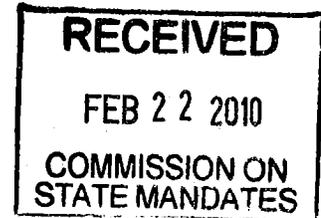




JOHN CHIANG
California State Controller
Division of Accounting and Reporting



February 18, 2010

Ms. Nancy Patton
Assistant Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: Comments on Revised Proposed Parameters & Guidelines (P's & G's)
Crime Victims' Domestic Violence Incident Reports II, 02-TC-18;
Penal Code Sections 13730, Subdivision (c)(3); 12028.5;
Statutes 2001, Chapter 483; Statutes 2002, Chapter 833
County of Los Angeles, Claimant

Dear Ms. Patton:

We reviewed the revised proposed P's & G's for the Crime Victims' Domestic Violence Incident Reports II program proposed by the County of Los Angeles. The P's & G's allow the claimant to be reimbursed by either the use of a Reasonable Reimbursable Method (RRM) or by filing an actual cost claim.

The State Controller's Office (SCO) opposes providing a claimant the option of choosing a method to file. The RRM is an alternative reimbursement method that reduces the burden to the State and claimant of documenting actual costs on an ongoing basis and costs associated with processing claims. By allowing a claimant to choose the most beneficial claiming method, the cost of the mandate to the State will be increased. We oppose the RRM, as proposed, because the RRM may include activities that are above and beyond the scope of the mandate and the number of sample units included in the rate determination may not be representative of eligible claimants.

The claimant has developed five possible scenarios and standard times required to perform specific activities under each scenario. The actions proposed for each of the scenarios are vague and not cross referenced to the reimbursable activities in Section IV. Reimbursable Activities of the P's & G's. Included in each scenario may be actions that are above and beyond the intent of the mandate, or there may be reimbursable activities that are not included in the RRM. Specifically, each of the scenarios contain minutes for supervisory review and approval which should not be duplicated in the indirect cost rate.

We question if the survey of eligible claimants is sufficient to be representative of all eligible claimants. The Claimant developed a standard time survey questionnaire and mailed to 48 eligible claimants, of which two cities and ten counties responded. We do not believe twelve respondents is representative of all the cities and counties within the State. Specifically, Scenario 3 contains an action where the claimant reports the number of minutes required to Destroy/Crush firearms. Two respondents, a city and a county reported that it takes 3 minutes to perform this action. Two other respondents, a city and a county reported that it takes 480 minutes and 240 minutes respectively, to perform this action. We believe the RRM should be based on a larger sample to better consider the variation in costs among claimants and implement the mandate in a cost-effective manner.

The SCO recommends that Section II, Eligible Claimants, page 8, of the P's & G's be amended to include any city, county, or city and county. The current P's & G's omit "any city" as an eligible claimant.

The SCO recommends that the paragraph in the P's & G's, page 4, redefining RRM reflect the actual language in Government Code section 17518.5, as follows:

"(a) A 'Reasonable reimbursement methodology' means a formula for reimbursing local agencies and school districts for costs mandated by the State state, as defined in section 17514 of the Government Code. (b) A reasonable reimbursement methodology shall be based on cost information from a reasonable representative sample of eligible claimants, information provided by associations of local agencies and school districts, or other projections of local costs. (c) A reasonable reimbursement methodology shall consider the variation in costs among all local agencies and school districts to implement the mandate in a cost efficient-manner. (d) Whenever possible, a reasonable reimbursement methodology shall be based on general allocation formulas, uniform cost allowances, standard time, and other approximations of local costs mandated by the State state, rather than detailed actual documentation of actual local costs. In cases when local agencies and school districts are projected to incur costs to implement a mandate over a period of more than one fiscal year, the determination of a reasonable reimbursement methodology may consider local costs and state reimbursements over a period of greater than one fiscal year, but not exceeding 10 years. (e) A reasonable reimbursement methodology may be developed by any of the following: (1) the Department of Finance. (2) The Controller. (3) An affected state agency. (4) A claimant. (5) An interested party."

The survey results for the calculation of the proposed RRM should be based on a sound methodology. One of the respondents included a note on the coversheet of their survey stating, "Some of these estimates are pretty rough but I think realistic." Data that is used to determine a reimbursement rate needs to be more reliable than a rough estimate. The claimants that respond should be reporting actual costs incurred.

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The SCO requests a prehearing to discuss the RRM survey sample and methodology. If you have any questions, please contact Ginny Brummels, Manager of the Local Reimbursements Section, at (916) 324-0256.

Sincerely,

A handwritten signature in black ink that reads "Jill Kanemasu". The signature is written in a cursive, flowing style.

JILL KANEMASU, Chief
Bureau of Payments

JK:glb

PROOF OF SERVICE BY MAIL

Revised Proposed Parameters and Guidelines: Crime Victim's Domestic Violence Incident Reports II, 02-TC-18

I, the undersigned, declare that:

I am a citizen of the United States and a resident of the County of Placer, State of California, of legal age, and not a party to the within entitled cause, with business address at 3301 C Street, Suite 500, Sacramento, CA95816.

On February 18, 2010, I served the attached recommendation of the State Controller's Office to each of the persons named below at the addresses shown and by depositing said envelopes:

- (1) local agencies enclosed in a sealed envelope with postage thereon fully prepared in the United States Mail at Sacramento, California;
- (2) state agencies enclosed on a sealed envelope in the normal pickup location at 3301 C Street, Suite 500, for Interagency Mail Service, addressed as follows:

Riverside County Auditor Controller's Office
Attn: Mr. Dale Mangram
4080 Lemon Street 11th Floor
Riverside, CA 92502

MAXIMUS
Attn: Mr. Allan Burdick
3130 Kilgore Road, Suite 400
Rancho Cordova, CA 95670

State Controller's Office (B-08)
Division of Audits
Attn: Mr. Jim Spano
300 Capitol Mall Suite 518
Sacramento, CA 95814

Department of Finance (A-15)
Attn: Ms Susan Geanacou
915 L Street, Suite 1280
Sacramento, CA 95814

Shields Consulting Group Inc.
Attn: Mr. Steve Shields
1536 36th Street
Sacramento, CA 95816

David Wellhouse & Associates, Inc.
Attn: Mr. David Wellhouse
9175 Kiefer Blvd, Suite 121
Sacramento, CA 95826

MGT of America
Attn: Ms. Jolene Tollenaar
2001 P Street, Suite 200
Sacramento, CA 95811

Department of Finance (A-15)
Attn: Ms. Carla Castaneda
915 L Street, 12th Floor
Sacramento, CA 95816

State Controller's Office (B-08)
Attn: Ms. Ginny Brummels
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

City of Newport Beach
Attn: Mr. Glen Everroad
3300 Newport Blvd.
P.O. Box 1768
Newport Beach, CA 92659-1768

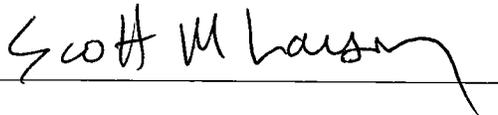
County of San Bernadino
Office of the Auditor/ Controller – Recorder
Attn: MS. Bonnie Ter Keurst
222 West Hospitality Lane
San Bernardino, CA 92415-0018

Centration, Inc.
Attn: Ms. Beth Hunter
8570 Utica Avenue, Suite 100
Executive Director
980 Ninth Street, Suite 300
Sacramento, CA 92814

MAXIMUS
Attn: Ms. Juliana F. Gmur
2380 Houston Avenue
Clovis, CA 93611

Commission on State Mandates
Attn: Ms. Paula Higashi
Executive Director
980 Ninth Street, Suite 300
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on February 18, 2010, at Sacramento, California.

A handwritten signature in black ink that reads "Scott M. Larson". The signature is written in a cursive style and is positioned above a horizontal line.

Scott M. Larson