

COMMISSION ON STATE MANDATES

980 NINTH STREET, SUITE 300
SACRAMENTO, CA 95814
PHONE: (916) 323-3562
FAX: (916) 445-0278
E-mail: csminfo@csm.ca.gov



January 13, 2009

Mr. Allan P. Burdick
DMG-Maximus, Inc.
4320 Auburn Blvd., Suite 2000
Sacramento, CA 95841

And Interested Parties and Affected State Agencies (See Enclosed Mailing List)

RE: Final Staff Analysis, Proposed Statewide Cost Estimate, and Hearing Date
Fire Safety Inspections of Care Facilities, 01-TC-16
Health and Safety Code Sections 1531.2, 1569.149, 1596.809, 13144.5, and 13235
Statutes 1989, Chapter 993
City of San Jose, Claimant

Dear Mr. Burdick:

The final staff analysis and proposed statewide cost estimate are enclosed.

Hearing

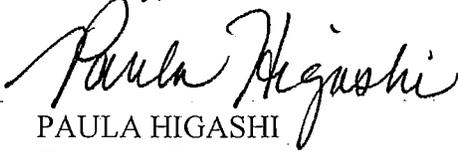
This test claim is set for hearing on Friday, **January 30, 2009**, at **10:30 a.m.** in the State Capitol, Room 447, Sacramento, California. This matter is proposed for the Consent Calendar. Please let us know in advance if you or a representative of your agency will testify at the hearing, and if other witnesses will appear.

Special Accommodations

For any special accommodations such as a sign language interpreter, an assistive listening device, materials in an alternative format, or any other accommodations, please contact the Commission Office at least five to seven *working* days prior to the meeting.

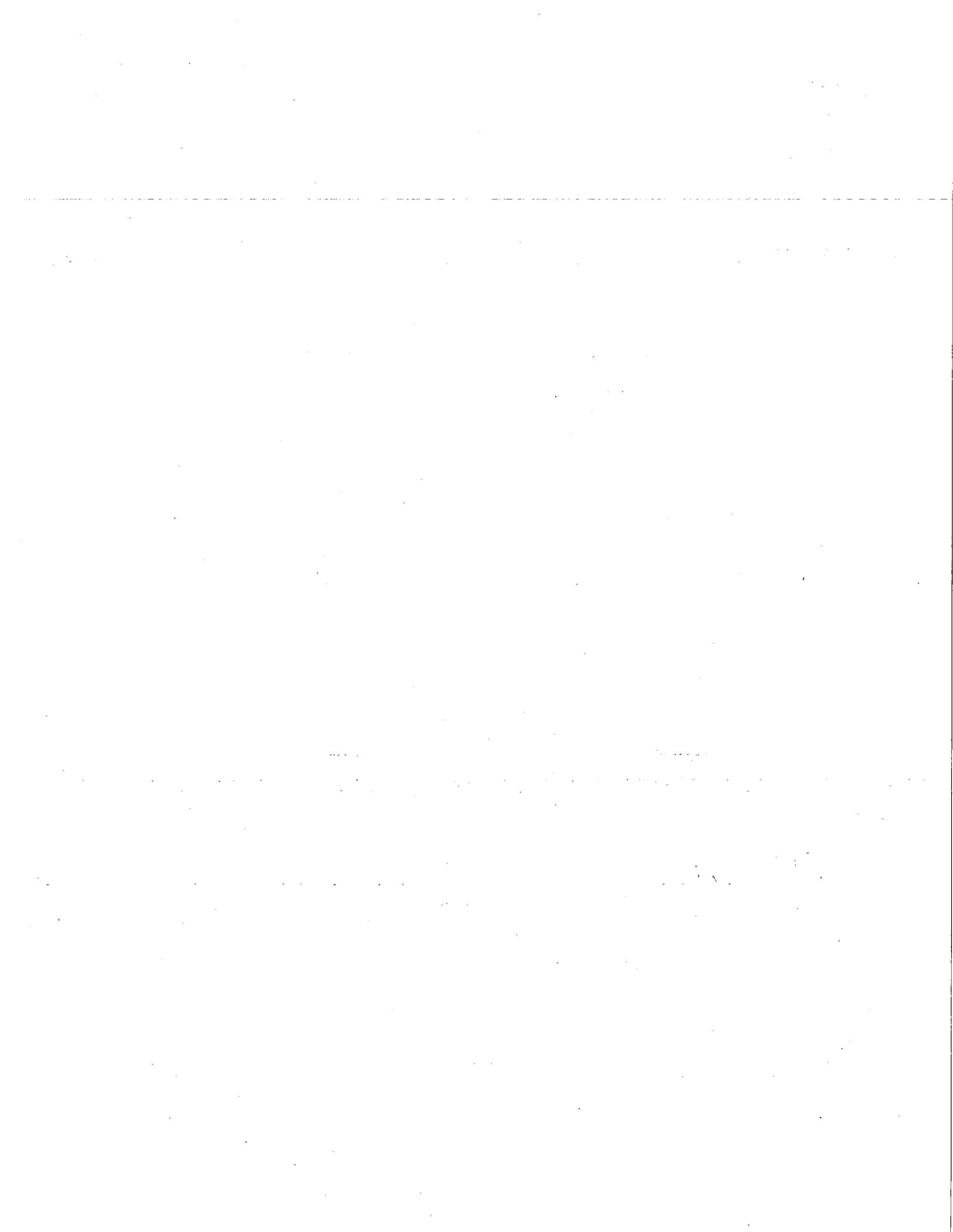
Please contact Nancy Patton at (916) 323-8217 if you have questions.

Sincerely,


PAULA HIGASHI
Executive Director

Enclosure

j:\mandates\2001\tc\01tc16\correspondence\scefsatrans



ITEM 10

FINAL STAFF ANALYSIS

STATEWIDE COST ESTIMATE

Health and Safety Code Section 13235, Subdivision (a)
Statutes 1989, Chapter 993

Fire Safety Inspections of Care Facilities
01-TC-16

EXECUTIVE SUMMARY

The proposed statewide cost estimate includes eight fiscal years for a total of **\$631,411**. This averages to \$78,926 annually in costs for the state. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
2000-2001	3	\$ 49,598
2001-2002	6	67,137
2002-2003	7	50,259
2003-2004	9	73,370
2004-2005	11	86,329
2005-2006	12	83,450
2006-2007	13	107,673
2007-2008	N/A	113,595
TOTAL	61	\$631,411

Summary of the Mandate

The test claim statute requires local fire departments to perform fire safety inspections of community care, residential care, and child daycare facilities. Upon receipt of a request from a prospective licensee, the local fire department, or State Fire Marshal, whichever has primary jurisdiction, is required to conduct a preinspection of the facility prior to the fire clearance approval.

The Commission on State Mandates (Commission) determined that the *Fire Safety Inspections of Care Facilities* program was a state-mandated program.

Statewide Cost Estimate

Staff reviewed the claims data submitted by cities and fire protection agencies, and compiled by the State Controller's Office (SCO). The actual claims data showed that 61 claims were filed between fiscal years 2000-2001 and 2006-2007 for a total of \$517,816.¹ Based on this data, staff

¹ Claims data reported as of November 6, 2008.

made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

Assumptions

1. *The actual amount claimed for reimbursement may increase if late or amended claims are filed.*
2. *The actual amount claimed for reimbursement may increase if the number of community care, residential care, and child daycare facilities increases, and local fire departments are required to conduct preinspections of the facilities prior to the fire-clearance approval.*
3. *Non-claiming cities and fire protection agencies did not file claims because they did not incur more than \$1000 in increased costs for this program.*
4. *The cities and fire protection agencies that have filed reimbursement claims will continue to incur costs over \$1,000 and will continue to file reimbursement claims.*
5. *The total amount of reimbursement for this program may be lower than the statewide cost estimate, because the SCO may reduce any reimbursement claim for this program.*

Methodology

Fiscal Years 2000-2001 through 2006-2007

The proposed statewide cost estimate for fiscal years 2000-2001 through 2006-2007 is based on 61 unaudited actual reimbursement claims filed with the SCO for these years.

Fiscal Year 2007-2008

Staff estimated fiscal year 2007-2008 costs by multiplying the 2006-2007 estimate by the implicit price deflator for 2007-2008 (5.5%), as forecast by Department of Finance.

Comments on the Draft Statewide Cost Estimate

Department of Finance submitted comments on December 16, 2008, concurring with the draft staff analysis.

Adjustment to Final Proposed Statewide Cost Estimate

Staff increased the final proposed statewide cost estimate by \$5,000 to correct a typographical error in the draft proposal.

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of **\$631,411** (\$78,926 in annual costs) for costs incurred in complying with the *Fire Safety Inspections of Care Facilities* program.

STAFF ANALYSIS

Summary of the Mandate

Health and Safety Code section 13235, subdivision (a), requires local fire departments to perform fire safety inspections of all community care facilities, residential care facilities for the elderly, and child daycare facilities. Upon receipt of a request from a prospective licensee, the local fire department, or State Fire Marshal, whichever has primary jurisdiction, is required to conduct a preinspection of the facility prior to the fire clearance approval. At the time of the preinspection, the applicable fire enforcing agency will provide consultation and interpretation of the fire safety regulations that are to be enforced in order to obtain the clearances necessary to obtain a license.

The Commission on State Mandates (Commission) adopted the Statement of Decision for the *Fire Safety Inspections of Care Facilities* test claim, finding that Health and Safety Code section 13235, subdivision (a), constitutes a new program or higher level of service and imposes a state-mandated program upon local agencies within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

The claimant filed the test claim on June 30, 2002. The Commission adopted a Statement of Decision on March 29, 2006, and the parameters and guidelines on March 28, 2008. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by October 1, 2008, and late claims by October 1, 2009.

Reimbursable Activities

The Commission approved the following reimbursable activities relating to the preinspection of the facility:

1. the preinspection of community care facilities, residential care facilities for the elderly, and child day care facilities;
2. the consultation and interpretation of applicable fire safety regulations for the prospective facility licensee; and
3. 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.

Inspection activities relating to the final fire clearance approval are not reimbursable.

Statewide Cost Estimate

Staff reviewed the claims data submitted by 11 cities and four fire protection agencies, and compiled by the SCO. The actual claims data showed that 61 claims were filed between fiscal years 2000-2001 and 2006-2007 for a total of \$517,816.² Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program. The Commission will report the adopted statewide cost estimate to the Legislature along with staff's assumptions and methodology.

² Claims data reported as of November 6, 2008.

Assumptions

Staff made the following assumptions:

1. *The actual amount claimed may increase if late or amended claims are filed.*

Only 15 cities and fire protection agencies in California filed 61 reimbursement claims for this program. Thus, if reimbursement claims are filed by any of the remaining cities or fire protection agencies, the amount of reimbursement claims may exceed the statewide cost estimate. For this program, late claims for 2000-2001 through 2006-2007 may be filed until October 2009.

2. *The actual amount claimed for reimbursement may increase if the number of community care facilities, residential care facilities for the elderly, and child daycare facilities increases, and local fire departments are required to conduct preinspections of the facilities prior to the fire-clearance approval.*
3. *Non-claiming cities and fire protection agencies did not file claims because they did not incur more than \$1000 in increased costs for this program.*

A claimant representative reports that most cities and fire protection agencies will be unable to meet the \$1,000 minimum threshold for filing reimbursement claims for the following reasons:

- a. the fee authority provided to claimants for this program (\$50 per facility for medium facilities, and \$100 for large facilities) is sufficient to cover the costs of the program for many agencies; and
 - b. some cities do not allow these type of facilities within their boundaries.
4. *The cities and fire protection agencies that have filed reimbursement claims will continue to incur costs over \$1,000 and will continue to file reimbursement claims.*
 5. *The total amount of reimbursement for this program may be lower than the statewide cost estimate, because the SCO may reduce any reimbursement claim for this program.*

If the SCO audits this program and deems any reimbursement claim to be excessive or unreasonable, it may be reduced.

Methodology

Fiscal Years 2000-2001 through 2006-2007

The proposed statewide cost estimate for fiscal years 2000-2001 through 2006-2007 is based on 61 unaudited actual reimbursement claims filed with the SCO for these years.

Fiscal Year 2007-2008

Staff estimated fiscal year 2007-2008 costs by multiplying the 2006-2007 estimate by the implicit price deflator for 2007-2008 (5.5%), as forecast by Department of Finance.

The proposed statewide cost estimate includes eight fiscal years for a total of \$631,411. This averages to \$78,926 annually in costs for the state.

Following is a breakdown of estimated total costs per fiscal year:

**TABLE 1. BREAKDOWN OF ESTIMATED
TOTAL COSTS PER FISCAL YEAR**

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
2000-2001	3	\$ 49,598
2001-2002	6	67,137
2002-2003	7	50,259
2003-2004	9	73,370
2004-2005	11	86,329
2005-2006	12	83,450
2006-2007	13	107,673
2007-2008	N/A	113,595
TOTAL	61	\$631,411

Comments on the Draft Statewide Cost Estimate

Commission staff issued the draft staff analysis on November 26, 2008. Department of Finance submitted comments on December 16, 2008, concurring with the draft staff analysis.³

Adjustment to Final Proposed Statewide Cost Estimate

Staff increased the final proposed statewide cost estimate by \$5,000 to correct a typographical error in the draft proposal.

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of **\$631,411** (\$78,926 in annual costs) for costs incurred in complying with the *Fire Safety Inspections of Care Facilities* program.

³ Exhibit A.

PAGES 6-100 LEFT BLANK INTENTIONALLY



December 16, 2008

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 November 26, 2008, the Department of Finance (Finance) has reviewed the Commission's draft staff analysis of the proposed statewide cost estimate for Claim No. CSM-01-TC-16 "Fire Safety Inspections of Care Facilities."

Finance concurs with the Commission's recommendation to adopt the statewide cost estimate of \$627,411 for fiscal years 2000-01 through 2007-08. As noted in the Commission's analysis, the actual costs may be higher or lower based on the submittal of amended or late claims, the number of eligible claimants for subsequent fiscal years, and audit findings.

As required by the Commission's regulations, a "Proof of Service" has been enclosed indicating that the parties included on the mailing list which accompanied your November 26, 2008 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,

A handwritten signature in black ink that reads "Diana L. Ducay". The signature is fluid and cursive, with a long horizontal stroke at the end.

Diana L. Ducay
Program Budget Manager

Enclosure

Attachment A

DECLARATION OF CARLA CASTAÑEDA
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.

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.

December 16, 2008
at Sacramento, CA

Carla Castañeda
Carla Castañeda

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, 12th Floor, Sacramento, CA 95814.

On 12-16-08, 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, 12th Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

Executive Director
California Firefighters' Association
2701 K Street, Suite 201
Sacramento, CA 95816

Mr. David Wellhouse
David Wellhouse & Associates, Inc.
9175 Kiefer Boulevard, Suite 121
Sacramento, CA 95826

San Jose Fire Department
170 West San Carlos
San Jose, CA 95113

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

Robert Parra
Los Angeles County Fire Department
5823 Rickenbacker Road
Commerce, CA 90040

A-15
Ms. Susan Geanacou
Department of Finance
915 L Street, Suite 1190
Sacramento, CA 95814

Mr. Leonard Kaye
County of Los Angeles
Auditor - Controller's Office
500 West Temple Street, Room. 603
Los Angeles, CA 90012

Mr. Allan Burdick
MAXIMUS
4320 Auburn Boulevard, Suite 2000
Sacramento, CA 95841

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

Ms. Bonnie Ter Keurst
County of San Bernardino
Office of the Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

Ms. Kate Dargan
Office of the State Fire Marshal
P.O. Box 944246
Sacramento, CA 94244-2460

Ms. Jolene Tollenaar
MGT of America
455 Capitol Mall, Suite 600
Sacramento, CA 95814

Ms. Annette Chin
Cost Recovery Systems, Inc.
705-2 East Bidwell Street, #294
Folsom, CA 95630

A-15
Ms. Carla Castaneda
Department of Finance
915 L Street, 11th Floor
Sacramento, CA 95814

A-15
Ms. Donna Ferebee
Department of Finance
915 L Street, 11th Floor
Sacramento, CA 95814

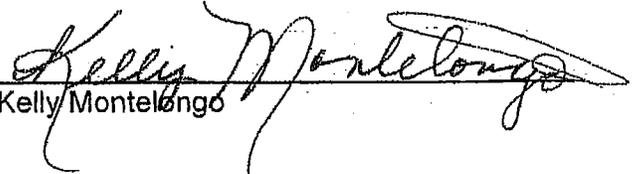
Mr. Glen Everroad
City of Newport Beach
3300 Newport Boulevard
P.O. Box 1768
Newport Beach, CA 92659-1768

Ms. Beth Hunter
Centration, Inc.
8570 Utica Avenue, Suite 100
Rancho Cucamonga, CA 91730

Mr. Gregory Lake
Sacramento Metropolitan Fire District
2101 Hurley Way
Sacramento, CA 95825

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

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 12-16-08 at Sacramento, California.


Kelly Montelongo

Commission on State Mandates

Original List Date: 6/7/2002
Last Updated: 7/19/2006
List Print Date: 01/08/2009
Claim Number: 01-TC-16
Issue: Fire Safety Inspections of Care Facilities

Mailing Information: Final Staff Analysis

Mailing List

TO ALL PARTIES AND INTERESTED PARTIES:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.2.)

Executive Director

California State Firefighters' Association
2701 K Street, Suite 201
Sacramento, CA 95816

Tel: (800) 451-2732

Fax: (916) 446-9889

Mr. David Wellhouse

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

Tel: (916) 368-9244

Fax: (916) 368-5723

Claimant

San Jose Fire Department
170 W. San Carlos Street
San Jose, CA 95113

Tel: (408) 277-8791

Fax: (408) 277-3259

Ms. Marianne O'Malley
Legislative Analyst's Office (B-29)
925 L Street, Suite 1000
Sacramento, CA 95814

Tel: (916) 319-8315

Fax: (916) 324-4281

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

Tel: (916) 323-5849

Fax: (916) 327-0832

Robert Parra
Los Angeles County Fire Department
5823 Rickenbacker Road
Commerce, CA 90040

Tel:

Fax:

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

Tel: (916) 445-3274
Fax: (916) 449-5252

Mr. Leonard Kaye
County of Los Angeles
Auditor-Controller's Office
500 W. Temple Street, Room 603
Los Angeles, CA 90012

Tel: (213) 974-9791
Fax: (213) 617-8106

Mr. Allan Burdick
MAXIMUS
4320 Auburn Blvd., Suite 2000
Sacramento, CA 95841

Claimant Representative
Tel: (916) 471-5538
Fax: (916) 485-0111

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

Tel: (916) 324-0256
Fax: (916) 323-6527

Ms. Bonnie Ter Keurst
County of San Bernardino
Office of the Auditor/Controller-Recorder
222 West Hospitality Lane
San Bernardino, CA 92415-0018

Tel: (909) 386-8850
Fax: (909) 386-8830

Ms. Jolene Tollenaar
MGT of America
455 Capitol Mall, Suite 600
Sacramento, CA 95814

Tel: (916) 712-4490
Fax: (916) 290-0121

Ms. Annette Chinn
Cost Recovery Systems, Inc.
705-2 East Bidwell Street, #294
Folsom, CA 95630

Tel: (916) 939-7901
Fax: (916) 939-7801

Ms. Carla Castaneda
Department of Finance (A-15)
915 L Street, 12th Floor
Sacramento, CA 95814

Tel: (916) 445-3274
Fax: (916) 323-9584

Ms. Donna Ferebee
Department of Finance (A-15)
915 L Street, 11th Floor
Sacramento, CA 95814

Tel: (916) 445-3274
Fax: (916) 323-9584

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

Tel: (949) 644-3127

Fax: (949) 644-3339

Ms. Beth Hunter
Centration, Inc.
8570 Utica Avenue, Suite 100
Rancho Cucamonga, CA 91730

Tel: (866) 481-2621

Fax: (866) 481-2682

Mr. Gregory Lake
Sacramento Metropolitan Fire District
2101 Hurley Way
Sacramento, CA 95825

Tel: (916) 566-4302

Fax:

Ms. Juliana F. Gmur
MAXIMUS
2380 Houston Ave
Clovis, CA 93611

Tel: (916) 485-8102

Fax: (916) 485-0111

