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August 1, 2018

Department of Finance
Michael Cohn, Director
State Capitol, Room 1145
Sacramento CA 95814

Joint Legislative Budget Committee
1020 N St. Room 5019
Sacramento CA 95814

RE: Proposition 98 Certification Process (2009-10 – 2016-17)

Ladies and gentlemen:

I write regarding the Proposition 98 certification for years 2009-10 through 2016-17. As you know, the recent education trailer bill (AB 1825) provides a new certification process that directs the Department of Finance to provide the underlying data to be used to make the certification for a particular year. Because the bill also directs that the initial certification address multiple years, there are additional challenges for this initial process.

Unfortunately, the information currently provided is not adequate to allow for a meaningful review in the time-frame provided by statute. Because much of the data provided is at an extremely high level, it cannot be evaluated without extensive effort to contact various agencies who might have more detailed information. We believe that the intent of the statute is to provide sufficient data to be publicly available in the first instance so that interested persons can evaluate whether the certification is ultimately being done correctly. The current information fails to meet this goal.

More specifically, one issue that is an important part of the certification process is any rebenching determination. Our office has been involved in litigation with the State on this issue in the context of childcare costs and are of course interested in the treatment of childcare costs going back several years. The information recently made available simply

Department of Finance and Joint Legislative Budget Committee

8/1/2018

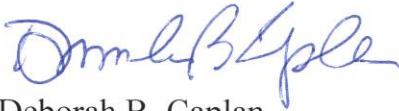
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does not allow for a review or evaluation of the specific rebenching decisions being employed and whether they are technically correct.

I would request that additional information specifically relevant to any childcare rebenching determinations be provided by DOF between now and August 15.

Very truly yours,

OLSON HAGEL & FISHBURN LLP



Deborah B. Caplan

DBC/alh