EXHIBIT B

DEPARTMENT OF FINANCE
GRAY DAVIS, GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

RECEIVED
AUG 26 2002
COMMISSION ON
STATE MANDATES

August 16, 2002

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

Dear Ms. Higashi:

As requested in your letter of July 19, 2002, the Department of Finance has reviewed the test claim submitted by the City of San Jose asking the Commission to determine whether specified costs incurred under Chapter No. 993, Statutes of 1989, are reimbursable state mandated costs (Claim No. CSM-01-TC-16 "Fire Safety Inspections of Care Facilities"). The claimant has identified new duties related to pre-inspections of community care facilities, which it asserts are reimbursable state mandates.

The claimant indicates that it annually performs approximately 75 pre-inspections and fire clearance inspections for prospective licensees of care facilities that serve six or fewer persons. The statute authorizes a fee for these inspections, but caps the fee at $50. The claimant states that the fee is not sufficient to cover its costs of providing the required pre-inspections, therefore, the statute represents a reimbursable state mandate.

We have concluded that the test claim legislation applies to the State Fire Marshal as well as local fire agencies, and is therefore not unique to local government. Accordingly, we conclude that the test claim should be denied.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your July 19, 2002 letter have been provided copies of this letter via either the United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Cindy Shamrock, Principal Program Budget Analyst at (916) 324-0043 or Keith Gmeinder 445-8913, state mandates claims coordinator for the Department of Finance, at (916) 445-8913.

Sincerely,

John Lloyd for

Fred Klass
Program Budget Manager

Attachments

Attachment A

DECLARATION OF JOHN LLOYD
DEPARTMENT OF FINANCE
CLAIM NO. CSM-01-TC-16

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

2. We concur that the Chapter No. 993, Statutes of 1989, sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

August 16, 2002
at Sacramento, CA

John Lloyd
John Lloyd

PROOF OF SERVICE

Test Claim Name: Fire Safety Inspections of Care Facilities
Test Claim Number: CSM-01-TC-16

I, the undersigned, declare as follows:
I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 9 Floor, Sacramento, CA 95814.

On August 16, 2002, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 9 Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300

B-29
Legislative Analyst's Office
Attention Marianne O'Malley
925 L Street, Suite 1000

Wellhouse and Associates
Attention: David Wellhouse
9175 Kiefer Boulevard, Suite 121
Sacramento, CA 95826

Education Mandated Cost Network
Attention: Dr. Carol Berg
1121 L Street, Suite 1060
Sacramento, CA 95814

State Fire Marshal
Chief of Fire Prevention
CDF/State Fire Training
P.O. Box 944246
Sacramento, CA 94244-2460

California State Firefighter's Association
Attention: Executive Director
2701 K Street, Suite 201
Sacramento, CA 95816

B-8
State Controller's Office
Division of Accounting & Reporting
Attention: Michael Havey
3301 C Street, Suite 500

League of California Cities
Attention: Ernie Silva
1400 K Street
Sacramento, CA 95815

San Jose Fire Department
Attention: Gary Bystrom
4 N. 2nd Street, Suite 1100
San Jose, CA 95113-1305

Spector, Middleton, Young & Minney, LLP
Attention: Mr. Paul Minney
7 Park Center Drive
Sacramento, CA 95825

Centration, Inc.
Attention: Mr. Andy Nichols, Senior Manager
12150 Tributary Point Drive, Suite 140
Gold River, CA 95670

SixTen & Associates
Attention: Mr. Keith Petersen, President
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

Mandate Resource Services
Attention: Ms. Harmeet Barkschat
5325 Elkhorn Blvd., #307
Sacramento, CA 95842

Mandated Cost Systems, Inc.
Attention: Mr. Steve Smith, CEO
11130 Sun Center Drive, Suite 100
Rancho Cordova, CA 95670

MAXIMUS
Attention: Ms. Pam Stone, Legal Counsel
4320 Auburn Blvd., Suite 2000
Sacramento, CA 95841

Reynolds Consulting Group, Inc.
Attention: Ms. Sandy Reynolds, President
P.O. Box 987
Sun City, CA 92586

B-8
State Controller's Office
Division of Audits
Attention: Mr. Jim Spano
300 Capitol Mall, Suite 518

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 August 16, 2002 at Sacramento, California.

Peggy Palmertree