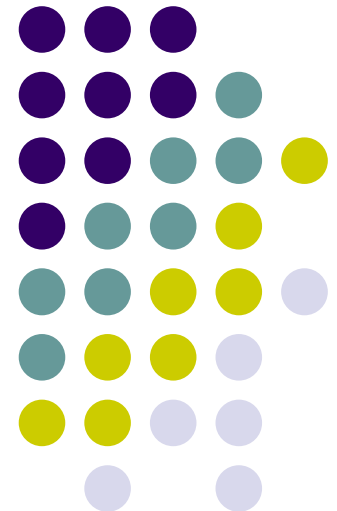


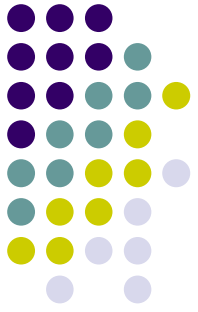
SB 90: Fact & Fiction

Embattled program
producing revenue again for
California local agencies

Saturday April 22, 2006 1:45-2:45pm
Fire Districts Association of California

Speaker: J. Bradley Burgess
Principal
Public Resource Management Group, LLC

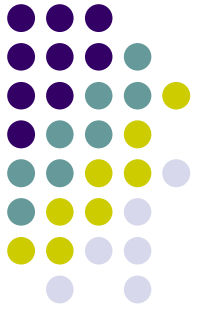




SB 90: Fact & Fiction

Presentation Outline

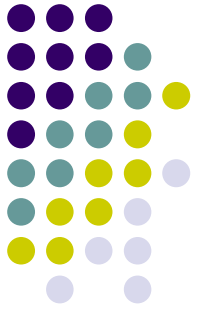
- Review of State Budget
- Effects of Prop 1A
- Payments
- Key Mandate Reconsiderations
- Prior to January 15th, 2007
- Newly Approved Fire Claim
- Fire Claims on the Horizon
- State Controller Issues
- Future of the Program



SB 90: Fact & Fiction

Review of State Budget

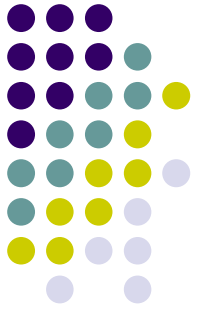
- More money for mandates:
 - AB 138 of 2005: 15-year payoff for unpaid 2002-03, 2003-04 claims.
 - \$98.1 currently in budget (1/15th of projected balance, principal plus interest)
 - \$240.0 million for state mandates
 - \$121 million for state mandates last year
 - Deficiency appropriation for 2004-05 & 2005-06?



SB 90: Fact & Fiction

Effects of Prop 1A

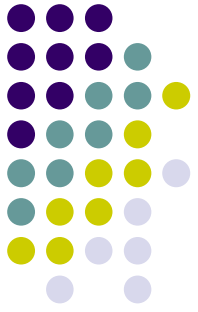
- 2004-05 going forward
- Mandates must be:
 - Paid
 - Suspended
 - Repealed
- Payments can only be deferred for employee relations mandates



SB 90: Fact & Fiction

Payments

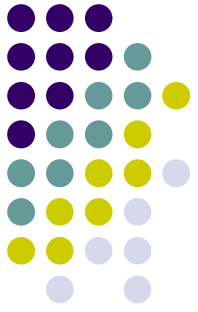
- FY 2004-05 Animal Adoption estimates paid in late February 2005
- FY 2004-05 estimates paid in September 2005
- FY 2005-06 estimates to be paid in April 2006?
- Back year payoff to start in FY 2006-07 and continue for 15 years
 - Will State offer a deal to offset this debt?
- Payments for interest on delinquent State payments



SB 90: Fact & Fiction

Key Mandate Reconsiderations

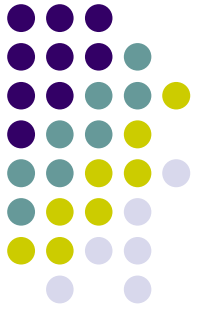
- **Open Meetings Act**
 - Claim eliminated based on Prop 59
- **Mandate Reimbursement Process**
 - Article XIII B, Section 6 guarantees funding, SB 90 claiming process is a state mandated process
 - State is concerned about cost reliability
 - COSM staff currently recommending mandate be set aside
 - Expect major fight if Commission sets this mandate aside



SB 90: Fact & Fiction

Before January 15, 2007

- Have you filed all of your 2004-05 claims yet?
 - Open Meetings Act
 - Mandate Reimbursement
 - Firefighter Cancer Presumption
 - Grand Jury Proceedings
 - Absentee Ballots
- These will be late, but only a 10% to \$1K penalty applies

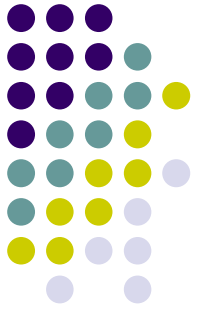


SB 90: Fact & Fiction

Newly Approved Fire Claim

Fire Safety Inspections of Care Facilities

- Reimbursable Period Starts: July 1st, 2000
- Eligible Activities
 - Pre-inspection of community care facilities, residential care facilities for the elderly, and child day care facilities
 - Consultation and interpretation of applicable fire safety regulations for the prospective facility licensee
 - Written notice to the prospective facility licensee of the specific fire safety regulations which shall be enforced in order to obtain the final fire clearance approval.

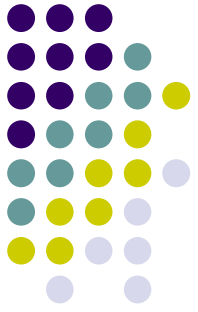


SB 90: Fact & Fiction

Newly Approved Fire Claim

Fire Safety Inspections of Care Facilities

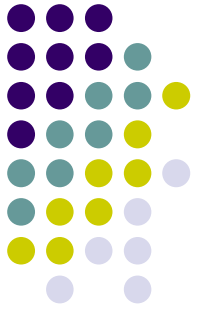
- Full direct and indirect costs
- Costs must be net of fees collected
- Current statutory fee limits
 - \$0 for facilities which serve six or fewer persons
 - \$50 for facilities with capacity to serve 7-25 persons
 - \$100 for facilities with capacity to serve 26+ persons
- Ps & Gs approval this spring/summer
- Claims to be due by end of calendar 2006



SB 90: Fact & Fiction

New Fire Claims on Horizon

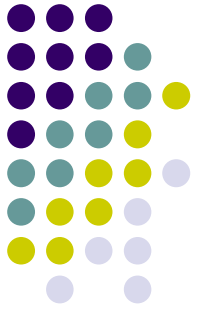
- LAFCO: District contributions (Sacramento)
- Hepatitis & Blood Borne Infection Presumption
- TB Presumption
 - Both of the above are being held pending writ of mandate finding on Cancer and Low Back Injury presumptions (denied in May and December 2004 respectively)
- CFIRS
- Budget Trailer Bill of 2003
- Essential Services Buildings
- Ethics Training (AB 1234, Statutes of 2005)



SB 90: Fact & Fiction

State Controller Issues

- How do you track your personnel time?
- Larger agencies are getting field audited
- Think like an outside auditor before you file your claims
- Time studies becoming more mainstream
- Audit window
 - Three years from filing date if initial appropriation has been made

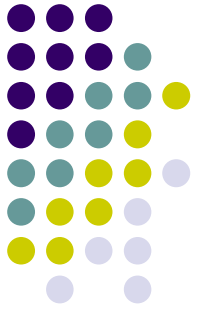


SB 90: Fact & Fiction

Future of the Program

- SB 90 only on radar because of huge state debt...legislative scrutiny won't last forever
- “Reasonable Reimbursement Methodology”
- Mandate Reform Initiative
 - CSUS Center for Collaborative Policy
- It's still the itch that the State can't scratch
 - Prop 1A assures payment for funded mandates
 - Legislature worries about future mandates
 - You can't get paid if you don't file claims

SB 90: Fact & Fiction



Your Questions?

Contact:

J. Bradley Burgess

Public Resource Management Group, LLC

916.677.4233

bradburgess@prmggroup.net

