

1. INCORRECT REDUCTION CLAIM TITLE

ANIMAL ADOPTION CLAIM - SEAACA

2. CLAIMANT INFORMATION

South East Area Animal Association (SEAACA)

Name of Local Agency or School District

Sally Hallard

Claimant Contact

Executive Director

Title

9777 SEAACA Street

Street Address

Downey, CA 90241

City, State, Zip

562-806-3301

Telephone Number

Fax Number

sally.hazzard@seaaca.org

E-Mail Address

3. CLAIMANT REPRESENTATIVE INFORMATION

Claimant designates the following person to act as its sole representative in this incorrect reduction claim. All correspondence and communications regarding this claim shall be forwarded to this representative. Any change in representation must be authorized by the claimant in writing, and sent to the Commission on State Mandates.

Annette Chinn

Claimant Representative Name

President

Title

Cost Recovery Systems

Organization

705-2 East Bidwell Street #294

Street Address

Folsom, CA 95630

City, State, Zip

916-939-7901

Telephone Number

916-939-7801

Fax Number

achinnrcs@aol.com

E-Mail Address

For CSM Use Only

Filing Date:

RECEIVED
June 8, 2015
Commission on
State Mandates

Revised July 29, 2015

IRC #: 14-9811-I-03

4. IDENTIFICATION OF STATUTES OR EXECUTIVE ORDERS

Please specify the subject statute or executive order that claimant alleges is not being fully reimbursed pursuant to the adopted parameters and guidelines.

Animal Adoption:

Civil Code Sections 1834 and 1846; Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003. As added or amended by Statutes of 1998, Chapter 752 and Amended Pursuant to Statutes 2004, Chapter 313 (AB 2224) and request of the State Controller's Office.

5. AMOUNT OF INCORRECT REDUCTION

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

Fiscal Year	Amount of Reduction
2001-02	\$111,929.00
2002-03	\$152,036.00
2006-07	\$384,965.00
2007-08	\$403,837.00
2008-09	\$503,866.00

TOTAL: \$1,556,633.00

6. NOTICE OF INTENT TO CONSOLIDATE

Please check the box below if there is intent to consolidate this claim.

☐ Yes, this claim is being filed with the intent to consolidate on behalf of other claimants.

Sections 7 through 11 are attached as follows:

7. Written Detailed

Narrative: pages 1 to 22.

8. Documentary Evidence and Declarations:

Exhibit 2.

9. Claiming Instructions:

Exhibit 3.

10. Final State Audit Report or Other Written Notice of Adjustment:

Exhibit 4-5.

11. Reimbursement Claims:

Exhibit 6.

12. CLAIM CERTIFICATION

READ, SIGN AND DATE THIS SECTION AND INSERT AT THE END OF THE INCORRECT REDUCTION CLAIM SUBMISSION

This claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office Pursuant to section 17561 of the Government Code. This incorrect reduction claim is filed pursuant to section 17561(b) of the Government Code.

I hereby declare, under the penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim submission is true and complete to the best of my knowledge or information or belief.

SALLY HAZZARD

Name and Title of Authorized Representative



Signature of Authorized Representative

EXECUTIVE DIRECTOR

Title



Date

Sections 7 through 11 are attached as follows:

7. Written Detailed Narrative	Exhibit 1	pgs. 1 - 22	SEAACA ANINMAL ADOPTION IRC DOCUMENT.PDF
8. Documentary Evidence and Declarations	Exhibit 2.1	excel worksheet	DAILY CARE AND MAINT CALC.XLS
	Exhibit 2.2	excel worksheet	SAMPLE PROPOSED VET COSTS CLAIMED.XLS
	Exhibit 2.3	PDF	SEAACA FY08-09 BUDGET DOC.PDF
9. Claiming Instructions	Exhibit 3	PDF	Animal Adoption Claiming Instructions.PDF
10. Final State Audit Other written notice of adjustment	Exhibit 4	PDF	SEAACAAnimalAdoptionAuditReport.PDF
	Exhibit 5	PDF	SCO Notice of Adjustments.PDF
11. Reimbursement Claims	Exhibit 6	FOLDER with 5 pdfs	SEAACA Original Claims Submitted
			- SEAACA FY 01-02 Animal Adoption.pdf
			- SEAACA FY 02-03 Animal Adoption.pdf
			- SEAACA FY 06-07 Animal Adoption.pdf
			- SEAACA FY 07-08 Animal Adoption.pdf
			- SEAACA FY 08-09 Animal Adoption.pdf

BACKGROUND:

SEAACA IS AN AGENCY TASKED WITH PROVIDING THE ANIMAL SERVICE NEEDS OF A LARGE AREA OF THE LOS ANGELES URBAN REGION. DURING THE REIMBURSEMENT PERIOD IT PROVIDES SERVICES TO THE MEMBER CITIES OF: BELL GARDENS, DOWNEY, MONTEBELLO, NORWALK, PARAMOUNT, PICO RIVERA, SANTA FE SPRINGS, SOUTH EL MONTE, AND VIA CONTRACT TO BELLFLOWER, BUENA PARK, LAKEWOOD, SOUTH GATE AND VERNON.

FINDING 1 – CARE AND MAINTENANCE COSTS

The claiming instructions allow agencies to choose one of two methods for calculating costs for Care and Maintenance:

The first is the **ACTUAL COST METHOD**. Under this method, an agency would determine the total annual cost for care and maintenance for all dog and cats impounded at the facility, then divide this amount by the total annual census to calculate an average daily cost per animal.

The second method is the **TIME STUDY METHOD** where an agency would conduct time studies to determine the amount of time to provide care and maintenance during a reimbursable day. Then this time/cost would be applied to the eligible animal population.

SEAACA chose to calculate their claim based on the ACTUAL cost method. SEAACA's accounting system separates their costs by functional units: SHELTER OPERATIONS, FIELD OPERATIONS, LICENSING, VETERINARY SERVICES and ADMINISTRATION. Since the purpose of the SHELTER division is to care and maintain the animals, the costs of the SHELTER OPERATIONS division were taken as the base for calculating total care and maintenance costs. From the total expenditure of that division, unallowable items, such as euthanasia supplies, were deleted and additional agency wide overhead costs from the ADMINISTRATIVE division were added. That total was divided by the total number of animal days of service to calculate a cost per animal per day of service.

In the original claim filed by SEAACA the animal daily care rates claimed ranged from \$7.77* in FY 2001-02 to \$14.72* in FY 2008-09. (* It should be noted that this rate also included an allocation for Veterinary Services costs provided to the stray euthanized animal population.) SEAACA chose to calculate the veterinary component similarly to how the daily care and maintenance was calculated, which the SCO denied as a method of calculating those costs.

When these claims were originally developed, the daily care rates were compared to those of comparable neighboring jurisdictions, it was determined that SEAACA's cost for Care and Maintenance were in line with the others (LA City and LA County are probably the most similar in the region based on size of the area served) (SEAACA provides animal services to approximately a dozen cities in the LA metropolitan area). In addition, SEAACA felt confident the rates claimed were conservative because the agency opted not to claim for any other related costs such as: ***Maintaining Lost and Found Lists, Maintaining Non-Medical Records, Feral Cat review*** since these activities were performed in the same division (SHELTER), it was determined that the agency was already being compensated for those activities and thus no request for reimbursement was submitted for those components.

When the SCO audit staff conducted their initial "Entrance Conference" SEAACA was told that it would not be allowed to use option 1 – ACTUAL COST METHOD to calculate Care and Maintenance costs as they did in an aggregate fashion. Initially we did not object as it theory, the calculation using the actual cost method should yield roughly the same amount.

However, this was not the case. When SCO audit staff recalculated the cost component and determined that SEAACA's reimbursable daily care and maintenance rates ranging from \$1.03 to \$1.63 per animal during the audit period. This amount represented approximately 25% of the amount calculated and requested by SEAACA.

SCO provided the following information comparing other audited agency's cost per animal per day:

Salaries and Benefits – cost per animal per day allowed after SCO Audits:

1. El Dorado County – varied from \$2.62 to \$7.42
2. Contra Costa County – varied from \$2.95 to \$11.99
3. City/County of San Francisco – varied from \$5.48 to \$7.67
4. Sacramento County – varied from \$3.79 to \$5.33
5. Riverside County – varied from \$3.22 to \$4.75
6. City of Los Angeles – varied from \$9.17 to \$13.81
7. City of Hayward – varied from \$2.88 to \$9.12
8. SEAACA – varied from \$1.03 to \$1.63

The rates calculated by the SCO auditors are unreasonably low primarily because direct costs were very narrowly interpreted and appropriate departmental overhead (ICRPS) and benefit costs were not calculated or applied properly by the SCO. Also, overhead or ICRP rates should be based and applied to salaries and benefits (as is the industry standard), not total direct costs, since allowable direct costs are predominantly labor related for this program.

SCO allowed benefit rates were understated (0% benefits were allowed) for Fiscal Years 2001-02 and 2002-03 since the agency did not have detail benefit data per position, it was provided for the entire division. In those two years, we feel it would be appropriate to use a portion – or percentage of the benefits for the direct staff involved. We calculated a rate of 22% in FY 2001-02 and 20% in 2002-03 and request this be applied to the Care and Maintenance Formulas used by the State.

Care and maintenance of an animal is not just the time and cost to feed the animals, but should include administrative and support costs associated with running operating a shelter. These support costs include supervisory oversight, review, scheduling, purchasing supplies, etc.; and support functions such as reception and clerical. These departmental indirect charges were grossly understated in the SCO findings.

SEAACA requests that the CSM allow the use of the full overhead (ICRP rate calculations). The proof of reasonableness of the rates proposed is that when the Care and Maintenance Shelter related costs are calculated in in two different ways, the amounts are almost identical \$5.72/day and \$5.62/day.

Animal Adoption Post-Audit SCO Allowed Care and Maintenance Daily Dogs and Cats Rates

	City of Los Angeles	City of San Jose	San Fransisco	Riverside County	Contra Costa County	City of Hayward	Sacramento County	SEAACA
1998-1999	\$9.23	n/a	\$5.65	\$7.29	\$2.36	\$3.64	n/a	n/a
1999-2000	\$10.37	\$6.98	\$6.24	\$4.37	\$3.34	\$3.17	n/a	n/a
2000-2001	\$11.81	\$8.86	\$7.21	\$4.56	\$3.28	\$4.10	n/a	n/a
2001-2002	\$9.89	\$13.09	\$7.13	\$4.70	\$4.31	\$4.11	\$5.33	\$1.25
2002-2003	\$10.11	\$5.98	\$7.43	\$5.56	\$3.01	\$4.66	\$4.63	\$1.32
2003-2004	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2004-2005	n/a	\$5.63	n/a	n/a	\$7.47	n/a	\$4.84	n/a
2005-2006	\$13.58	\$4.72	\$6.84	\$3.57	\$7.33	\$4.73	\$3.79	n/a
2006-2007	\$12.77	\$6.34	\$5.78	\$3.62	\$7.50	\$9.07	\$4.65	\$1.23
2007-2008	\$13.43	n/a	\$11.05	\$3.44	\$7.11	\$9.02	n/a	\$1.61
2008-2009	n/a	n/a	n/a	\$4.87	n/a	n/a	n/a	\$1.63

n/a = not audited

If one solves a mathematical problem in two different ways and one arrives to the same solution using both methods, one can be reasonably confident that the math is correct. (See separate attachments for sample calculations and proposed ICRP rates. We included the 2008-09 stats in the document as an example.)

ACTUAL COST METHOD RATE = \$5.73 per animal per day

FULL ACTUAL SALARIES + BENEFITS + SEAACA PROPOSED OVERHEAD RATES = \$5.62 per animal per day

SCO TIME STUDY METHOD + SEAACA PROPOSED OVERHEAD RATES = \$5.22 per animal per day

SCO ALLOWED = \$1.63 per animal per day

WE REQUEST THAT THE CSM ALLOW THE CALCULATION BASED ON PARAMETER AND GUIDELINE ESTABLISHED METHOD OF THE ACTUAL COST METHOD AS SHOW IN THE FIRST PROPOSAL \$5.73 PER ANIMAL PER DAY RATE FOR FY 2008-09 AND THE SAME METHODOLOGY BE APPLIED FOR OTHER FISCAL YEARS.

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ Care of Dogs & Cats
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,737									
Total Cats Held = 13,799									
Total Other Animals Held = 1,926									
at an average daily census of 219,600									
Total STRAY Dogs Euthanized=									
Total STRAY Cats Euthanized =									
(mandate added 2 extra holding days)									
Total STRAY FERAL Cats Euth.=									
(mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =									
Total Costs for STRAY Cats Euthanized =									
Total Costs for STRAY Feral Cats Euthanized =									
Total Animal Care Costs:									
Shelter Division Expends= \$874,672									
Kennel Division Expend. = \$2,646									
Overhead Share/Admin Charges : \$388,031									
(less Euthanasia supplies) = -\$7,778									
TOTAL \$1,257,571									
Cost per animal = \$51.41									
Cost per animal/per day \$5.73									
<i>Actual Cost Method</i>									
(05) Total									

**MANDATED COSTS
ANIMAL ADOPTION
CLAIM SUMMARY**

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Total STRAY FERAL Cats Euth.= (mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =						\$122,568			
Total Costs for STRAY Cats Euthanized =									
Total Costs for STRAY Feral Cats Euthanized =									
Total Animal Care Costs:									
FULL Shelter Direct Labor Costs = \$279,401									
Shelter Direct Benefits (6.5%)= \$18,161									
Shelter Direct Food Costs = \$92,554									
Kennel Division Expense(salary) = \$2,646									
Shelter Indirect/ICRP (150.83%) \$452,804									
Agency Overhead \$388,031									
TOTAL \$1,233,597									
Cost per animal = \$50.43									
Cost per animal/per day \$5.62									
= $\frac{\$1,233,597}{219,600}$ = \$5.62									
Full Actual Salaries									
(05) Total						\$122,568			

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Total Costs for STRAY Dogs Euthanized =						\$113,854			
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Total Costs for STRAY Feral Cats Euthanized =									
Total Animal Care Costs:									
SCO Shelter Direct Labor Costs = \$265,244 (Benefits included above per SCO)									
Shelter Direct Food Costs = \$92,554									
Shelter Indirect/ICRP (150.83%) \$400,068									
Agency Overhead \$388,031									
TOTAL \$1,145,897									
Cost per animal = \$46.84									
Cost per animal/per day \$5.22									
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SCO TIME STUDY									
(05) Total						\$113,854			

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SCO TIME STUDY									
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Total Costs for STRAY Dogs Euthanized =						\$35,550			
Total Costs for STRAY Cats Euthanized =									
Total Costs for STRAY Feral Cats Euthanized =									
Total Animal Care Costs:									
Shelter Direct Labor Costs = \$265,244									
Shelter Direct Benefits =									
Shelter Direct Food Costs = \$92,554									
Shelter Indirect/ICRP									
Agency Overhead									
TOTAL \$357,798									
Cost per animal = \$14.63									
Cost per animal/per day \$1.63									
= $\frac{\$357,798}{219,600}$ = \$1.63									
SCO ALLOWED									
(05) Total						\$35,550			

INDIRECT COST RATE PROPOSAL

SEAACA

Animal Shelter

Fiscal Year
2008-09

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	\$530,758		\$315,235	\$215,523
Overtime	\$63,878			\$63,878
Benefits 6.5%	\$34,554		\$20,523	\$14,031
Total	\$629,190		\$335,758	\$293,432
Services & Supplies				
Office Supplies	\$1,239		\$1,239	
Speical Act Supplies	\$92,555			\$92,555
Industrial Gas	\$7,778		\$7,778	
Animal Lics. Supplies	\$2,409	\$2,409		
Clothing	\$4,890		\$4,890	
Svcs maint Bldgs	-\$6,708		-\$6,708	
Staff Development	\$2,256		\$2,256	
Electricity Bills	\$46,118		\$46,118	
Gas Bills	\$4,057		\$4,057	
Telephone	\$33,970		\$33,970	
Water	\$2,310		\$2,310	
Office Equipment	\$54,607	\$43,686	\$10,921	\$0
Total	\$245,481	\$46,095	\$106,831	\$92,555
Capital Expenditures				
Total				
Total Expenditures	\$874,671	\$46,095	\$442,589	\$385,987

Cost Plan Costs

Total

Total Alloc. Indirect Costs	\$874,671	\$46,095	\$442,589	\$385,987
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ICRP RATE = 150.83%
(Rate is Based on Salaries)

$\frac{\$442,589}{\$293,432} = \frac{\text{Total Allowable Indirect Costs}}{\text{Total Direct Salaries \& Benefits}}$

Fiscal Year
2008-09

2008-09

Name/Position

[illegible]

\$315,235

ICRPS

Understated Indirect Costs:

We added the staff overhead costs for supervisory and support positions

1)All supervisory and support staff should be included.

- Support staff positions (such as Dispatchers and Clerks) do not work directly with the animals, but support those direct staff who do. Support activities include: interacting with the public, answering calls, typing, filing, paperwork, etc. (Note : job descriptions for all overhead staff can be provided if required). Direct time charged to the claim was omitted from indirect cost pool liberally.
- Office Supervisor is a departmental support position. The allowable indirect portion of her position is included as allowable indirect. The 1% of her time found to be direct is excluded.
- Lead and Senior Animal Control Technicians also perform eligible support and administrative activities. As noted in the "Draft Audit" on page 13, "However, only a percentage of shelter staff is devoted to care and maintenance of animals because staff members also perform non-mandated activities such as recruiting, training, and scheduling." We contend that these activities are all legitimate support or overhead costs necessary to providing shelter care and maintenance services, and should be taken into account, if not in the direct costs, than in the indirect cost rates.
- Those positions that were included partially as direct, should have the remaining portion of their salaries be left as allowable indirect since the State found that some work duties such as filling in time sheets, ordering supplies, etc were not directly related to animal care.

2) Allowable supplies and services which were clear indirect costs and allowable under OMB A-87 guidelines were included.

- **Office Supplies & Utilities** – all division staff utilizes and consume office supplies for various functions. Shelter staff get kennel and animal reports printed on paper, all shelter staff use time sheets, pens etc.
- **Clothing** - SEAACA stated that uniforms are required for health and safety reasons. They must be washed in bleach to kill germs and prevent the spread of disease, thus street clothes would not be a viable option. This line item was included in the indirect cost rate for all division staff that work with animals.
- **Building & Equipment Maintenance** – these costs are necessary for operating the shelter
- **Staff Development** – training costs for shelter staff is a necessary and an allowable overhead item.
- **Office Equipment** – also used by all division staff, allowable under OMB A-87.
- **Contract Services** – MOC – includes items such as janitorial services, fire security services, and HVAC maintenance costs.

ALLOCATION OF ADMINISTRATIVE SUPPORT DIVISION COSTS

Department	Total Costs	% of over head share	\$ of overhead
Administration Support 44.23%	\$1,289,872		
Animal Control/Patrol	\$1,077,463	37%	\$476,553.87
Animal Shelter	\$874,672	30%	\$386,860.92
Animal Kennel	\$2,646	0%	\$1,170.36
Veterinary Services	\$625,775	21%	\$276,775.63
License Canvassing	\$335,776	12%	\$148,511.23
Division Totals	\$2,916,332	100%	\$1,289,872
Shelter + Kennel only=			\$388,031.28

A) WE DISAGREE WITH THE SCO'S RETROACTIVE APPLICATION OF PURIFOY V. HOWELL DECISION TO PRIOR YEAR CLAIMS

During the audit, the State Controller representatives announced that they would be applying a recent court decision (Purifoy v Howell published in March, 2010) to the claims being audited (FY 2001-02 being the oldest reviewed). This decision alters the definition of a business day for purposes of the animal holding period under the Hayden Bill. The retroactive application of a recent legal interpretation to activities that have already occurred is unfair and inequitable. Particularly when the rules pertain to animals already euthanized.

AUDIT PARAMETERS: According to claiming instructions, under Audit of Costs,

"All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's and G's adopted by the Commission."

Based on this language – the SCO must review the claims to the Parameters and Guidelines (Ps and Gs) and instructions applicable at that time. The SCO does not have the authority to audit to a "new" set of guidelines and rules after the fact and without proper notice and approval of those new guidelines.

Local agencies complied with the requirements of the law mandated by the legislature in 1998. They made a good faith effort to comply with the parameters and to claim costs as instructed. They incurred additional costs to comply with the mandate legislation as it was written. The SCO is exceeding its legal authority to audit claims to a new set of guidelines. The recent court action should only have an impact on activities and claims after the date of the finding and then only after Ps and Gs are amended pursuant State Mandate regulations.

The application of "new" rules to activities which have already occurred (animals being euthanized), has resulted in substantial disallowances to our legitimate claims for State reimbursement. The claims were calculated and filed based upon the law and the Parameters and Guidelines in place at the time of filing. Changing the "rules of the game" years later is unreasonable and robs local agencies of legitimately incurred costs.

One of the main goals of the Hayden Bill was to extend the period an animal was held and to ensure shelters extended their business hours so that residents could more easily retrieve their pets. The bill instructed that shelters stay open until at least 7pm on a weeknight, or on Saturday. However, the Purifoy case basically renders the option of keeping the shelter open on a Saturday void. Those agencies that made good faith efforts to implement the State legislation and kept the shelters open even longer by offering a Saturday option are now being punished by having their claims reduced by more than half.

Shelters that opted to stay open on Saturdays are being told that the option offered by the legislature was not really a legal option and that by choosing to stay open on a Saturday would render all their calculations on when an animal could be legally euthanize invalid. It is obviously impossible to go backward in time and resurrect animals that were euthanized based upon the recent 'Saturday as a business day' interpretations.

The SCO's decision to apply the Purifoy decision retroactively to its audits violates the basic rules of law and the provisions of Ex Post Facto law.

It should be noted that to the best of our knowledge, ALL agencies followed the same method of calculation of holding periods prior to the 2010 court order. SEAACA was no different in its understanding or interpretation of the law at the time.

1. The Purifoy decision itself did not confirm that Saturday is not a business day
2. The SCO took this decision to decide itself that Saturday is not a business day (their interpretation)

California Civil Code Section 9, states that Saturday is a business day to which shelters would calculate their holding periods according to the code. Using the SCO's interpretation of business day then would technically make all of the shelters calculations incorrect because "technically" they were not holding animals the required holding periods, regardless of Hayden Bill. This would decrease reimbursable costs because it would reduce the number of eligible animals.

The standard protocol for changing the instructions is to have any involved party file a request to amend Ps and Gs with the CSM. These revisions, if approved by the CSM after proper noticing of all parties, would then be applicable for the subsequent filing deadline. The SCO has been auditing the Animal Adoption claims for over three years now; however, it does not appear that they have made any requests to revise the Ps &Gs or claiming instructions. Local agencies were still preparing their FY 2010-11 "27-Day claims" for the Animal Adoption as recently as in 2011, but the instructions on the SCO website are still identical to those originally released.

B) A NUMBER OF SCO'S INTERPRETATIONS CONSTITUTE ARBITRARY RULE MAKING

The SCO audit creates rules and definitions of eligibility that do not appear in the instructions, Ps and Gs, or Statement of Decision (SOD). These "interpretations" or "new rules" they are imposing are harming local agencies by greatly reducing the number of animals that they deemed to be eligible for reimbursement. When there is a gray area, the stated intent of the Statutes, CSM Statements of Decision, and Ps and Gs should be followed.

1) Defining "Ultimately Euthanized" animals eligible for "Care and Maintenance" reimbursement.

"Ultimately Euthanized" means those stray animals whose final action resulted in euthanasia.

The mandate's intent was to provide reimbursement for the care and maintenance of stray animals during the extra holding days required by the law. Nowhere in the instructions, Ps and Gs, or SOD does it state that reimbursement is ONLY available IF and only IF THE ENTIRE holding period is satisfied.

The language of the Ps and Gs instruct that the SCO review costs to ensure that they are related to the mandate. If an agency incurs cost for providing one extra day of care and maintenance cost for an eligible animal, then the portion of the eligible cost should be reimbursed.

The intent of the legislation was to keep the animals for the entire holding period, when possible. However, there are various reasons why an animal might not be held the entire 2-3 day holding period prior to euthanasia. Actions taken related to care for animals are by their nature, complex and unpredictable. Medical conditions are not always readily apparent; diagnosis can be subjective; treatment decisions are varied and complex; and outcomes not guaranteed. Because of these facts, it is impossible for any agency to guarantee that an animal will be able to be held (or should be held) for the entire mandated period.

A once apparently healthy animal's condition can rapidly decline. An animal can be gravely injured by other animals during their holding period in the shared and often overcrowded kennels. Unforeseen events can occur – and because of that – even an agency with the best intentions and highest levels of care cannot guarantee that an animal will – or should be kept alive for the entire mandated time period.

The issue of timing of events and the unpredictability of animal's circumstances was addressed in a related request by Fresno County to the CSM.

Fresno County recommends that reimbursements apply to animals that are ultimately euthanized also apply to those animals that die while being held pending adoption or euthanization. If the animal dies pending adoption, obviously no adoption fees can be paid, and thus there is no revenue pertaining to that animal. If the animal dies pending euthanasia, the animal still has to be held until its untimely demise.

CSM staff noted that the Statement of Decision does not specifically address animals that die during the increased holding period, but that the county's request is consistent with the Statement of Decision. First, CSM staff addressed reimbursement for euthanized animals:

If a stray or abandoned animal dies during the time an agency is required to hold that animal, the agency would still be required by the state to incur costs to care and maintain the animal, and to provide "necessary and prompt veterinary care" for the animal before the animal died. The agency cannot recover those costs from the adoptive owner since the animal was never adopted or released to a nonprofit adoption organization. Thus, staff agrees with the County that these costs are eligible for reimbursement.

However, the same reimbursement limitations apply to the stray and abandoned animals that die during the holding period. For example, reimbursement for the care and maintenance of these animals is limited to the costs incurred during the *increased* holding period, as calculated by the proposed Parameters and Guidelines.

Accordingly, CSM staff added language to the parameters and guidelines to address animals that die during the increased holding period.

This action by the CSM indicates determining whether the activity was eligible should hinge on whether the activity was required by the State and whether the local agency had the ability to recovery costs for the animal population in question.

This discussion did not mention another likely occurrence – that in some cases an animal might have to be euthanized during the mandated holding period.

So if a STRAY Dog or Cat WAS EUTHANIZED on:

Day 3.5 = .5 days of eligible care and maintenance cost should be eligible for reimbursement

Day 4 = 1.5 days should be reimbursable

Day 5 = 2.5 days should be reimbursable

Day 6 = 3.5 days should be reimbursable

Any day after day 6 = max of 3.5 days should be reimbursable.

The SCO's interpretation is if a stray animal is euthanized prior to completion of the entire holding, the extra holding days the animal WAS held are NOT eligible for reimbursement –even though the agency incurred legitimate costs for a portion of the holding period. Basically – there is no "Partial Credit" for partial compliance.

It is our belief that local agencies should be reimbursed for the actual costs incurred for providing care and maintenance of eligible animals as stated in mandate language. SCO limitation of reimbursement for only those animals that stayed the entire time is an unfair interpretation that robs agencies of actual costs incurred. Though they would not qualify to receive full reimbursement for all animals, partial credit should be granted for the portion eligible of service provided.

This "all or nothing" SCO standard is most particularly unfair since the main reason a majority of animals were not kept the entire required holding period was because the SCO's application of the "new" 2010 court decisions holding periods alters method by which the holding period is calculated and disallows a substantial portion of the population of animals. By moving the target after the fact, many animals are now being denied even partial credit for the days of service they did provide. Agencies complied with the holding periods as were written in the law and should not completely lose reimbursement for those eligible animals because the SCO's has decided to apply the 2010 court decision on holding day calculations retroactively.

It appears that the SCO auditors is "moving the target" so they can obtain the maximum cost savings to the State at the expense of fairness and equity to local agencies. Some of this "reinterpretation" benefits local agency's slightly by requiring additional holding days, however, it is clear by the net result, that the State benefits by this determination in the final analysis. If the reinterpretation was such a great deal, there would not be many complaints from local agencies in their Response to the Audits.

2) Defining "Irremediably Suffering Animals"

The SCO also informed SEAACA that if an animal was euthanized DURING the holding period, the entire reimbursement for eligible care and maintenance of days service during the additional holding days provided would be forfeit. They reason that animal was "irremediably suffering" and therefore not eligible for reimbursement in the first place based on language that appears in the veterinary portion of the Ps and Gs. We question this application of the definition of "irremediably suffering" and believed the logic is flawed for the following reasons:

a) Local agencies are not required to provide veterinary care to animals that are “irremediably suffering from a serious illness or injury.” Neither are they eligible to be reimbursed for this activity.

b) It is standard practice to conduct a physical examination and document the condition of each animal upon admission to the shelter. Local agencies are reimbursed for the cost of providing an initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable”, treatable or non-rehabilitatable”. At that time a “wellness vaccine” administered to those “treatable” or “adoptable” animals is also allowed for reimbursement as a component of “Necessary and Prompt Veterinary Care” mandated in Civ. Code Section 1834 and 1846. The initial decision is made at that time (initial exam) which animals are “treatable” and which are “irremediably suffering” and can, by law, be euthanized immediately.

A shelter is exempt from providing the mandated care and maintenance for those animals that are determined to be “irredeemably suffering”. Logically, those animals, such as those hit by cars, would be put to sleep at their initial assessment and the segment of the population deemed “irremediably suffering” would be weeded out of the population prior to the commencement of the additional holding period.

c) If an animal has survived in the shelter to the 4th day or beyond, that animal must have been certainly been classified by shelter staff as “Treatable” and not “Irremediably Suffering” as it was added to the animal shelter inventory and given a wellness vaccine.

If an animal sickens or is injured in the shelter at a later date, that animal should not be excluded from obtaining the portion of reimbursement it is entitled to. As the SCO notes, “no adoptable/treatable animal shall be euthanized”. Their thought process however is static and does not recognize the reality of the fact that the condition of an animal can change. An animal that has survived in the shelter to the mandated holding period (beyond 72 hours), is by definition a treatable animal. However at a later date, that same animal may be reclassified as “Irremediably suffering”. However on the prior days when it was considered “treatable” – the care and maintenance time during that period should be reimbursed.

For example: an animal may be deemed:

Day 1 = Initial exams determines the animal is treatable

Day 2 = treatable & provided treatment

Day 3 = treatable & provided treatment

Day 4 = treatable & provided treatment

Day 5 = not getting better or declining, but still provided treatment

Day 6 = condition declines to a point that the vet believes euthanasia is the best action for the animal

Only on this final day is the animal determined to be non-adoptable and non-treatable

So under this scenario, local agencies believe that they should be reimbursed the care and maintenance for the additional mandated holding days (Day 4 and Day 5) during which time the animal was treated. Also

the cost of providing the medical care should be reimbursed as ultimately the animal didn't respond to treatment and was ultimately euthanized.

As the CSM reasoned in other similar situations: "There is no other means by which the agency can recover their state mandated costs – and thus, they should be entitled to State reimbursement for these eligible costs".

The agency is charged with making "all reasonably necessary medical" interventions to make the animal "adoptable" They should not be punished for their compliance with the law and making the required efforts to treat an animal they believed in the beginning was treatable, but later found out that their efforts were not successful. If it is later determined that death is inevitable and that suffering and further costs can be avoided by euthanizing the animal, this should not preclude the agency from obtaining reimbursement for mandated costs incurred. To let the animal suffer and die slowly on its own, just to satisfy the SCO so that they may obtain reimbursement of their costs and efforts is not logical or ethical.

The only parties that should be able to determine the best treatment for an animal are the medical professionals at each local agency shelter. It should not be up to an auditor, consultant or accountant to determine if the action taken by a medical professional was warranted and proper. This is not the venue for such inquiry and discussion. Questioning the appropriateness of treatment decisions should not be within the realm of what the SCO should be reviewing in its audits.

Again, SCO is creating its own "interpretations" that result in the loss of eligible reimbursement for local agencies.

3) SCO DETERMINATION THAT ONLY ANIMALS THAT DIE ON DAYS 4, 5, 6 AND 7 ARE REIMBURSABLE. THE SCO CLAIMS THAT IF THEY DIE ON DAY 8 OR BEYOND – THEY ARE NO LONGER ELIGIBLE FOR OBTAINING REIMBURSEMENT FOR ANY OF THEIR 2-3 DAYS OF ELIGIBLE CARE AND MAINTENANCE AND VET CARE PROVIDED.

This interpretation makes no logical sense and we believe the situation was not foreseen during drafting and review of the Ps and Gs and instructions. Again the CSM's logic regarding the Fresno County request would apply. The CSM found...

"...The agency cannot recover those (care and maintenance) costs from the adoptive owner since the animal was never adopted or released to a nonprofit adoption organization. Thus, staff agrees with the County that these costs are eligible for reimbursement.

It makes no sense to deny reimbursement for eligible costs incurred in providing care and maintenance to a stray animal who happened to die a day or two later than the end of the holding period. This would directly contradict the intent of the law which is to: as stated in the first line of the Ps and Gs:

"The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals."

By saying the agency would forfeit the 2-3 days of eligible costs incurred by keeping the animal beyond the mandated holding period if it happened to die after day 7 would directly contradict the intent of the law

and put a financial incentive on agencies to kill any animal recovering from treatment on its last holding day to avoid the possibility that it might die and preclude the agency of reimbursement for even those eligible costs incurred during the additional holding period.

WE REQUEST THE RESTORATION OF APPLICABLE COSTS AS DISCUSSED ABOVE.

FINDING 2 - CALCULATION OF ELIGIBLE HOLDING PERIOD COSTS: KEEPING THE SHELTER OPEN ON SATURDAY.

SEAACA objects to the method used by the SCO to calculate allowable costs related to the activity of keeping the shelter open for the extended hours. Food and Agriculture Code sections 31108, 31752 and 31753 state that the shelter be open on a weekday evening or a Saturday. SEAACA opted to keep the shelter open on Saturday.

The SCO is not allowing SEAACA the reimbursement for their full actual costs incurred to implement this mandated activity. They argue that only a bare bones staffing level is reimbursable (only those that are specifically tasked with interacting with the public and animals to make the animal available to the public) despite the fact that this interpretation is not in any CSM approved document. This denies SEAACA of the supervisory and other support staff present on the weekend day and does not cover the full actual costs incurred for this eligible activity.

State Mandate claiming procedures requires that claimants be reimbursed their full "Actual Costs Incurred". There is no direction or limitation as to how that is to be accomplished. Local agencies are given the discretion of how to accomplish the State Mandate. Nowhere in the claiming instructions, Ps and Gs, or the SOD does it state that only certain positions are eligible for reimbursement and how staffing should be determined. SEAACA implementation of this mandate component includes supervisory staff and support staff be present on the extra holding day. Having supervisory and support staff present during hours of operation is a reasonable and common business practice. We do not believe those costs are excessive or unreasonable and should be restored.

If the Commission determines that the actual costs incurred by the agency to keep the shelter open as mandated are not fully reimbursable, then at the least, they should allow the inclusion over departmental and agency overhead/indirect costs as is allowed by State and Federal OMB guidelines. The SCO calculation does not include departmental ICRP costs.

WE REQUEST THE RESTORATION OF COSTS AS DISCUSSED ABOVE AND USING THE FULL ACTUAL SHELTER COSTS AS THE BASIS OF REIMBURSEMENT AS CLAIMED.

FINDING 3 AND FINDING 4 (Unclaimed costs for Lost and Found Lists and Maintaining Non-Medical Records)

As discussed above in Finding 1, SEAACA did not claim these components individual since they felt the rate for care and maintenance of the animal included these activities.

If the CSM allows the calculation of daily care and maintenance as proposed based on the Actual Cost Method, this component would not be requested for reimbursement.

FINDING 5 – PROMPT AND NECESSARY VETERINARY CARE

The methodology SEAACA used to calculate the reimbursable Veterinary costs was identical to the method used to calculate Care and Maintenance Costs. The costs of the VETERINARY Division were included in the total pool of costs that were divided by total animal days of service provided. The number of eligible days for the Stray/Euthanized population was used as the basis for calculating the costs that were attributable to the mandate based on the percentage of appropriate number of eligible animal days.

While this method wasn't specifically enumerated in the instructions as available calculation method for this cost component, it mirrors the "Actual Cost" method allowed in the claiming instructions for Care and Maintenance. Using it for this component appeared to be a fair and rational method in this component as well. Locating and reviewing thousands of veterinary medical records dating back years to determine which procedures were eligible and which were not, was not a cost effective or viable method.

WE REQUEST THAT THE CSM ALLOW THE CALCULATION OF ALLOWABLE PROMPT AND NECESSARY VETERINARY CARE TO BE BASED ON A SIMILAR MATHEMATICAL MODEL, AS THE CARE AND MAINTENANCE COMPONENT WAS ALLOWED PER PS AND GS. HOWEVER, IF THIS IS NOT ALLOWED, THEN WE REQUEST THAT THE SCO'S CALCULATION INCLUDE OVERHEAD RATES (DEPARTMENTAL AND AGENCY ADMIN) BE INCLUDED IN SEAACA PROPOSED CALCULATIONS.

FINDING 6 – MISSTATED INDIRECT COSTS.

As discussed in Finding 1, SEAACA originally did not prepare ICRP rates because they elected to use the ACTUAL COST METHOD of calculating the Care and Maintenance cost per animal per day. Indirect costs were included in the total division expenditures, so did not have to be calculated separately. The only overhead factored into our original claims was to add a prorated share of the ADMINISTRATIVE Division charges to the SHELTER & VETERINARY department costs.

As a result of this audit and the SCO's request to recalculate costs based on the time study method, SEAACA has prepared ICRP rates that we believe are correct and should be added to the eligible direct costs.

We request that the CSM accept the ICRP and overhead rate calculations and increase the applicable allowable costs accordingly.

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☒ **Veterinary Care**
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
<p>Share of Veterinary Division attributable to STRAY EUTHANIZED population eligible for reimbursement = (includes Lost and Found Lists, Maintaining Non-med records and general admin costs)</p> <p>Total Dogs Held = 8,737 Total Cats Held = 13,799 Total Other Animals Held = 1,926 TOTAL ANIMALS HELD 24,462</p> <p>ELIGIBLE DOGS AND CATS PER SCO = 7273 x 3 days ELIGIBLE OTHER ANIMALS PER SCO = 103 x 6 days</p> <p>Total Mandate Related Costs = SCO Eligible Pop. Extra Days Maint 22,437 SCO Total Animal Days of Service 219,000</p> <p>or 22,437 Strays Euthanized days 219,000 Total Care & Maint days</p> <p>= 10% of total Shelter & Kennel costs relate to eligible animal care</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>Veterinary Division Expend.= TOTAL \$625,775</p> </div> <p>ELIGIBLE = \$625,775 x 10% VET COSTS</p> <p>= \$64,112 eligible vet share</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>Cost per day day of VET care \$ 2.86</p> </div> <p>EXAMPLE OF CALC METHOD BASED ON SCO ALLOWED ANIMAL POPULATION</p>						\$64,112			
(05) Total						\$64,112			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ **Care of Dogs & Cats**
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,737 Total Cats Held = 13,799 Total Other Animals Held = 1,926 at an average daily census of 219,600 (based on SCO allowed audit number) Total STRAY Dogs Euthanized= 7,273 Total STRAY Cats Euthanized = (mandate added 3 extra holding days) Total STRAY FERAL Cats Euth.= (mandate added 3 extra holding days) (Owner Turn-in animals not included in numbers above) Total Costs for STRAY Dogs Euthanized = Total Costs for STRAY Cats Euthanized = Total Costs for STRAY Feral Cats Euthanized = Total Animal Care Costs: Shelter Direct Labor Costs = \$265,244 Shelter Direct Benefits = Shelter Direct Food Costs = \$92,554 Shelter Indirect/ICRP Agency Overhead <u>TOTAL</u> \$357,798 Cost per animal = \$14.63 Cost per animal/per day \$1.63 = $\frac{\$357,798}{219,600}$ = \$1.63						\$35,550			
(05) Total						\$35,550			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ **Care of Dogs & Cats**
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,737									
Total Cats Held = 13,799									
Total Other Animals Held = 1,926									
at an average daily census of 219,600									
Total STRAY Dogs Euthanized=									
Total STRAY Cats Euthanized = (mandate added 2 extra holding days)									
Total STRAY FERAL Cats Euth.= (mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =									
Total Costs for STRAY Cats Euthanized =									
Total Costs for STRAY Feral Cats Euthanized =									
Total Animal Care Costs:									
Shelter Division Expend= \$874,672									
Kennel Division Expend. = \$2,646									
Overhead Share/Admin Charges : \$388,031									
(less Euthanasia supplies) = -\$7,778									
TOTAL \$1,257,571									
Cost per animal = \$51.41									
Cost per animal/per day \$5.73									
(05) Total									

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ **Care of Dogs & Cats**
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,737									
Total Cats Held = 13,799									
Total Other Animals Held = 1,926									
at an average daily census of 219,600 (based on SCO allowed audit number)									
Total STRAY Dogs Euthanized= 7,273									
Total STRAY Cats Euthanized = (mandate added 3 extra holding days)									
Total STRAY FERAL Cats Euth.= (mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =						\$122,568			
Total Costs for STRAY Cats Euthanized =									
Total Costs for STRAY Feral Cats Euthanized =									
Total Animal Care Costs:									
FULL Shelter Direct Labor Costs = \$279,401									
Shelter Direct Benefits (6.5%)= \$18,161									
Shelter Direct Food Costs = \$92,554									
Kennel Division Expense(salary) = \$2,646									
Shelter Indirect/ICRP (150.83%) \$452,804									
Agency Overhead \$388,031									
TOTAL \$1,233,597									
Cost per animal = \$50.43									
Cost per animal/per day \$5.62									
= \$1,233,597 = \$5.62 219,600									
(05) Total						\$122,568			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ **Care of Dogs & Cats**
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,737 Total Cats Held = 13,799 Total Other Animals Held = 1,926 at an average daily census of 219,600 (based on SCO allowed audit number) Total STRAY Dogs Euthanized= 7,273 Total STRAY Cats Euthanized = (mandate added 3 extra holding days) Total STRAY FERAL Cats Euth.= (mandate added 3 extra holding days) (Owner Turn-in animals not included in numbers above) Total Costs for STRAY Dogs Euthanized = Total Costs for STRAY Cats Euthanized = Total Costs for STRAY Feral Cats Euthanized = Total Animal Care Costs: SCO Shelter Direct Labor Costs = \$265,244 (Benefits included above per SCO) Shelter Direct Food Costs = \$92,554 Shelter Indirect/ICRP (150.83%) \$400,068 Agency Overhead \$388,031 TOTAL \$1,145,897 Cost per animal = \$46.84 Cost per animal/per day \$5.22 = \$1,145,897 = \$5.22 219,600						\$113,854			
(05) Total						\$113,854			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY								FORM AA-2	
(01) Claimant:		Southeast Area Animal Control Agency (02) Fiscal Year Costs Were Incurred:					2008-09		
(03) Reimbursable Components: Check only one box per form to identify the component being claimed									
A. One-Time Costs									
<input type="checkbox"/> Policies and Procedures			<input type="checkbox"/> Training			<input type="checkbox"/> Computer Software			
B. On-Going Costs									
<input type="checkbox"/> Acquiring Space / Facilities			<input type="checkbox"/> Renovating Facilities			<input type="checkbox"/> Care of Dogs & Cats			
<input type="checkbox"/> Care of Other Animals			<input type="checkbox"/> Holding Period			<input type="checkbox"/> Feral Cats			
<input type="checkbox"/> Lost and Found Lists			<input type="checkbox"/> Non-Medical Records			<input checked="" type="checkbox"/> Veterinary Care			
<input type="checkbox"/> Procuring Equipment									
(04) Description of Expenses: Complete columns (a) through (f)									
(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Share of Veterinary Division attributable to STRAY EUTHANIZED population eligible for reimbursement = (includes Lost and Found Lists, Maintaining Non-med records and general admin costs)									
Total Dogs Held = 8,737									
Total Cats Held = 13,799									
Total Other Animals Held = 1,926									
TOTAL ANIMALS HELD 24,462									
ELIGIBLE DOGS AND CATS PER SCO = 7273 x 3 days									
ELIGIBLE OTHER ANIMALS PER SCO = 103 x 6 days									
Total Mandate Related Costs =									
SCO Eligible Pop. Extra Days Manc 22,437									
SCO Total Animal Days of Service 219,000									
or 22,437 Strays Euthanized days									
219,000 Total Care & Maint days									
= 10% of total Shelter & Kennel costs relate to eligible animal care									
Veternary Division Expend.= TOTAL \$625,775						\$64,112			
ELIGIBLE = \$625,775 x 10%									
VET COSTS									
= \$64,112 eligible vet share									
Cost per day day of VET care \$ 2.86									
EXAMPLE OF CALC METHOD BASED ON SCO ALLOWED ANIMAL POPULATION									
(05) Total						\$64,112			



**ADOPTED BUDGET
FISCAL YEAR
2008 - 2009**

Prepared by:

Dan Morrison

Presented:

June 4, 2008

Adopted:

June 19, 2008

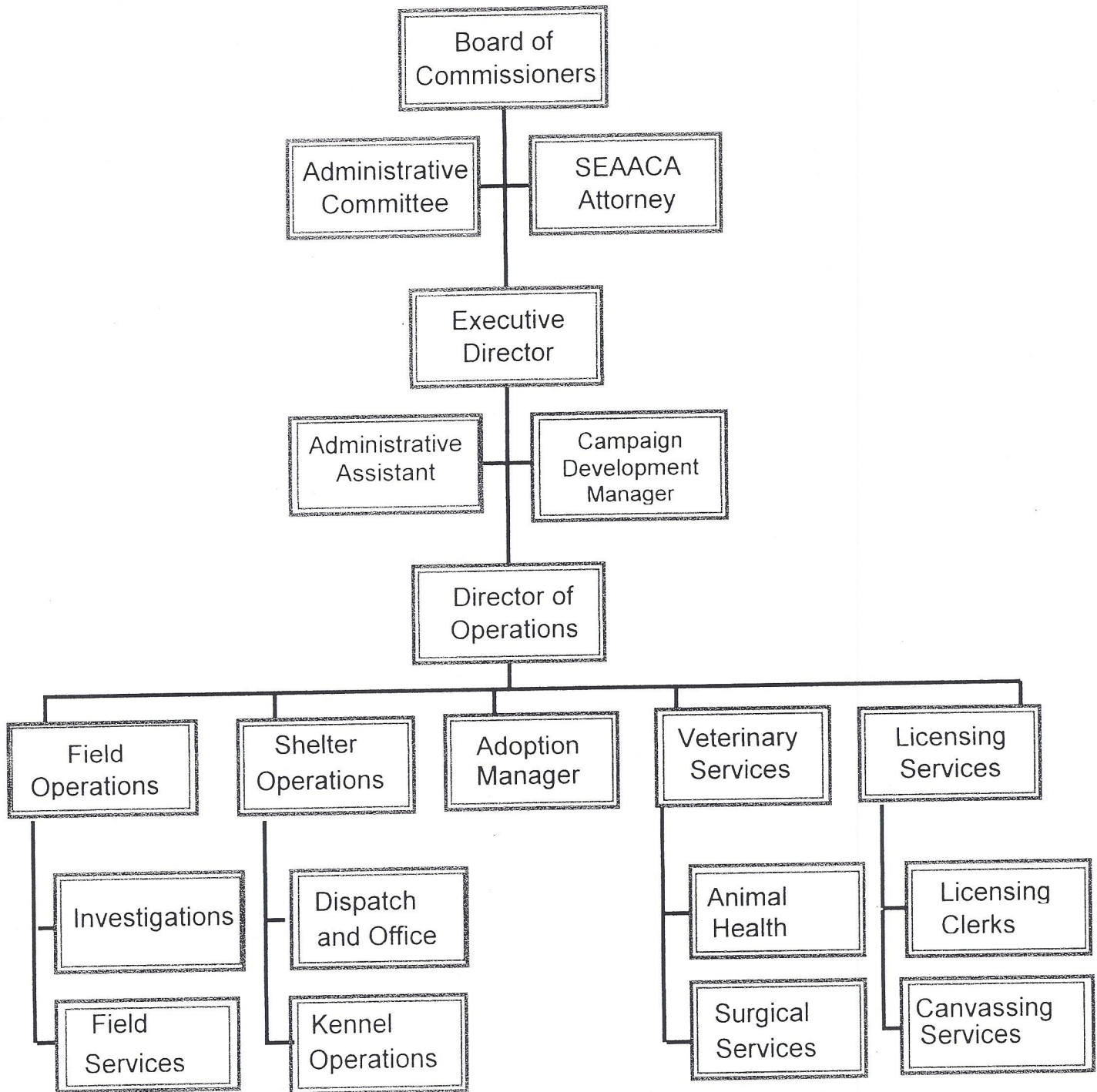
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ORGANIZATIONAL CHART



PERSONNEL MANNING TABLE
FY 2008-09

Adopted 2008-2009	Adopted 2008-2009
<u>Regular</u>	<u>Part Time</u>

DIVISIONS

ADMINISTRATIVE SUPPORT

1	0	Executive Director
1	0	Director of Operations
0	1	Campaign Development Manager
1	0	Adoption Manager
<u>1</u>	<u>0</u>	Administrative Assistant
4	1	Division Total

FIELD OPERATIONS

1	0	Animal Control Corporals
2	0	Sr. Animal Control Officers
<u>13</u>	<u>0</u>	Animal Control Officers
16	0	Division Total

SHELTER OPERATIONS

1	0	Lead Animal Care Technician
1	0	Sr. Animal Care Technician
8	0	Animal Care Technicians
1	0	Office Supervisor
2	0	Dispatchers
<u>5</u>	<u>0</u>	Clerk/Cashiers
18	0	Division Total

VETERINARY SERVICES

1	0	Veterinarian
2	0	Registered Veterinary Technician
1	0	Senior Veterinary Assistant
2	0	Veterinary Assistants
<u>1</u>	<u>0</u>	Clerk/Cashier
7	0	Division Total

LICENSING SERVICES

1	0	Licensing Supervisor
3	1	Clerk
<u>0</u>	<u>8</u>	Canvassers
<u>4</u>	<u>9</u>	Division Total

<u>49</u>	<u>10</u>	ORGANIZATIONAL TOTAL
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**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF EXPENDITURES**

Division	Adopted Fiscal Year 2008-2009
Administrative Support	
Personnel Services	\$ 444,095
Maintenance and Operations	911,726
Capital Outlay	14,000
Subtotal	<u>\$ 1,369,821</u>
Field Operations	
Personnel Services	\$ 699,077
Maintenance and Operations	215,000
Capital Outlay	162,000
Subtotal	<u>\$ 1,076,077</u>
Shelter Operations	
Personnel Services	\$ 667,970
Maintenance and Operations	142,500
Capital Outlay	23,000
Subtotal	<u>\$ 833,470</u>
Veterinary Services	
Personnel Services	\$ 379,816
Maintenance and Operations	145,000
Capital Outlay	4,161
Subtotal	<u>\$ 528,977</u>
Licensing Services	
Personnel Services	\$ 302,081
Maintenance and Operations	47,466
Capital Outlay	-
Subtotal	<u>\$ 349,547</u>
TOTAL EXPENDITURES	
Personnel Services	\$ 2,493,039
Maintenance and Operations	1,461,692
Capital Outlay	203,161
TOTAL EXPENDITURES	<u><u>\$ 4,157,892</u></u>

SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF REVENUES

	Adopted Fiscal Year 2008-2009
MEMBER CONTRIBUTIONS	
Bell Gardens	\$ 127,114
Downey	308,174
Montebello	178,491
Norwalk	298,160
Paramount	156,822
Pico Rivera	181,750
Santa Fe Springs	48,355
South El Monte	60,861
Subtotal	<u>\$ 1,359,727</u>
CONTRACTS	
Dedicated Officers for:	
Paramount	\$ 35,392
Member City License Canvasses	
Bell Gardens	-
Downey	-
Montebello	-
Norwalk	20,300
Paramount	20,300
Pico Rivera	20,300
Santa Fe Springs	4,480
South El Monte	-
Bellflower	307,686
Buena Park	398,273
Lakewood	395,331
South Gate	444,088
Vernon	7,800
Subtotal	<u>\$ 1,653,950</u>
OPERATING REVENUES	
Shelter	\$ 240,000
Veterinary	600,000
Interest	43,000
Resale Products	6,500
Contributions & Forfeitures	-
Capital Replacement Fund	-
Insurance Refunds	92,715
Vehicle Replacement Fund	162,000
Subtotal	<u>\$ 1,144,215</u>
TOTAL FUNDS AVAILABLE FOR APPROPRIATION	<u><u>\$ 4,157,892</u></u>

PERSONNEL SERVICES DIVISION: ADMINISTRATIVE SUPPORT FUND: 2510

	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
Executive Director	1	\$ 120,996
Director of Operations	1	97,392
Adoption Manager	1	54,469
Administrative Assistant	1	50,854
Campaign Development Manager	1	30,670
Retirement		51,794
PARS Part Time Retirement		6,710
Medicare		<u>31,210</u>
 TOTAL PERSONNEL SERVICES	 <u>5</u>	 <u>\$ 444,095</u>

MAINTENANCE AND OPERATIONS DIVISION: ADMINISTRATIVE SUPPORT FUND: 2510

Line Item	OPERATING MATERIALS AND SUPPLIES	Adopted Fiscal Year 2008-2009
130	Office Supplies	\$ 6,500
140	Special Activities	5,500
144	Computer Software and Licensing	10,000
160	Books and Publications	500
	<u>Subtotal</u>	<u>\$ 22,500</u>
	 OPERATING CHARGES AND SERVICES	
310	Advertising	\$ 1,500
320	Printing and Binding-Private	3,100
340	In-House Print Shop Charges	4,000
361	Building Lease/Purchase Payment	30,009
407	Computer Maintenance	7,000
450	Auditing	7,500
451	Administrative/Financial Svcs.	40,000
470	Legal Services	4,000
530	Independent Contractors	5,300
580	Travel & Meeting Expenses	6,500
590	Commissioners Reimbursement	23,400
630	Unemployment Insurance	19,000
640	Postage	2,700
670	Professional/Membership Fees	3,900
690	Medical Examination Fees	1,400
700	Contract Services	114,495
710	Liability & Property Insurances	116,011
740	Health/Life/Dental Insurances	312,752
760	Workers' Comp. Insurance	108,550
765	Long Term Disability	13,000
861	Capital Replacement Fund	50,000
	<u>Subtotal</u>	<u>\$ 874,117</u>
	 EQUIPMENT RENTAL	
870	Equipment Rental-Private	\$ 15,109
	<u>Subtotal</u>	<u>\$ 15,109</u>
	 TOTAL MAINTENANCE AND OPERATIONS	 <u><u>\$ 911,726</u></u>

ADMINISTRATIVE SUPPORT
MAINTENANCE AND OPERATIONS SUPPORT DATA

130 OFFICE SUPPLIES:

Paper, pens, pencils, filing materials, printer ribbons and ink cartridges, photocopy paper and inks, staplers, tape, calendars, paper clips and various office supplies.

140 SPECIAL ACTIVITIES:

Supplies for special programs including: public relations, adoption programs, special recognition plaques, employee recognition awards, volunteer program and employee Christmas event.

144 COMPUTER SOFTWARE AND LICENSING:

Expenditures for Computer Software and Program Licensing Microsoft: Microsoft SQL, Microsoft Windows, Microsoft Office, Citrix Metaframe XP; Symantec Antivirus Enterprise Edition; Sonic Wall; Novell GroupWise; Novell Netware; BrightStor ARCserve Backup for Netware; Network Solutions.

310 ADVERTISING:

Employment recruitment and spay/neuter program advertisements.

320 PRINTING AND BINDING - PRIVATE:

Edon Printing - Stationery, business cards, brochures printed by outside contractors.

340 PRINTING AND BINDING - CITY OF DOWNEY PRINT SHOP:

Brochures and in-house forms for record-keeping and public information.

361 BUILDING RENTAL

Leaseback amount paid to Citizen's Business Bank for the financing of the renovation of the SEAACA Shelter.

407 COMPUTER MAINTENANCE:

Computer Maintenance service: Novacoast, General Networks, J.R. Sitman

450 AUDITING:

Diehl, Evans & Associates Certified Public Accountant fee for audit of Fiscal Year 2008-2009 (\$7,500).

451 ADMINISTRATIVE / FINANCIAL SERVICES:

Outside financial services provided by the City of Downey including accounting and payroll reporting and various computer services.

470 LEGAL SERVICES:

Legal Consulting fees and State of California background investigations services.

530 INDEPENDENT CONTRACTORS:

Services provided by: Animal Legal & Veterinary Consulting Service; Jan Elster; John Vinson; John Wilson; John Adams & Associates; Carlos Lopez and SPCALA

580 TRAVEL AND MEETING EXPENSES:

Expenses for Commission meetings, staff meetings & training. California Animal Control Directors' Association, American Humane Association, Society of Animal Welfare Administrators. Staff training.

590 COMMISSIONERS REIMBURSEMENT:

Reimbursement for Commission meetings.

630 UNEMPLOYMENT INSURANCE:

Based on actual cost.

640 POSTAGE:

Postage for outgoing correspondence and packages for all (excludes Licensing Division).

670 PROFESSIONAL AND MEMBERSHIP FEES:

Professional fees to State of California for Staff Veterinarian's license; membership dues to National Animal Control Association, American Humane Association, Humane Society of the United States, California Animal Control Directors' Association, Society of Animal Welfare Administrators, California State Humane Association, California Public-Safety Radio Association, Southern California Veterinary Medical Association, California Veterinary Medical Association, American Veterinary Medical Association and Veterinary Medical Board Permit.

690 MEDICAL EXAMINATION FEES:

Pre-employment physical examinations.

700 CONTRACT SERVICES:

Admiral Pest Control - Pest control (\$1,188/yr.); Advance Fire Protection - Annual Testing of Emergency Fire System (\$500/yr.); Automatic Doors.com - automatic door maintenance (\$1,250/yr.); Cost Recovery Systems, Inc. - State Mandate Program (\$6,000/yr.); County of Los Angeles - Emergency night-time dispatch services (\$14,160/yr.); D&D Disposal Services - shelter disposal services (\$850/mo.); Jani-King - Janitorial Services (\$487.78/mo.); Loomis - Armored vehicle transport (\$163.00/Mo.); Mar-Co - Floor cleaning machine maintenance (\$95/Mo.); McDermott Communications - Radio communications; air time and contract to maintain and repair radio equipment (\$8,500/yr.); Nextel Communications - Pager system (\$7,150.00/yr.); McNeill Security System - Fire/CCTV security system (\$405/mo /\$500/mo.); Mission Uniform - floor mats for lobby/reception areas (\$31.37/wk); PARS - Administration Fees to process employee part time retirement contributions (\$750/yr.); Public Storage - Off Site Equipment & record storage (\$186/mo); RK Web Development - SEAACA Website Hosting (\$420/yr.) Safeserv - OSHA Compliance (\$2,065/yr.); SPCALA - Paw Trax maintenance contract (1,500/yr.); Sunwest Air Conditioning - Air conditioning/heating/water system maintenance and repair (\$4,712/yr.); TALX - Unemployment claims processing - \$138/yr); Water Techniques - Water cooler lease (\$960/yr); Water Techniques - Water cooler maintenance (\$750/yr.); West Coast Power Wash - Power washing of sidewalks (\$1440/yr.); Wurzel Landscape - landscape maintenance (\$840/mo.)

710 LIABILITY INSURANCE:

SEAACA is self-insured through the California Joint Powers Insurance Authority (CJPIA). Liability insurance is based on actual experience over the history of SEAACA's participation in the CJPIA program. Also included are automotive liability and all-risks property insurance.

712 RETRO BILLED LIABILITY INSURANCE:

SEAACA is self-insured through the California Joint Powers.

Administrative Support Date (con't)

740 GROUP INSURANCE:

Blue Shield of California, Kaiser Foundation Health Plan, Inc., Safeguard Dental Plans and Standard Life Assurance Company – Health, dental, vision, life and accidental death and dismemberment insurances for SEAACA Employees.

760 WORKER'S COMPENSATION INSURANCE:

SEAACA is self-insured through the California Joint Powers Insurance Authority (CJPIA).

765 DISABILITY INSURANCE:

Reliance Standard Benefits Insurance Company - Long Term and Short Term Disability Insurance for employees.

870 EQUIPMENT RENTAL - PRIVATE:

IKON Office Solutions & Pitney Bowes - Contract & Supplies of leased office equipment.

CAPITAL OUTLAY DIVISION: ADMINISTRATIVE SUPPORT FUND: 2510

Line Item	Adopted Fiscal Year 2008-2009
900 Computers	\$ 14,000
910 No capital requests	<u>-</u>
 TOTAL CAPITAL OUTLAY	 <u>\$ 14,000</u>

PERSONNEL SERVICES DIVISION: FIELD OPERATIONS FUND: 2520

	<u>Adopted 2008-2009 Emps.</u>	<u>Adopted Fiscal Year 2008-2009</u>
Animal Control Corporal	1	\$ 50,150
Sr. Animal Control Officers	2	90,352
Animal Control Officers	13	465,839
Overtime		17,000
Retirement		<u>75,736</u>
 TOTAL PERSONNEL SERVICES	 <u>16</u>	 <u>\$ 699,077</u>

MAINTENANCE AND OPERATIONS DIVISION: FIELD OPERATIONS FUND: 2520

Line Item		Adopted Fiscal Year 2008-2009
	OPERATING MATERIALS AND SUPPLIES	
140	Patrol Service Supplies	\$ 6,000
180	Uniforms and Accessories	7,200
	<u>Subtotal</u>	<u>\$ 13,200</u>
	OPERATING CHARGES AND SERVICES	
330	Photography	\$ 400
480	Staff Development	2,400
700	Contract Services	-
	<u>Subtotal</u>	<u>\$ 2,800</u>
	VEHICLE MAINTENANCE	
860	Vehicle Maintenance	\$ 79,000
861	Vehicle Replacement Fund	120,000
	<u>Subtotal</u>	<u>\$ 199,000</u>
	TOTAL MAINTENANCE AND OPERATIONS	<u><u>\$ 215,000</u></u>

FIELD OPERATIONS
MAINTENANCE AND OPERATIONS SUPPORT DATA

140 PATROL SERVICE SUPPLIES:

Traps, carrying cages, flash lights, batteries, leashes, gloves, immobilization equipment, first aid supplies, Thomas Guide Maps, keys, training and reference guides, restraint equipment and other field service supplies.

180 UNIFORMS AND ACCESSORIES:

Five uniforms, boots and accessories for Field Officers and Corporal.

330 PHOTOGRAPHY:

Supplies, cameras and film processing for investigations, slide presentations and employee identification cards.

480 STAFF DEVELOPMENT:

Special training seminars for Animal Control Officers and Corporals. Education Allowances.

860 VEHICLE MAINTENANCE:

Maintenance including labor, parts, service, gasoline and oil for all SEAACA vehicles. Gasoline provided on an at-cost basis by the City of Downey Public Works Yard.

861 VEHICLE REPLACEMENT FUND:

During Fiscal Year 2008-2009 we will continue our program of building a fund for vehicle replacement.

CAPITAL OUTLAY DIVISION: FIELD OPERATIONS FUND: 2520

Line Item	Adopted Fiscal Year 2008-2009
940 Vehicle	<u>\$ 162,000</u>
 TOTAL CAPITAL OUTLAY	 <u>\$ 162,000</u>

940 - Vehicle Purchase: Three (3) Trucks with Animal
Transport Units and One (1) Sedan

PERSONNEL SERVICES DIVISION: SHELTER OPERATIONS FUND:2530
--

	<u>Adopted 2008-2009 Emps.</u>	<u>Adopted Fiscal Year 2008-2009</u>
Office Supervisor	1	\$ 41,539
Lead Animal Care Technicians	1	38,118
Sr. Animal Care Technician	1	31,351
Dispatcher	2	69,938
Clerk/Cashier	5	168,719
Animal Care Technician	8	233,263
Overtime		10,000
Retirement		<u>75,042</u>
 TOTAL PERSONNEL SERVICES	 <u>18</u>	 <u>\$ 667,970</u>

MAINTENANCE AND OPERATIONS DIVISION: SHELTER OPERATIONS FUND: 2530

Line Item	OPERATING MATERIALS AND SUPPLIES	Adopted Fiscal Year 2008-2009
140	Shelter/Custodial Supplies	\$ 41,000
141	Euthanasia Supplies	6,500
142	Products for Re-Sale	2,500
180	Uniforms and Accessories	4,000
	<u>Subtotal</u>	<u>54,000</u>
	OPERATING CHARGES AND SERVICES	
360	Shelter Maintenance	\$ 16,000
480	Staff Development	2,000
550	Electricity	39,000
556	Gas	7,000
560	Telephone	22,000
570	Water	2,500
	<u>Subtotal</u>	<u>\$ 88,500</u>
	EQUIPMENT RENTAL	
870	Equipment Rental	\$ -
	<u>Subtotal</u>	<u>\$ -</u>
	TOTAL MAINTENANCE AND OPERATIONS	<u><u>\$ 142,500</u></u>

SHELTER OPERATIONS
MAINTENANCE AND OPERATIONS SUPPORT DATA

- 140 SHELTER/CUSTODIAL SUPPLIES:**
Animal foods, carrying cages, identification banding materials, cat litter, air conditioning filters, light bulbs, cleaning and sanitizing chemicals, various supplies for operation of the shelter.
- 141 EUTHANASIA SUPPLIES:**
Drugs and Supplies.
- 142 PRODUCTS FOR RE-SALE**
Leashes, collars, animal carriers, etc. purchased wholesale for the purpose of resale.
- 180 UNIFORMS AND ACCESSORIES:**
Uniforms, boots and accessories for shelter personnel.
- 360 SHELTER MAINTENANCE:**
Services and supplies for maintenance of building and equipment, including plumbing and electrical systems, inspection of equipment and other needed maintenance of equipment.
- 480 STAFF DEVELOPMENT:**
Seminars and classes for training of Shelter Operations personnel. Education Allowances.
- 550 ELECTRICITY:**
Southern California Edison Company.
- 556 GAS:**
Southern California Gas Company
- 560 TELEPHONE:**
Includes Telepacific Communications, AT&T and cellular telephone services.
- 570 WATER:**
City of Downey Water Department
- 870 EQUIPMENT RENTAL:**
Rental of miscellaneous equipment as needed.

CAPITAL OUTLAY DIVISION: SHELTER OPERATIONS FUND: 2530

Line Item	Adopted Fiscal Year 2008-2009
	<hr/>
970 No capital requests	\$ 23,000
	<hr/>
TOTAL CAPITAL OUTLAY	\$ 23,000
	<hr/>

970 Purchase of kennel panels for existing cages and
Purchase of one (1) kennel floor cleaning machine

PERSONNEL SERVICES DIVISION: VETERINARY SERVICES FUND: 2540
--

	Adopted 2008-2009 <u>Emps.</u>	Adopted Fiscal Year 2008-2009 <u> </u>
Veterinarian	1	\$ 94,272
Registered Veterinary Technician	2	98,965
Senior Veterinary Assistant	1	43,813
Veterinary Assistant	2	65,047
Clerk/Cashier	1	28,544
Overtime		1,000
Retirement		<u>48,175</u>
 TOTAL PERSONNEL SERVICES	 <u>7</u>	 \$ <u><u>379,816</u></u>

MAINTENANCE AND OPERATIONS DIVISION: VETERINARY SERVICES FUND: 2540
--

Line Item		Adopted Fiscal Year 2008-2009
	OPERATING MATERIALS AND SUPPLIES	
140	Medical Supplies	\$ 130,000
180	Uniforms and Accessories	1,500
290	Small Instruments	500
	<u>Subtotal</u>	<u>\$ 132,000</u>
	OPERATING CHARGES AND SERVICES	
480	Staff Development	\$ 2,000
700	Contract Services	11,000
	<u>Subtotal</u>	<u>\$ 13,000</u>
	TOTAL MAINTENANCE AND OPERATIONS	<u>\$ 145,000</u>

VETERINARY SERVICES
MAINTENANCE AND OPERATIONS DATA

140 MEDICAL SUPPLIES:

Bandaging materials, needles, syringes, Identification chips, medications (including antibiotics, anesthetics, antiseptics and vaccines), and other supplies necessary for the treatment of animals.

180 UNIFORMS:

Uniforms for Veterinarian and Veterinary Assistants, including shoes, smocks and surgical garments.

290 SMALL INSTRUMENTS:

Replacement of surgical instruments which become worn or broken during Fiscal Year 2008/2009.

480 STAFF DEVELOPMENT:

Seminars for staff and continuing education conference for Veterinarian including the Western Veterinary Conference.

700 CONTRACT SERVICES:

Antech Diagnostics - Laboratory diagnostic services: Arrowhead Drinking Water – Distilled Water for Veterinary Division; Enserv West LLC – Medical Waste disposal: Ashton Animal Hospital, Crossroads Emergency Hospital and After Hours Animal Hospital - outside veterinary services in emergencies.

CAPITAL OUTLAY DIVISION: VETERINARY SERVICES FUND: 2540
--

Line Item	Adopted Fiscal Year 2008-2009
900 Veterinary Equipment	\$ 4,161
 TOTAL CAPITAL OUTLAY	 \$ 4,161
900 Purchase of One (1) Autoclave M11	

PERSONNEL SERVICES DIVISION: LICENSING SERVICES FUND: 2560

	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
Supervisor	1	\$ 62,791
Licensing Clerk	3	91,015
Part Time Licensing Clerk	1	15,612
Overtime		1,200
Canvassers	8	108,675
Retirement		<u>22,788</u>
TOTAL PERSONNEL SERVICES	<u>13</u>	<u>\$ 302,081</u>

MAINTENANCE AND OPERATIONS DIVISION: LICENSING SERVICES FUND: 2560

OPERATING MATERIALS		Adopted Fiscal Year 2008-2009
130	Office Supplies	\$ 735
140	Licensing Tags	2,000
180	Uniforms	3,000
	<u>Subtotal</u>	<u>\$ 5,735</u>
OPERATION CHARGES AND SERVICES		
320	Printing and Binding-Private	\$ 7,000
600	Mileage	6,731
640	Postage	20,000
700	Contract Services	8,000
	<u>Subtotal</u>	<u>\$ 41,731</u>
TOTAL MAINTENANCE AND OPERATIONS		<u><u>\$ 47,466</u></u>

L I C E N S I N G S E R V I C E S
MAINTENANCE AND OPERATIONS SUPPORT DATA

- 130 OFFICE SUPPLIES:**
Paper, pens, pencils, paper clips, tape, calendars and various office supplies for this division.
- 140 LICENSE TAGS**
New/replacement dog license tags.
- 180 UNIFORMS:**
Uniforms for Clerks, License Canvassers.
- 310 ADVERTISING:**
Employment advertisements.
- 320 PRINTING AND BINDING - PRIVATE**
Forms necessary for canvassing and processing of animal licenses.
- 600 MILEAGE:**
Mileage reimbursements for employees.
- 640 POSTAGE:**
Postage necessary for mailing of license renewal forms, tags, warnings, and business incidental to the licensing division.
- 700 CONTRACT SERVICES**
Mailing service for licensing renewal forms.

CAPITAL OUTLAY DIVISION: LICENSING SERVICES FUND: 2560

Line Item	Adopted Fiscal Year 2008-2009
900 No capital requests	\$ -
TOTAL CAPITAL OUTLAY	\$ -

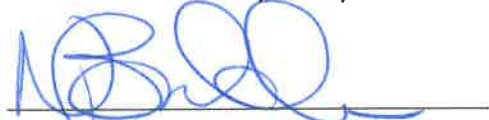
Declaration of Nicole Bouldin
In support of
SEAACA
(Southeast Area Animal Control Authority)

I, Nicole Bouldin, declare as follows:

1. I am employed by the SEAACA (Southeast Area Animal Control Authority) and hold the position of Manager of Information Technology and Office Services. I have worked for SEAACA since 1995. I have personal knowledge of the facts herein and if called upon to testify, I could do so to the best of my knowledge.
2. The audit began August 2010 and SEAACA staff worked diligently on providing whatever the SCO required as part of the audit process. There were some delays in conducting some time studies due to the additional burden the audit placed on staff.
3. SCO auditor alerted SEAACA of additional components that may be eligible for reimbursement. SEAACA opted to perform additional time studies for components not claimed individually to ensure our claims were fully compensated.
4. SEAACA met with the SCO for an exit conference in March 6, 2012. A draft audit report was received May 7, 2015.

I declare under penalty of perjury under the laws of the State of California that the information in this declaration is true and complete to the best of my own knowledge or information or belief.

Executed this 28th day of July 2015 at Downey, California.


Nicole Bouldin, Declarant



July 17, 2015

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

Re: SEAACA Animal Adoption Incorrect Reduction Claim

Dear Ms. Halsey,

Regarding the question brought up in your July 3, 2013 "Notice of Incomplete Filing" letter regarding whether the Southeast Area Animal Control Agency (SEAACA) was eligible to submit reimbursement claims and is now eligible to submit Incorrect Reduction claims.

SEAACA is currently comprised of 8 member cities and 6 contract cities in southeast Los Angeles County and north Orange County pooling their resources to provide animal control services via a joint powers authority created by eight Los Angeles County member cities for this purpose. At the time of the claim, SEAACA was comprised of 8 member cities and 3 contract cities in southeast Los Angeles County. The claims submitted consolidate each cities eligible costs into one claim per fiscal year. Statistics are tracked in detail for each city and costs claimed are broken down in detail between each city. The City of Downey serves as the fiscal agent for SEAACA. Each member city is eligible to file claims and has paid for the services from General Funds which are subject to the taxing and spending limitations of the California Constitution.

Based on the "Local Agency Mandate Cost Manual", Government Code Sections 17500 – 17616, Section 17517 defines local agency as any city, county, special district, authority, or other political subdivision of the State. SEAACA is a Joint Powers Authority (comprised of 11 cities) under California state law which makes SEAACA eligible to file claims.

The activities claimed for State reimbursement are eligible, as are the claimants (the 11 cities that now make up SEAACA). If the Commission on State Mandates (CSM) and the State Controller's Office (SCO) now wish to divide the costs between the 11 separate cities and have us file 11 separate Incorrect Reduction Claims, we can do so as the data is tracked in detail. However, we would recommend keeping the Incorrect Reduction claim intact under SEAACA since it is more simple and efficient to do so. This was the reason why the reimbursement claims were filed together in the first place.

Furthermore, we believe that this question is moot, considering the SCO already accepted, paid, and audited the claims in question. Over the last decade SEAACA has been submitting claims for reimbursement, the SCO has been paying and auditing the claims as submitted. They have never mentioned anything about the acceptability of filing claims jointly via SEAACA before. The SCO's issuance of notices and claiming instructions, establishing a claimant ID number specific to SEAACA, and finally paying and auditing the claims should be sufficient evidence that the State Controller's Office deemed SEAACA an eligible claimant during the period in question. The SCO's actions over the last decade implicitly accept SEAACA as an eligible claimant at the time of these filings and audit. Our incorrect reduction claim should also be accepted in the same form.

9777 SEAACA Street
Downey, California 90241
(562) 803-3301 • FAX (562) 803-3676
Administration@seaaca.org



If the SCO and CSM now have a different legal interpretation, it should not impact this matter retroactively, but from the point they make their new determination going forward. If eligibility were an issue, the State had the obligation to notify SEAACA and the approximately 11 cities that comprise SEAACA at the time when they still had the ability to file claims in the format desired. If they had done so, the claims would have been split up and filed by individual city.

It is our preference to continue to use SEAACA as our legal representative to go forward with our Incorrect Reduction claims in the interest of consistency, efficiency, and simplicity.

Please let us know if any additional information is required.

Sincerely,

Sally Hazzard
Executive Director

9777 SEAACA Street
Downey, California 90241
(562) 803-3301 • FAX (562) 803-3676
Administration@seaaca.org

Serving: Downey • Norwalk • Pico Rivera • Lakewood • Bell Gardens • Montebello • Santa Fe Springs • Paramount • Vernon • South El Monte • South Gate • Bellflower

GENERAL CLAIMING INSTRUCTIONS

RECEIVED
July 29, 2015
*Commission on
State Mandates*

1. Introduction

The law in the State of California provides for the reimbursement of costs incurred by local agencies and school districts for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

An estimated claim show the cost to be incurred in the current fiscal year and a reimbursement claim details the cost actually incurred in the prior fiscal year. Both claim types are filed with the State Controller's Office (SCO). Annual claims of on-going programs must be filed by January 15. Claims for new programs must be filed within 120 days from the date on which claiming instructions are issued by the SCO for the program. A penalty is assessed for late claims. The SCO may audit the records of any local agency or school district to verify the actual amount of mandated costs and may reduce any claim, which is excessive or unreasonable.

When a program has been reimbursed for three or more fiscal years, the Commission on State Mandates (COSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any change in the implicit price deflator. Claimants with an established entitlement receive an annual apportionment adjusted by any change in the price deflator and, under certain circumstances, by any change in workload. Claimants receiving an annual apportionment do not file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated in the state budget act, in the state mandates claims fund, or in special legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds are made available.

2. Types of Claims

There are three types of claims: Reimbursement, estimated, and entitlement. A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year or may file an estimated claim for mandated costs to be incurred during the current fiscal year. An entitlement claim may be filed for the purposes of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program would receive automatic annual payments which is reflective of the current cost for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper or unreasonable. The claim must be filed with sufficient documentation to support the costs claimed. The types of documentation required to substantiate a claim are identified in the instructions for the program. The certification of claim, form FAM-27, must be signed and dated by the entity's authorized officer in order for the SCO to make payment on the claim.

A. Reimbursement Claim

A reimbursement claim is defined in GC § 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. The claim must include supporting documentation to substantiate the costs claimed.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal years of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual reimbursement claims must be filed by January 15 following the fiscal year in which costs were incurred for the program. A reimbursement claim must detail the costs actually incurred in the prior fiscal year.

Prior to January 1, 1990, if a claimant submitted an otherwise valid reimbursement claim after the filing deadline, the Controller was required to pay the claim in an amount equal to eighty percent (80%) of the amount that would have been paid had the claim been timely filed. Any reimbursement claim submitted more than one year after the deadline could not be paid. After January 1, 1990, the late penalty was changed by Chapter 589, Statutes of 1989. If a claim is filed after the deadline, the claim must be reduced by an amount of 10% of the approved costs, but not to exceed \$1,000. If a claim was filed more than one year after the filing deadline, the claim could not be paid.

As added by Chapter 643/99, on October 10, 1999, all initial claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty.

B. Estimated Claim

An estimated claim is defined in GC § 17522 as any claim filed with the SCO, during the fiscal year in which the mandated costs are to be incurred by the local agency, against an appropriation made to the SCO for the purpose of paying those costs.

An estimated claim may be filed in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times for estimated costs to be incurred during the current fiscal year. Annual estimated claims are due January 15 of the fiscal year in which the costs are to be incurred. Initial estimated claims are due on the date specified in the claiming instructions. Timely filed estimated claims are paid before those filed after the deadline.

After receiving payment for an estimated claim, the claimant must file a reimbursement claim by January 15 following the fiscal year in which costs were incurred. If the claimant fails to file a reimbursement claim, monies received for the estimated claims must be returned to the State.

C. Entitlement Claim

An entitlement claim is defined in GC § 17522 as any claim filed by a local agency with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should

be filed by January 15 to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

3. Minimum Costs for Claims

GC § 17564 provides that no claim shall be filed pursuant to GC §§ 17551 and 17561, unless such a claim exceeds two hundred dollars (\$200), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds \$200, even if the individual school district's, direct service district's, or special district's claims do not each exceed \$200. The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the SCO, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

4. Filing Deadline for Claims

Initial reimbursement claims (first-time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date of issuance of the program's claiming instructions by the SCO. If the claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% penalty, but not to exceed \$1,000. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for costs incurred during the previous fiscal year and estimated claims for costs to be incurred during the current fiscal year must be **filed with the SCO and postmarked on or before January 15**. Claims must include supporting data to show how the amount claimed was derived. Without this information, the claim cannot be accepted. If a reimbursement claim is filed after the deadline, the approved claim will be reduced by 10%, but not to exceed \$1,000. If a claim is filed more than one year after the deadline, the claim will not be accepted.

As added by Chapter 643/99, on October 10, 1999, all initial claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty.

Entitlement claims do not have a filing deadline. However, entitlement claims and supports documents should be filed by January 15 to permit an orderly processing of claims. Entitlement does not result in the claimant being reimbursed for costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

Claims should be rounded to the nearest dollar. Submit a signed, original form FAM-27, Claim for Payment, and all other forms and supporting documents (no copies necessary). Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

5. Payment of Claims

In order for the SCO to authorize payment for a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed and dated by the entity's authorized representative.

Reimbursement and estimated claims are paid within 60 days of the filing deadline for the claim. A claim is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs. The 20 percent withhold is not subject to accrued interest.

In the event the amount appropriated by the Legislature is insufficient to pay in full all claims approved for the program, the claimant will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

The SCO reports the amounts of insufficient appropriation to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the budget act. If these funds cannot be appropriated on a timely basis in the budget act, this information is transmitted to the COSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balances of prorata will be paid.

6. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the COSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each county that has submitted reimbursement claims for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims (actual costs) for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the implicit deflator. The implicit deflator is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the COSM's approval.

Each county with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's costs. The amount of apportionment is adjusted annually for any change in the implicit deflator. If the mandated program was included in SMAS after January 1, 1988, the annual apportionments are adjusted for any change in both the implicit deflator and workload.

"Workload" means for cities and counties, change in population within their boundary; for special districts, changes in population of the county in which the largest percentage of the district's population is located.

In the event a county has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the county may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by a county with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year apportionments (programs combined) are made by November 30. The amount to be apportioned is the base year entitlement adjusted by annual changes in the implicit price deflator for costs of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the county determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in section 17615.8 of the Government Code and requires the approval of the COSM.

The following programs are placed in SMAS:

Program Name	Chapter/Statute	Program Number
Coroners	Ch. 498/77	88
Developmentally Disabled Adults: Conservatorship	Ch. 1304/80	67
Mentally Retarded Defendants: Diversion	Ch. 1253/80	66
Senior Citizens Property Tax Postponement	Ch. 1242/77	18

Listed are state mandated local programs and counties that are entitled to receive automatic apportionments in those fiscal years in which the program is funded.

Counties of:	Ch. 498/77 Coroners	Ch. 1242/77 Senior Citizens Property Tax Postponement	Ch. 1253/80 Mentally Retarded Defendants: Diversion	Ch. 1304/80 Developmentally Disabled Adults: Conservatorship
Alameda		X	X	X
Butte		X	X	X
Calaveras		X	X	X
Contra Costa		X	X	X
El Dorado		X	X	X
Fresno		X	X	X
Humboldt		X	X	X
Kern		X	X	X
Lake		X	X	X
Los Angeles	X	X	X	X
Marin		X	X	X
Mendocino		X	X	X
Monterey		X	X	X
Napa	X	X	X	X
Nevada		X	X	X
Orange	X	X	X	X
Placer		X	X	X
Plumas		X	X	X
Riverside		X	X	X
Sacramento		X	X	X
San Bernardino	X	X	X	X
San Diego		X	X	X
San Francisco		X	X	X
San Joaquin	X	X		
San Luis Obispo	X	X	X	X
San Mateo		X	X	X
Santa Barbara		X	X	X
Santa Clara	X	X	X	X
Santa Cruz		X	X	X
Shasta		X	X	X
Solano		X	X	X
Sonoma	X	X	X	X
Stanislaus		X	X	X
Tulare	X	X	X	X
Tuolumne		X		
Ventura	X	X	X	X
Yolo		X	X	X
Yuba		X		

7. Direct Costs

A. Direct Labor - Determine a Productive Hourly Rate

A productive hourly rate may be computed for each job title whose labor is directly related to the claimed reimbursable cost. A local agency has the option of using any of the following:

- Actual annual productive hours for each job title,
- The local agency's average annual productive hours or, for simplicity,
- An annual average of 1,800 * hours to compute the productive hourly rate.

If actual annual productive hours are chosen, show the factors affecting total hours worked.

The following method is used to convert a biweekly salary to an equivalent productive hourly rate for a 40 hours week.

$$(\text{Biweekly Salary} \times 26) / 1,800 * = \text{Equivalent Productive Hourly Rate}$$

If, for example, the salary for a particular job title was \$935.00 biweekly, the equivalent productive hourly rate would be:

$$(\$935 \times 26) / 1,800 * = \$13.51 \text{ Equivalent Productive Hourly Rate}$$

The same methodology may be used to convert weekly, monthly or other salary periods:

- Convert the salary to an annual rate.
- Divide by the allowable annual productive hours for that position.

* 1,800 annual productive hours include:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

B. Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Example: Average Productive Hourly Rate Computation

	<u>Average Time</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	<u>5.50 hrs</u>		<u>\$45.88</u>

Average Productive Hourly Rate is $\$45.88 / 5.50 \text{ hrs.} = \8.34

C. Employer's Fringe Benefits Contribution

A local agency has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them. For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	6.30%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>27.3%</u>

D. Materials and Supplies

Only expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the dollar amount claimed as cost. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity and cost. Purchases in excess of reasonable quality, quantity and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied.

E. Calculating a Unit Cost for Materials and Supplies

In those instances where the claiming instructions suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of

materials and supplies as shown in Table 1 or Table 2:

Table 1

<u>Supplies</u>	<u>Cost Per Unit</u>	<u>Average Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	0.40
			<u>\$0.64</u>

Table 2

<u>Supplies</u>	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	2.00
		<u>\$9.50</u>
If the number of cases is 25, then the unit cost of supplies is \$0.38 per case.		

F. Contract Services

The cost of contract services is allowable if the local agency lacks the staff resources or necessary expertise, or it is more economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor; explain the reason for having to hire a contractor; describe the mandated activities performed; give the dates when the activities were performed, the number of hours spent performing the mandate, and hourly billing rate. The hourly billing rate shall not exceed the rate specified in the claiming instructions for the mandated program. The contractor's statement, which includes an itemized list of costs for activities performed, must accompany the claim.

G. Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the claiming instructions for the particular mandate. Equipment rentals used solely for the mandate is reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the cost of the rental.

H. Capital Outlay

Capital outlays for land, building, equipment, furniture and fixtures may be claimed if the claiming instructions specify them as allowable. If they are allowable, the claiming instructions for the program will specify a basis for the reimbursement.

I. Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the claiming instructions may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of person incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto mileage traveled, and cost of tolls and parking with receipts required for over \$10.00.

J. Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

8. Indirect Costs

GC § 17564(b) provides that claims for indirect costs shall be filed in the manner prescribed by the SCO. Indirect costs (or overhead) are those costs incurred for a common or joint purpose, benefiting more than one program and are not directly assignable to a particular program without efforts disproportionate to the result achieved. Indirect costs may include both (1) the overhead costs for the unit performing the mandate and (2) the costs of central government services distributed through the central service cost allocation plan and not otherwise treated as a direct cost.

Previously, the costs of elected officials were considered "expenses related to general government" and, thus, were unallowable for reimbursement purposes. Recent interpretation has moved in the opposite direction, except for those items of cost, which are unallowable in the cost principles set forth in Office of Management and Budget Circular (OMB) Circular A-87. A cost that is necessary for proper and efficient administration of a program and is identifiable to that program is eligible for consideration as allocable indirect costs. Allocable costs for time spent on programs must be supported by time records.

If indirect costs are claimed, local agencies have the option of using 10% of direct labor as indirect costs or claiming indirect costs through a department's Indirect Cost Rate Proposal (ICRP) for the program prepared in accordance with the provisions of OMB Circular A-87 (Refer to the Appendix-Costs Computation: Indirect Costs). An ICRP must be prepared if the claim for indirect costs is in excess of 10% of direct salaries; the ICRP must be submitted with the claim.

A. Fixed 10% Rate Method

Indirect costs may be computed as 10% of direct labor costs (excluding fringe benefits) of employees, provided their services are required by a program. The use of the 10% rate may benefit small agencies where few supportive services are provided.

Direct costs are defined as "...those that can readily be identified with a single program or activity." Normally direct costs will include the salaries, benefits, and supplies that can be directly identified with a particular function.

For example, if a county auditor prepares warrants for other county departments, the direct costs of providing the service would include the salary and benefits of the persons in the auditor's office who actually work on the warrants, the cost of the paper on which warrants are written, and the salaries and benefits of a first-line supervisor. Indirect costs of the warrant writing service would include the cost of space, equipment, utilities, maintenance, supervision above first-line and administration of the auditor's office.

Direct Costs Incurred By	On Behalf of	
<u>Auditor</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Warrant Writing:</u>		
A. Salary of employee working	\$5,000	\$1,000
B. Benefits of above	800	200
C. Cost of paper	350	100
D. First-line supervision (salaries)	3,000	500
E. Indirect cost 10% of A + D	<u>800</u>	<u>150</u>
Total amount charged to benefited departments for warrant writing services	<u>\$9,950</u>	<u>\$1,950</u>
Direct Costs Incurred By	On Behalf of	
<u>Building & Grounds Department</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Maintenance of Buildings:</u>		
A. Salary of employees performing maintenance	\$1,000	\$500
B. Benefits of above	200	100
C. Cleaning supplies	250	150
D. First-line supervision (salaries)	500	200
E. Indirect cost 10% of A + D	<u>150</u>	<u>70</u>
Total amount charged to benefited departments for building maintenance services	<u>\$2,100</u>	<u>\$1,020</u>

Any local agency using this method for claiming costs must submit a statement similar to the example above and with supporting data. The cost data required for desk audit purposes are described in the claiming instructions for that mandated program under Salaries and Employee Benefits, Materials and Supplies, Contract Services, Travel Expense, etc.

B. Indirect Cost Rate Proposal Method

If a local agency elects not to utilize the 10% fixed rate method but wants to claim indirect costs, it must prepare an ICRP for the program. The proposal must follow the provisions of the OMB circular No. A-87, *Cost Principles for Grants to State and Local Governments*. The development of the indirect cost rate proposal requires that the indirect cost pool include only those costs which are incurred for a common or joint purpose that benefit more than one cost objective. The indirect cost pool may only include those costs that can be shown to provide benefits to the program. In addition, total allocable indirect costs may only include costs, which cannot be directly charged to an identifiable cost center (i.e., program).

A method for preparing a departmental indirect cost rate proposal for programs is presented as Exhibit 1. Only this format is acceptable under the SCO reimbursement requirements. If more than one department is involved in the reimbursement program, each department must have their own indirect cost rate for the program.

**INDIRECT COST RATE PROPOSAL
PUBLIC DEFENDER'S OFFICE
INVESTIGATION PROGRAM
FISCAL YEAR 20__-20__**

Exhibit 1

Revised 9/02

(A) Description of Costs		Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs	
						Investigation PC 987.9	All Others
Salaries & Benefits							
Salaries & Wages		\$ 1,150,000	\$ 50,000 (F)	\$ 150,000	\$ 950,000 (F)	\$ 100,000	\$ 850,000
Overtime		20,000	0	20,000	0	0	0
Benefits		230,000	10,000	30,000	190,000	20,000	170,000
Total		<u>\$ 1,400,000</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 1,140,000</u>	<u>\$ 120,000</u>	<u>\$ 1,020,000</u>
Services & Supplies							
Office Expense		\$ 200,000	\$ 10,000	\$ 20,000	\$ 170,000	\$ 10,000	\$ 160,000
Communications		100,000	2,000	10,000	88,000	1,000	87,000
Transportation		120,000	5,000	0	115,000	5,000	110,000
Special Dept Expense (Contracts)		250,000	0	0	250,000	0	250,000
Other, Pass Through Program		800,000	800,000	0	0	0	0
Total		<u>\$ 1,470,000</u>	<u>\$ 817,000</u>	<u>\$ 30,000</u>	<u>\$ 623,000</u>	<u>\$ 16,000</u>	<u>\$ 607,000</u>
Capital Expenditures		<u>\$ 100,000</u>	<u>\$ 100,000</u>				
Total Budgetary Expenditures		<u>\$ 2,970,000</u>	<u>\$ 977,000</u>	<u>\$ 230,000</u>	<u>\$ 1,763,000</u>	<u>\$ 136,000</u>	<u>\$ 1,627,000</u>
Cost Plan Costs							
	<u>Distribution Base</u>						
Building Use	(Each line item should be reviewed to see if it benefits the mandate to insure a fair and equitable distribution.)	\$ 50,000	\$ 2,000	\$ 6,000	\$ 42,000	\$ 2,000	\$ 40,000
Equipment Use		30,000	1,000	3,000	26,000	1,000	25,000
Data Processing		50,000	5,000	30,000	15,000	0	15,000
Auditor		20,000	0	20,000	0	0	0
Personnel		10,000	1,000	1,000	8,000	1,000	7,000
Roll Forward		10,000	0	10,000	0	0	0
Total		<u>\$ 170,000 (E)</u>	<u>\$ 9,000</u>	<u>\$ 70,000</u>	<u>\$ 91,000</u>	<u>\$ 4,000</u>	<u>\$ 87,000</u>
Total Allocable Indirect Costs				\$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			<u>\$ 15,000</u>	<u>\$ (300,000)</u>	<u>\$ 285,000</u>	<u>\$ 30,000</u>	<u>\$ 255,000</u>
Totals		<u>\$ 3,140,000</u>	<u>\$ 1,001,000</u>	<u>\$ 0</u>	<u>\$ 2,139,000</u>	<u>\$ 170,000</u>	<u>\$ 1,969,000</u>

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(1) Notes to Exhibit 1

- (a) The department's ICRP plan for the distribution of costs to programs must follow the same format as shown on Exhibit 1. Specifically, there must be columns as follows: Description of Costs, Total Cost, Excludable and Unallowable Costs (may be combined or separated), Allowable Indirect Costs, and Allowable Direct Costs (which are further allocated to identifiable programs and other). No other format will be accepted.
- (b) Excluded costs are all costs that are unallowable and unallocable according to specific guidelines (OMB A-87 and state laws).

Examples:

Contributions and donations: Costs of amusements; social activities and incidental costs relating thereto, such as meals, beverages, lodging, rentals, transportation and gratuities; and pass through revenues to another unit or organization.

- (c) Allocable indirect costs are costs that are not identifiable to a specific program or cost pool and indirectly benefit all cost pools.
- (d) Direct costs are costs that benefit a specific program or cost pool.
- (e) Overhead costs are distributed to the department in the cost allocation plan, which was prepared in accordance with the OMB circular A-87. Use the same year's cost allocation plan for developing the ICRP as the year for which the ICRP is being prepared. Do not include a roll forward adjustment when the program is in its initial year.
- (f) Distribution base for the computation of the indirect cost rate is total salaries and wages.

Total allocable Direct Costs (direct S&W)	\$950,000
Excluded and Unallowable Costs (direct S&W)	50,000
Distribution Base	<u>\$1,000,000</u>

Therefore, the Indirect Cost Rate for Penal Code 987.9 Program is:

$$\text{ICRP} = \frac{\text{Allowable Indirect Costs}}{\text{Total Salaries and Wages}} = \frac{\$300,000}{\$1,000,000} = 30.00\%$$

9. Offset Against State Mandated Claims

When part or all the costs of a mandated program are specifically reimbursable from non-local agency sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from local agency funds is eligible for reimbursement under the provisions of section 17561.

A. Example 1

This example shows how the offset against state mandated claims is determined for local agencies receiving block grant revenues not based on a formula allocation. Listed below are six situations, which may occur at a local agency level. For hypothetical program costs of \$100,000: (1) through (4) show intended funding at 100% from non-local agency

sources and (5) through (6) show cost sharing on a 50/50 basis with the local agency. Of the \$100,000 program cost, \$2,500 is the cost of state mandated activity. Offset against state mandated claims is the amount of actual non-local agency funding which exceeds the difference between program costs and state mandated costs. The offset against state mandated claims cannot exceed the amount of state mandated costs. In (4), non-local revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500. In (1), non-local revenues were less than expected. Non-local agency funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs. In (5), the local agency is sharing 50% of the program cost. Since non-local revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
A. Block Grants (funding not based on a formula allocation)					
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	If in (5) the non-local matching share is less than the amount expected, for example \$49,000, the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.				

* Local agency share is \$50,000 of the program costs.

B. Example 2

This example shows how the offset against state mandated claims is determined for local agencies receiving special project funds based on approved actual costs. Non-local revenues for special projects must be applied proportionately to approved costs. In (2), the entire program cost was approved. Since the non-local agency source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
B. Special Projects (funding based on approved actual costs)					
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625

3. If in (2) the non-local matching share is less than the amount expected, because only \$60,000 of the program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.

** Local agency share is \$25,000 of the program costs.

With respect to local agencies, the offset against state mandated claims for applicable federal and state local assistance programs includes, but is not limited to, the following funding sources:

Federal Programs

CETA, PL 93-203	Federal-Health – Administration
Federal Aid for Construction	Federal-Public Assistance – Administration
Federal Aid for Disaster	

State Programs

State Aid for Agriculture	State-Health – Administration
State Aid for Construction	State-Public Assistance - Administration
State Aid for Corrections	

10. Audit of Costs

All claims submitted to the SCO are reviewed to determine if the costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustment" within 30 days after payment of the claim. The notice will specify the claim component adjusted, the amounts adjusted, and the reason for the adjustment.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, documentation to support actual costs claimed must be retained for a period of two years after the end of the calendar year in which the reimbursement claim is filed or last amended.

In those instances where no funds are appropriated for the program for the fiscal year in which the claim is made, the time for the SCO to initiate an audit commences from the date of the initial payment of the claim.

11. Reimbursable State Mandated Cost Programs

Local agencies may file claims with the SCO for the cost of complying with the following state mandated programs. An "x" indicates the agencies that are eligible to file claims for the given program. For your convenience, the programs are listed in alphabetical order by program name.

Program Number	Program Name	Counties	Cities	Special Districts
2	Absentee Ballots	x	x	x
1	AIDS Testing	x		
178	Airport Land Use Commission/Plans	x	x	x
152	Allocation of Property Tax Revenue	x		
213	Animal Adoption	x	x	x
6	Brendon Maguire Act	x	x	x
13	Child Abduction and Recovery	x		
196	Child Abuse Treatment Services Authorization and Case Management	x		
67	Conservatorship: Developmentally Disabled Adults	x		
88	Coroners	x		
207	County Treasury Oversight Committees	x		
158	Crime Victims' Rights	x		
87	Developmentally Disabled: Attorneys' Services	x		
167	Domestic Violence Arrest Policies and Standards	x	x	
177	Domestic Violence Treatment Services Authorization and Case Management	x	x	
205	Elder Abuse, Law Enforcement Training	x	x	
204	Extended Commitment, Youth Authority	x		
23	Firefighters' Cancer Presumption	x	x	x
197	Health Benefits for Survivors of Peace Officers and Firefighters	x	x	x
161	Investment Reports	x	x	x
193	Law Enforcement Sexual Harassment Training	x	x	x
41	Mandate Reimbursement Process	x	x	x
43	Medi-Cal Beneficiary Death Notices	x		
203	Mentally Disordered Offenders' Extended Commitment Proceedings	x		
39	Mentally Disordered Sex Offenders: Extended Commitments	x		
66	Mentally Retarded Defendants: Diversion	x		
138	Misdemeanors: Booking and Fingerprinting	x	x	

Program Number	Program Name	Counties	Cities	Special Districts
200	Not Guilty by Reason of Insanity II	x		
202	Open Meetings Act II	x	x	x
219	Open Meetings Act/Brown Act Reform	x	x	x
122	Pacific Beach Safety	x	x	
118	Peace Officers' Cancer Presumption	x	x	x
187	Peace Officers Procedural Bill of Rights	x	x	x
124	Perinatal Services	x		
83	Permanent Absent Voters	x		
121	Pesticide Use Reports	x		
215	Photographic Record of Evidence	x	x	x
128	Prisoner Parental Rights	x	x	
127	Rape Victim Counseling Center Notices	x	x	
55	Regional Housing Need Determination	x	x	x
73	Search Warrant: AIDS	x	x	
18	Senior Citizens Property Tax Postponement	x		
191	Seriously Emotionally Disturbed Pupils: Out of-State Mental Health Services	x		
111	Services to Handicapped Students	x		
220	Sex Crime Confidentiality	x	x	
217	Sex Offenders: Disclosure by Law Enforcement Officers	x	x	x
175	Sexually Violent Predators	x		
110	SIDS: Autopsy Protocols	x		
125	SIDS: Contact By Local Health Officers	x		
180	SIDS Training for Firefighters	x	x	x
120	Stolen Vehicle Notification	x	x	
163	Threats Against Peace Officers	x	x	x
90	Unitary Countywide Tax Rates	x		
181	Very High Fire Hazard Severity Zones	x	x	x

STATE OF CALIFORNIA TRAVEL EXPENSE GUIDELINES

Travel Program Effective January 31, 2002

The travel reimbursement program continues to be subject to the Internal Revenue Service (IRS) requirements for an accountable plan. There are no flat rate reimbursements. All items are to be claimed for the actual amount of expense, up to the maximum allowed. If the provisions below do not require submission of a receipt for a given item of expense, it is the employee's responsibility to retain receipts and other records of the expense and have them available for audit.

Lodging and meals that are provided by the State; included in hotel expenses, conference fees, or transportation costs such as airline tickets; or otherwise provided shall not be claimed for reimbursement.

Employees may be reimbursed for actual expenses for breakfast, lunch, dinner, and incidentals for each 24 hours of travel, as follows:

Breakfast	up to	\$6.00
Lunch	up to	10.00
Dinner	up to	18.00
Incidentals	up to	6.00

Incidental expenses include, but are not limited to, expenses for laundering and pressing of clothing and tips for services such as porters and baggage handlers. Incidentals do not include taxicab fares, lodging taxes, or the cost of telegrams or telephone calls.

Lodging

All lodging reimbursements require a receipt from a commercial lodging establishment such as a hotel, motel, bed and breakfast inn, or campground that caters to the general public. No lodging will be reimbursed without a valid receipt. Employees who stay with friends or relatives are not eligible for lodging reimbursement, but may claim their actual expenses for meals and incidentals.

Short-Term Travel

A. For continuous short-term travel of more than 24 hours but less than 31 days, the employee will be reimbursed for actual costs up to the maximum for each meal, incidental, and lodging expense for each completed 24 hours of travel, beginning with the traveler's time of departure and return as follows:

1. On the first day of travel at the beginning of a trip of more than 24 hours:

Trip begins at or before 6 a.m. - Breakfast may be claimed

Trip begins at or before 11 a.m. - Lunch may be claimed

Trip begins at or before 5 p.m. - Dinner may be claimed

2. On the fractional day of travel at the end of a trip of more than 24 hours:

Trip ends at or after 8 a.m. - Breakfast may be claimed

Trip ends at or after 2 p.m. - Lunch may be claimed

Trip ends at or after 7 p.m. - Dinner may be claimed

If the fractional day includes an overnight stay, receipted lodging may be claimed. No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any 24-hour period.

A. For continuous travel of less than 24 hours, the employee will be reimbursed for actual expenses, up to a maximum as follows:

Travel begins at or before 6 a.m. and ends at or after 9 a.m. - Breakfast may be claimed

Travel begins at or before 4 p.m. and ends at or after 7 p.m. - Dinner may be claimed

If the trip extends overnight, receipted lodging may be claimed. No lunch or incidentals may be claimed on a trip of less than 24 hours.

Short-Term Travel Maximum Lodging Reimbursement Rate

A. Statewide except as in (B) and (C) below, actual receipted lodging up to \$84 plus tax.

B. When required to conduct state business and obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging, to a maximum of \$110 plus tax.

C. When required to conduct state business and obtain lodging in the counties of Alameda, San Francisco, San Mateo, and Santa Clara, reimbursement will be for actual receipted lodging, to a maximum of \$140 plus tax.

Long-Term Travel

Actual expenses for long-term meals and receipted lodging will be reimbursed when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

A. Full Long-Term Travel

To qualify for full long-term travel reimbursement, the employee on long-term field assignment must meet the following criteria:

- a) The employee continues to maintain a permanent residence at the primary headquarters, and either,
- b) The permanent residence is occupied by the employee's dependents, or
- c) The permanent residence is maintained at a net expense to the employee exceeding \$200 per month.

The employee who is living at the long-term location may claim either:

1. Reimbursement for actual individual expense, substantiated by receipts for lodging, water, sewer, gas, and electricity, up to a maximum of \$1,130 per calendar month while on the long-term assignment, and actual expenses up to \$10 for meals and incidentals, for each period of 12 to 24 hours and up to \$5 for actual meals and incidentals for each period of less than 12 hours at the long-term location, or
2. Long-term subsistence rates of \$24 for actual meals and incidentals, \$24 for receipted lodging for travel of 12 hours up to 24 hours, and either \$24 for actual meals or \$24 for receipted lodging for travel less than 12 hours when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

B. Partial Long-Term Travel

An employee on long-term field assignment who does not maintain a separate residence in the headquarters area may claim long-term subsistence rates of up to \$12 for actual meals and incidentals and \$12 for receipted lodging for travel of 12 hours up to 24 hours at the long-term location, and either \$12 for actual meals or \$12 for receipted lodging for travel less than 12 hours at the long-term location.

Receipts

Receipts or vouchers shall be submitted for every item of expense of \$25 or more.

- B.** Receipts are required for every item of transportation and business expense incurred as a result of conducting state business except for actual expenses as follows:
1. Railroad and bus fares of less than \$25, when travel is wholly within the State of California.
 2. Street car, ferry fares, bridge and road tolls, local rapid transit system, taxi, shuttle, or hotel bus fares, and parking fees of \$10 or less for each continuous period of parking or each separate transportation expense noted in this item.
 3. Telephone, telegraph, tax, or other business charges related to state business of \$5 or less.
 4. In the absence of a receipt, reimbursement will be limited to the non-receipted amount above.
- C.** Reimbursement will be claimed only for the actual and necessary expenses noted above. Regardless of the above exceptions, the approving officer may require additional certification and/or explanation in order to determine that an expense was actually and reasonably incurred. In the absence of a satisfactory explanation, the expense shall not be allowed.

Mileage

When an employee is authorized by his/her appointing authority or designee to operate a privately owned vehicle on state business, the employee will be allowed to claim and be reimbursed 34 cents per mile. An employee who is required to use a specialized vehicle that has been modified to accommodate disabilities may claim 37 cents per mile.

GOVERNMENT CODE SECTIONS 17500-17616**GC §17500: Legislative findings and declarations**

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for the costs of state-mandated local programs has not provided for the effective determination of the state's responsibilities under Section 6 of Article XIII B of the California Constitution. The Legislature finds and declares that the failure of the existing process to adequately and consistently resolve the complex legal questions involved in the determination of state-mandated costs has led to an increasing reliance by local agencies and school districts on the judiciary and, therefore, in order to relieve unnecessary congestion of the judicial system, it is necessary to create a mechanism which is capable of rendering sound quasi-judicial decisions and providing an effective means of resolving disputes over the existence of state-mandated local programs. It is the intent of the Legislature in enacting this part to provide for the implementation of Section 6 of Article XIII B of the California Constitution and to consolidate the procedures for reimbursement of statutes specified in the Revenue and Taxation Code with those identified in the Constitution. Further, the Legislature intends that the Commission on State Mandates, as a quasi-judicial body, will act in a deliberative manner in accordance with the requirements of Section 6 of Article XIII B of the California Constitution.

GC §17510: Construction of part

Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this part. The definition of a word applies to any variants thereof and the singular tense of a word includes the plural.

GC §17511: "City"

"City" means any city whether general law or charter, except a city and county.

GC §17512: "Commission"

"Commission" means the Commission on State Mandates.

GC §17513: "Cost Mandated by the federal government"

"Costs mandated by the federal government" means any increased costs incurred by a local agency or school district after January 1, 1973, in order to comply with the requirements of a federal statute or regulation. "Costs mandated by the federal government" includes costs resulting from enactment of a state law or regulation where failure to enact that law or regulation to meet specific federal program or service requirements would result in substantial monetary penalties or loss of funds to public or private persons in the state. "Costs mandated by the federal government" does not include costs that are specifically reimbursed or funded by the federal or state government or programs or services, which may be implemented at the option of the state, local agency, or school district.

GC §17514: "Costs mandated by the State"

"Costs mandated by the state" means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution.

GC §17515: "County"

"County" means any chartered or general law county. "County" includes a city and county.

GC §17516: "Executive Order"

"Executive order" means any order, plan, requirement, rule, or regulation issued by any of the following:

(a) The Governor. (b) Any officer or official serving at the pleasure of the Governor. (c) Any agency, department, board, or commission of state government. "Executive order" does not include any order, plan, requirement, rule, or regulation issued by the State Water Resources Control Board or by any regional water quality control board pursuant to Division 7 (commencing with Section 13000) of the Water Code. It is the intent of the Legislature that the State Water Resources Control Board and regional water quality control boards will not adopt enforcement orders against publicly owned dischargers which mandate major waste water treatment facility construction costs unless federal financial assistance and state financial assistance pursuant to the Clean Water Bond Act of 1970 and 1974, is simultaneously made available. "Major" means either a new treatment facility or an addition to an existing facility, the cost of which is in excess of 20 percent of the cost of replacing the facility.

GC §17517: "Fund"

"Fund" means the State Mandates Claims Fund.

GC §17518: "Local agency"

"Local agency" means any city, county, special district, authority, or other political subdivision of the state.

GC §17519: "School district"

"School district" means any school district, community college district, or county superintendent of schools.

GC §17520: "Special district"

"Special district" means any agency of the state, which performs governmental or proprietary functions within limited boundaries. "Special district" includes a redevelopment agency, a joint powers agency or entity, a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area. "Special district" does not include a city, a county, a school district, or a community college district. County free libraries established pursuant to Chapter 2 (commencing with Section 27151) of Division 20 of the Education Code, areas receiving county fire protection services pursuant to Section 25643 of the Government Code, and county road districts established pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code shall be considered "special districts" for all purposes of this part.

GC §17521: "Test claim"

"Test claim" means the first claim, including claims joined or consolidated with the first claim, filed with the commission alleging that a particular statute or executive order imposes costs mandated by the state.

GC §17522: Definitions

(a) "Initial reimbursement claim" means a claim filed with the Controller by a local agency or school district for costs to be reimbursed for the fiscal years specified in the first statute that appropriates funds for reimbursement of the mandate. (b) "Annual reimbursement claim" means a claim for actual costs incurred in a prior fiscal year filed with the Controller by a local agency or school district for which appropriations are made to the Controller for this purpose. (c)

"Estimated reimbursement claim" means a claim filed with the Controller by a local agency or school district in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times, for estimated costs to be reimbursed during the current or future fiscal years, for which appropriations are made to the Controller for this purpose. (d) "Entitlement claim" means a claim filed by a local agency or school district with the Controller for the purpose of establishing or adjusting a base year entitlement. All entitlement claims are subject to Section 17616.

GC §17523: "Deflator"

"Deflator" means the Implicit Price Deflator for the Costs of Goods and Services to Governmental Agencies, as determined by the Department of Finance.

GC §17524: "Base year entitlement"

"Base year entitlement" means that amount determined to be the average for the approved reimbursement claims of each local agency or school district for the three preceding fiscal years adjusted by the change in the deflator. A base year entitlement shall not include any nonrecurring or initial startup costs incurred by a local agency or school district in any of those three fiscal years. For those mandates which become operative on January 1 of any year, the amount of the "approved reimbursement claim" for the first of the three years may be computed by annualizing the amount claimed for the six-month period of January through June in that first year, excluding nonrecurring or startup costs.

GC §17525: Members: Term and per diem for specified members

There is hereby created the Commission on State Mandates, which shall consist of seven members as follows: (1) The Controller. (2) The Treasurer. (3) The Director of Finance. (4) The Director of the Office of Planning and Research. (5) A public member with experience in public finance appointed by the Governor and approved by the Senate. (6) Two members from the following three categories appointed by the Governor and approved by the Senate, provided that no more than one member shall come from the same category: (A) A city council member. (B) A member of a county or city and county board of supervisors. (C) A governing board member of school district as defined in Section 17519. (b) Each member appointed pursuant to paragraph (5) or (6) of subdivision (a) shall be subject to both of the following: (1) The member shall serve for a term of four years subject to renewal. (2) The member shall receive per diem of one hundred dollars (\$100) for each day actually spent in the discharge of official duties and shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of duties as a member of the commission.

GC §17526: Open Meetings: Executive sessions

(a) All meetings of the commission shall be open to the public, except that the commission may meet in executive session to consider the appointment or dismissal of officers or employees of the commission or to hear complaints or charges brought against a member, officer, or employee of the commission. (b) The commission shall meet at least once every month. (c) The time and place of meetings may be set by resolution of the commission, by written petition of a majority of the members, or by written call of the chairperson. The chairperson may, for good cause, change the starting time or place, reschedule, or cancel any meeting. (d) This section shall become operative on July 1, 1996.

GC §17527: Powers of Commission

In carrying out its duties and responsibilities, the commission shall have the following powers: (a) To examine any document, report, or data, including computer programs and data files, held by any local agency or school district. (b) To meet at times and places as it may deem proper.

(c) As a body or, on the authorization of the commission, as a committee composed of one or more members, to hold hearings at any time and place it may deem proper. (d) Upon a majority vote of the commission, to issue subpoenas to compel the attendance of witnesses and the production of books, records, papers, accounts, reports, and documents. (e) To administer oaths. (f) To contract with other agencies or individuals, public or private, as it deems necessary, to provide or prepare services, facilities, studies, and reports to the commission as will assist it in carrying out its duties and responsibilities. (g) To adopt, promulgate, amend, and rescind rules and regulations, which shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. (h) To do any and all other actions necessary or convenient to enable it fully and adequately to perform its duties and to exercise the powers expressly granted to it.

GC §17528: Election of Officers

The members of the commission shall elect a chairperson and a vice-chairperson of the commission.

GC §17529: Appointment of Attorney: Duties

The commission may appoint as attorney to the commission an attorney at law of this state, who shall hold office at the pleasure of the commission. The attorney shall represent and appear for the commission in all actions and proceedings involving any question under this part or under any order or act of the commission. The attorney shall advise the commission and each member of the commission, when so requested, in regard to all matters in connection with the powers and duties of the commission and the members thereof. The attorney shall generally perform all duties and services as attorney to the commission, which the commission may require.

GC §17530: Appointment of executive director: Duties

The commission shall appoint an executive director, who shall be exempt from civil service and shall hold office at the pleasure of the commission. The executive director shall be responsible for the executive and administrative duties of the commission and shall organize, coordinate, supervise, and direct the operations and affairs of the commission and expedite all matters within the jurisdiction of the commission. The executive director shall keep a full and true record of all proceedings of the commission, issue all necessary process, writs, warrants, and notices, and perform other duties as the commission prescribes.

GC §17531: Authority of executive director to employ necessary staff

The executive director may employ those officers, examiners, experts, statisticians, accountants, inspectors, clerks, and employees as the executive director deems necessary to carry out the provisions of this part or to perform the duties and exercise the powers conferred upon the commission by law.

GC §17532: Quorum: Investigations, inquiries, and hearing

A majority of the commissioners shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the commission. Any investigation, inquiry, or hearing which the commission has power to undertake or to hold may be undertaken or held by or before any commissioner or commissioners designated for the purpose by the commission. The evidence in any investigation, inquiry, or hearing may be taken by the commissioner or commissioners to whom the investigation, inquiry, or hearing has been assigned or, in his or her or their behalf, by an examiner designated for that purpose. Every finding, opinion, and order made by the commissioner or commissioners so designated,

pursuant to the investigation, inquiry, or hearing, when approved or confirmed by the commission and ordered filed in its office, shall be deemed to be the finding, opinion, and order of the commission.

GC §17533: Provisions not applicable to hearing by commission

Notwithstanding Section 11425.10, Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 does not apply to a hearing by the commission under this part.

GC §17550: Reimbursements of local agencies and school districts

Reimbursement of local agencies and school districts for costs mandated by the state shall be provided pursuant to this chapter.

GC §17551: Commission hearing and decision upon claims

(a) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district that the local agency or school district is entitled to be reimbursed by the state for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution. (b) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561.

GC §17552: Exclusivity of procedure by chapter

This chapter shall provide the sole and exclusive procedure by which a local agency or school district may claim reimbursement for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution.

GC §17553: Adoption of procedure for receiving claims and providing hearings: Postponement of hearings

(a) The commission shall adopt procedures for receiving claims pursuant to this article and for providing a hearing on those claims. The hearing procedure shall provide for presentation of evidence by the claimant, the Department of Finance and any other affected department or agency, and any other interested person. The procedures shall ensure that a statewide cost estimate is adopted within 12 months after receipt of a test claim, when a determination is made by the commission that a mandate exists. This deadline may be extended for up to six months upon the request of either the claimant or the commission. Hearing of a claim may be postponed at the request of the claimant, without prejudice, until the next scheduled hearing. (b) The procedures adopted by the commission pursuant to subdivision (a) shall include the following: (1) Provisions for acceptance of more than one claim on the same statute or executive order relating to the same statute or executive order filed with the commission, and, absent agreement by the test claimants to the contrary, to designate the first to file as the lead test claimant. (2) Provisions for consolidating test claims relating to the same statute or executive order filed with the commission with time limits that do not exceed 90 days from the initial filing for consolidating the test claims and for claimants to designate a single contact for information regarding the test claim. (3) Provisions for claimants to designate a single claimant for a test claim relating to the same statute or executive order filed with the commission, with time limits that do not exceed 90 days from the initial filing for making that designation. (c) If a completed test claim is not received by the commission within 30 calendar days from the date that an incomplete test claim was returned by the commission, the original test claim filing date may be disallowed, and a new test claim may be accepted on the same statute or executive order. (d) In addition, the commission shall determine whether an incorrect reduction claim is

complete within 10 days after the date that the incorrect reduction claim is filed. If the commission determines that an incorrect reduction claim is not complete, the commission shall notify the local agency and school district that filed the claim stating the reasons that the claim is not complete. The local agency or school district shall have 30 days to complete the claim. The commission shall serve a copy of the complete incorrect reduction claim on the Controller. The Controller shall have no more than 90 days after the date the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the commission.

GC §17554: Commission's authority to expedite claim

With the agreement of all parties to the claim, the commission may waive the application of any procedural requirement imposed by this chapter or pursuant to Section 17553 in order to expedite action on the claim. The authority granted by this section includes the consolidation of claims and the shortening of time periods.

GC §17555: Date for public hearing: Test claim form and procedure

(a) The commission, within 10 days after receipt of a test claim based upon a statute or executive order, shall set a date for a public hearing on the claim within 75 days. The test claim may be based upon estimated costs that a local agency or school district may incur as a result of the statute or executive order and may be filed at any time after the statute is enacted or the executive order is adopted. The claim shall be submitted in a form prescribed by the commission. After a hearing in which the claimant and any other interested organization or individual may participate, the commission shall determine if there are costs mandated by the state. (b) This section shall become operative on July 1, 1996.

GC §17556: Criteria for not finding costs mandated by the state

The commission shall not find costs mandated by the state as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds that: (a) The claim is submitted by a local agency or school district, which requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or school district which requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this paragraph. (b) The statute or executive order affirmed for the state that which had been declared existing law or regulation by action of the courts. (c) The statute or executive order implemented a federal law or regulation and resulted in costs mandated by the federal government, unless the statute or executive order mandates costs which exceed the mandate in that federal law or regulation. (d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service. (e) The statute or executive order provides for offsetting savings to local agencies or school districts which result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate. (f) The statute or executive order imposed duties that were expressly included in a ballot measure approved by the voters in a statewide election. (g) The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

GC §17557: Determination of amount to be subvned for reimbursement: Parameters and Guidelines

(a) If the commission determines there are costs mandated by the state pursuant to Section 17555, it shall determine the amount to be subvned to local agencies and school districts for reimbursement. In so doing it shall adopt parameters and guidelines for reimbursement of any claims relating to the statute or executive order. The successful test claimants shall submit proposed parameters and guidelines within 30 days of adoption of a statement of decision on a test claim. At the request of a successful test claimant, the commission may provide for one or more extensions of this 30-day period at any time prior to its adoption of the parameters and guidelines. If proposed parameters and guidelines are not submitted within the 30-day period and the commission has not granted an extension, then the commission shall notify the test claimant that the amount of reimbursement the test claimant is entitled to for the first 12 months of incurred costs will be reduced by 20 percent, unless the test claimant can demonstrate to the commission why an extension of the 30-day period is justified. A local agency, school district, and the state may file a claim or request with the commission to amend, modify, or supplement the parameters or guidelines. The commission may, after public notice and hearing, amend, modify, or supplement the parameters and guidelines. (b) In adopting parameters and guidelines, the commission may adopt an allocation formula or uniform allowance that would provide for reimbursement of each local agency or school district of a specified amount each year. (c) The parameters and guidelines adopted by the commission shall specify the fiscal years for which local agencies and school districts shall be reimbursed for costs incurred, provided, however, that the commission shall not specify therein any fiscal year for which payment could be provided in the annual Budget Act. A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. The claimant may thereafter amend the test claim at any time prior to a commission hearing on the claim without affecting the original filing date as long as the amendment substantially relates to the original test claim.

GC §17558: Submission of parameters and guidelines to Controller: Transfer of claims; claiming instructions

(a) The commission shall submit the adopted parameters and guidelines to the Controller. All claims relating to a statute or executive order that are filed after the determination of the test claim pursuant to Section 17557 shall be transferred to the Controller who shall pay and audit the claims from funds made available for that purpose. (b) Not later than 60 days after receiving the adopted parameters and guidelines from the commission, the Controller shall issue claiming instructions for each mandate that requires state reimbursement, to assist local agencies and school districts in claiming costs to be reimbursed. In preparing claiming instructions, the Controller may request the assistance of other state agencies. The claiming instructions shall be derived from the statute or executive order creating the mandate and the parameters and guidelines adopted by the commission. (c) The Controller shall, within 60 days after receiving revised adopted parameters and guidelines from the commission or other information necessitating a revision of the claiming instructions, prepare and issue revised claiming instructions for mandates that require state reimbursement that have been established by commission action pursuant to Section 17555 or after any decision or order of the commission pursuant to Section 17551. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (d) This section shall become operative on July 1, 1996.

GC §17558.5: Reimbursement claim: Audit; remittance advice and other notices of payment

(a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to audit by the Controller no later than two years after the end of the calendar year in which the reimbursement claim is filed or last amended. However, if no funds are appropriated for the program for the fiscal year for which the claim is made, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. (b) The Controller shall notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review. The notification shall specify the claim components adjusted, the amounts adjusted, and the reason for the adjustment. Remittance advises and other notices of payment action shall not constitute notice of adjustment from an audit or review. (c) Nothing in this section shall be construed to limit the adjustment of payments when inaccuracies are determined to be the result of the intent to defraud, or when a delay in the completion of an audit is the result of willful acts by the claimant or inability to reach agreement on terms of final settlement. (d) This section shall become operative on July 1, 1996.

GC §17558.6: Legislative intent

It is the intent of the Legislature that the Commission on State Mandates review its process by which local agencies may appeal the reduction of reimbursement claims on the basis that the reduction is incorrect in order to provide for a more expeditious and less costly process.

GC §17559: Judicial Review

(a) The commission may order a reconsideration of all or part of a test claim or incorrect reduction claim on petition of any party. The power to order reconsideration or amend a test claim decision shall expire 30 days after the statement of decision is delivered or mailed to the claimant. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of the 30-day period, the commission may grant a stay of that expiration for no more than 30 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied. (b) A claimant or the state may commence a proceeding in accordance with the provisions of Section 1094.5 of the Code of Civil Procedure to set aside a decision of the commission on the ground that the commission's decision is not supported by substantial evidence. The court may order the commission to hold another hearing regarding the claim and may direct the commission on what basis the claim is to receive a rehearing.

GC §17560: Deadlines for filing reimbursement claims

Reimbursement for state-mandated costs may be claimed as follows: (a) A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b). (b) A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that detail the costs actually incurred for that fiscal year. (c) In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of Section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

GC §17561: Reimbursement of costs for state mandated programs

(a) The state shall reimburse each local agency and school district for all "costs mandated by the state," as defined in Section 17514. (b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows: (A) Any statute mandating these costs shall provide an appropriation therefor. (B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill which is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts. (2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor's Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor's Budget and in the accompanying Budget Bill subsequent to the enactment of the local government claims bill pursuant to Section 17600 that includes the amounts awarded relating to these chaptered bills or executive orders. (c) The amount appropriated to reimburse local agencies and school districts for costs mandated by the state shall be appropriated to the Controller for disbursement. (d) The Controller shall pay any eligible claim pursuant to this section within 60 days after the filing deadline for claims for reimbursement or 15 days after the date the appropriation for the claim is effective, whichever is later. The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies who would otherwise collect the costs of these mandates from local agencies or school districts in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows: (1) For initial reimbursement claims, the Controller shall issue claiming instructions to the relevant local agencies pursuant to Section 17558. Issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the commission. (A) When claiming instructions are issued by the Controller pursuant to Section 17558 for each mandate determined pursuant to Section 17555 that requires state reimbursement, each local agency or school district to which the mandate is applicable shall submit claims for initial fiscal year costs to the Controller within 120 days of the issuance date for the claiming instructions. (B) When the commission is requested to review the claiming instructions pursuant to Section 17571, each local agency or school district to which the mandate is applicable shall submit a claim for reimbursement within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller. (C) If the local agency or school district does not submit a claim for reimbursement within the 120-day period, or submits a claim pursuant to revised claiming instructions, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, provided that the Controller (i) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, and (ii) may reduce any claim that the Controller determines is excessive or unreasonable. (2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, (B) may reduce any claim that the Controller determines is excessive or unreasonable, and (C) shall adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years. (3) When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until

the claim is audited to verify the actual amount of the mandated costs. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars (\$1,000). The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case shall a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates contained in a claims bill.

GC §17561.5: Payment of claim with interest

(a) The payment of an initial reimbursement claim by the Controller shall include accrued interest at the Pooled Money Investment Account rate, if the payment is being made more than 365 days after adoption of the statewide cost estimate for an initial claim or, in the case of payment of a subsequent claim relating to that same statute or executive order, if payment is being made more than 60 days after the filing deadline for, or the actual date of receipt of, the subsequent claim, whichever is later. In those instances, interest shall begin to accrue as of the 366th day after adoption of the statewide cost estimate for an initial claim and as of the 61st day after the filing deadline for, or actual date of receipt of, the subsequent claim, whichever is later. (b) This section shall become operative on July 1, 1996.

GC §17561.6: Payment

(a) A budget act item or appropriation pursuant to this part for reimbursement of claims shall include an amount necessary to reimburse any interest due pursuant to Section 17561.5. (b) This section shall become operative on July 1, 1996.

GC §17562: Review of costs of state-mandated local program

(a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of the cumulative effects of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to establish a method for regularly reviewing the costs of state-mandated local programs, by evaluating the benefit of previously enacted mandates. (b) (1) A statewide association of local agencies or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit a letter to the Chairs of the Assembly Committee on Local Government and the Senate Committee on Local Government specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year. (2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst. (3) The Department of Finance shall review all statutes enacted each year that contain provisions making inoperative Section 2229 or Section 2230 of

the Revenue and Taxation Code or Section 17561 or Section 17565 that have resulted in costs or revenue losses mandated by the state that were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the provisions of the statutes. The Department of Finance shall also review all statutes enacted each year that may result in cost savings authorized by the state. The Department of Finance shall submit an annual report of the review required by this subdivision, together with the recommendations as it may deem appropriate, by December 1 of each year. (c) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following: (1) The reports and recommendations submitted pursuant to subdivision (b). (2) The reports submitted pursuant to Sections 17570, 17600, and 17601. (3) Legislation to continue, eliminates, or modifies any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment. (d) This section shall become operative on July 1, 1996.

GC §17563: Use of funds received for public purpose

Any funds received by a local agency or school district pursuant to the provisions of this chapter may be used for any public purpose.

GC §17564: Filing of claims: Threshold amount

(a) No claim shall be made pursuant to Sections 17551 and 17561, nor shall any payment be made on claims submitted pursuant to Sections 17551 and 17561, unless these claims exceed two hundred dollars (\$200), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds two hundred dollars (\$200) even if the individual school district's, direct service district's, or special district's claims do not each exceed two hundred dollars (\$200). The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim. (b) Claims for direct and indirect costs filed pursuant to Section 17561 shall be filed in the manner prescribed in the parameters and guidelines.

GC §17565: Reimbursement of subsequently mandated costs

If a local agency or a school district, at its option, has been incurring costs, which are subsequently mandated by the state, the state shall reimburse the local agency or school district for those costs incurred after the operative date of the mandate.

GC §17567: Insufficiency of appropriation: Proration of claims

In the event that the amount appropriated for reimbursement purposes pursuant to Section 17561 is not sufficient to pay all of the claims approved by the Controller, the Controller shall prorate claims in proportion to the dollar amount of approved claims timely filed and on hand at the time of proration. The Controller shall adjust prorated claims if supplementary funds are appropriated for this purpose. In the event that the Controller finds it necessary to prorate claims as provided by this section, the Controller shall immediately report this action to the Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be

appropriated on a timely basis in the Budget Act, the Controller shall transmit this information to the commission which shall include these amounts in its report to the Legislature pursuant to Section 17600 to assure that an appropriation sufficient to pay the claims is included in the local government claims bills or other appropriation bills. If the local government claims bills required by Section 17612 have been introduced in the Legislature, the Controller shall report directly to the chairperson of the respective committee in each house of the Legislature, which considers appropriations to assure inclusion of a sufficient appropriation in the claims bills.

GC §17568: Payment of claims submitted after deadline

If a local agency or school district submits an otherwise valid reimbursement claim to the Controller after the deadline specified in Section 17560, the Controller shall reduce the reimbursement claim in an amount equal to 10 percent of the amount which would have been allowed had the reimbursement claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars (\$1,000). In no case shall a reimbursement claim be paid which is submitted more than one year after the deadline specified in Section 17560. Estimated claims that were filed by the deadline specified in that section shall be paid in full before payments are made on estimated claims filed after the deadline. In the event the amount appropriated to the Controller for reimbursement purposes is not sufficient to pay the estimated claims approved by the Controller, the Controller shall prorate those claims in proportion to the dollar amount of approved claims filed after the deadline and shall report to the commission or the Legislature in the same manner as described in Section 17566 in order to assure appropriation of funds sufficient to pay those claims.

GC §17570: Annual report to Legislature

The Legislative Analyst shall review each unfunded statutory or regulatory mandate for which claims have been approved by the Legislature pursuant to a claims bill during the preceding fiscal year. Any recommendations by the Legislative Analyst to eliminate or modify the mandates shall be contained in the annual analysis of the Budget Bill prepared by the Legislative Analyst.

GC §17571: Review and modification of claiming instructions

The commission, upon request of a local agency or school district, shall review the claiming instructions issued by the Controller or any other authorized state agency for reimbursement of mandated costs. If the commission determines that the claiming instructions do not conform to the parameters and guidelines, the commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the commission.

GC §17575: Review of bills

When a bill is introduced in the Legislature, and each time a bill is amended, on and after January 1, 1985, the Legislative Counsel shall determine whether the bill mandates a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution. The Legislative Counsel shall make this determination known in the digest of the bill and shall describe in the digest the basis for this determination. The determination by the Legislative Counsel shall not be binding on the commission in making its determination pursuant to Section 17555.

GC §17576: Amendment of bills on floor: Notification by Legislative Counsel

Whenever the Legislative Counsel determines that a bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Department of Finance shall prepare an estimate of the amount of reimbursement which will be

required. This estimate shall be prepared for the respective committees of each house of the Legislature which consider taxation measures and appropriation measures and shall be prepared prior to any hearing on the bill by any such committee.

GC §17577: Amount of estimates

The estimate required by Section 17576 shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local agencies and school districts for costs mandated by the state by the bill.

GC §17578: Amendment of bills on floor: Notification by Legislative Counsel

In the event that a bill is amended on the floor of either house, whether by adoption of the report of a conference committee or otherwise, in such a manner as to mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Legislative Counsel shall immediately inform, respectively, the Speaker of the Assembly and the President of the Senate of that fact. Notification from the Legislative Counsel shall be published in the journal of the respective houses of the Legislature.

GC §17579: Requirement for new mandates to specify reimbursement requirements: Appropriations

(a) Any bill introduced or amended on and after January 1, 1985, for which the Legislative Counsel has determined the bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, shall contain a section specifying that reimbursement shall be made from the fund pursuant to Section 17610 when the amount of the claim has been determined pursuant to Article 1 (commencing with Section 17550) of this chapter or that there is no mandate or that the mandate is being disclaimed and the reason therefor. (b) Any bill introduced or amended on and after January 1, 1985, may, but is not required to, contain an appropriation to provide reimbursement of costs mandated by the state.

GC §17581: Conditions for exemption from implementation of statute or executive order

(a) No local agency shall be required to implement or give effect to any statute or executive order, or portion thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply: (1) The statute or executive order, or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution. (2) The statute or executive order, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements. (b) Notwithstanding any other provision of law, if a local agency elects to implement or give effect to a statute or executive order described in subdivision (a), the local agency may assess fees to persons or entities that benefit from the statute or executive order. Any fee assessed pursuant to this subdivision shall not exceed the costs reasonably borne by the local agency. (c) This section shall not apply to any state-mandated local program for the trial courts, as specified in Section 77203. (d) This section shall not apply to any state-mandated local program for which the reimbursement funding counts toward the minimum General Fund requirements of Section 8 of Article XVI of the Constitution.

GC §17600: Report on number of mandates and their costs

At least twice each calendar year the commission shall report to the Legislature on the number of mandates it has found pursuant to Article 1 (commencing with Section 17550) and the estimated statewide costs of these mandates. This report shall identify the statewide costs estimated for each mandate and the reasons for recommending reimbursement.

GC §17601: Report on claims denied

The commission shall report to the Legislature on January 15, 1986, and each January 15 thereafter, on the number of claims it denied during the preceding calendar year and the basis on which the particular claims were denied.

GC §17610: Costs paid from fund: Limit on costs

(a) The costs arising from a statute containing a statement that the statute mandates a new program or higher level of service and specifying that reimbursement shall be made from the fund shall, upon certification of the estimated statewide cost by the commission to the Controller, be paid from the fund, provided that the estimated statewide cost of the claim does not exceed one million dollars (\$1,000,000). The Controller shall receive, review, and pay reimbursement claims from the fund as the claims are received. Claims for initial reimbursement shall be filed with the Controller within 120 days from the date that the Controller issued claiming instructions on mandates funded by the fund. When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated cost. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount which would have been allowed had the claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars (\$1,000). The Controller may withhold payment of any initial reimbursement claim filed after the filing deadline until the next deadline for funding claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. (b) For purposes of this section, "estimated statewide cost" means the total amount of funds estimated to be necessary to reimburse all eligible local agencies and school districts for costs incurred as a result of the mandate during the first 12-month period following the operative date of the mandate. (c) For purposes of this section, "costs arising from a statute" means the total amount of funds necessary to reimburse eligible local agencies and school districts for costs incurred as a result of complying with a mandate for the fiscal years specified in the parameters and guidelines in accordance with Section 17557.

GC §17612: Local government claims bills: Judicial review of funding deletions

(a) Immediately upon receipt of the report submitted by the commission pursuant to Section 17600, local government claims bill shall be introduced in the Legislature. The local government claims bill, at the time of its introduction, shall provide for an appropriation sufficient to pay the estimated costs of these mandates except where the costs have been or will be paid pursuant to Section 17610. (b) The Legislature may amend, modify, or supplement the parameters and guidelines for mandates contained in the local government claims bill. If the Legislature amends, modifies, or supplements the parameters and guidelines, it shall make a declaration in the local government claims bill specifying the basis for the amendment, modification, or supplement. (c) If the Legislature deletes from a local government claims bill funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement.

GC §17613: Authorization of augmentation for mandated costs

(a) The Director of Finance may, upon receipt of any report submitted pursuant to Section 17567, authorize the augmentation of the amount available for expenditure to reimburse costs mandated by the state, as defined in Section 17514, as follows: (1) For augmentation of (A) any schedule in any item to reimburse costs mandated by the state in any budget act, or (B) the amount appropriated in a local government claims bill for reimbursement of the claims of local agencies, as defined by Section 17518, from the unencumbered balance of any other item to reimburse costs mandated by the state in that budget act or another budget act or in an appropriation for reimbursement of the claims of local agencies in another local government claims bill. (2) For augmentation of (A) any schedule in any budget act item, or (B) any amount appropriated in a local government claims bill, when either of these augmentations is for reimbursement of mandated claims of school districts, as defined in Section 17519, when the source of this augmentation is (A) the unencumbered balance of any other scheduled amount in that budget act or another budget act, or (B) an appropriation in another local government claims bill, when either of these appropriations is for reimbursement of mandate claims of school districts. This paragraph applies only to appropriations that are made for the purpose of meeting the minimum funding guarantee for educational programs pursuant to Section 8 of Article XVI of the California Constitution. (b) No authorization for an augmentation pursuant to this section may be made sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

GC §17614: State Mandates Claims Fund

There is hereby created the State Mandates Claims Fund. Notwithstanding Section 13340, money in the fund is continuously appropriated without regard to fiscal years for the sole purpose of paying claims pursuant to Section 17610.

GC §17615: Legislative findings and intent

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for actual costs mandated by the state on an annual claim basis is time consuming, cumbersome, and expensive at both the local and state levels. The Controller must process voluminous claims with all claims subject to a desk audit and selected claims also subject to a field audit. Local agencies are required to maintain extensive documentation of all claims in anticipation of such an audit. The volume of these records is substantial and will continue to grow with no relief in sight as new programs are mandated. The cost to local agencies and school districts for filing claims and for maintaining documentation and responding to the Controller's audits is substantial. The current administrative cost to both state and local governments represents a significant expenditure of public funds with no apparent benefit to the taxpayers. It is the intent of the Legislature to streamline the reimbursement process for costs mandated by the state by creating a system of state mandate apportionment to fund the costs of certain programs mandated by the state.

GC §17615.1: Review of programs for inclusion in system

Notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code, the commission shall establish a procedure for reviewing, upon request, mandated cost programs for which appropriations have been made by the Legislature for the 1982-83, 1983-84, and 1984-85 fiscal years, or any three consecutive fiscal years thereafter. At the request of the Department of Finance, the Controller, or any local agency or school district receiving

reimbursement for the mandated program, the commission shall review the mandated cost program to determine whether the program should be included in the State Mandates Apportionment System. If the commission determines that the State Mandates Apportionment System would accurately reflect the costs of the state mandated program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System.

GC §17615.2: Calculation of disbursement amounts

(a) Notwithstanding Section 17561, after November 30, 1985, for those programs included in the State Mandates Apportionment System, after approval by the commission, there shall be disbursed by the Controller to each local agency and school district which has submitted a reimbursement claim for costs mandated by the state in the 1982-83, 1983-84, and the 1984-85 fiscal years, or any three consecutive fiscal years thereafter, an amount computed by averaging the approved reimbursement claims for this three-year period. The amount shall first be adjusted according to any changes in the deflator. The deflator shall be applied separately to each year's costs for the three years, which comprise the base period. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1985 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "base period" means the three fiscal years immediately succeeding the commission's approval. (b) When the Controller has made payment on claims prior to commission approval of the program for inclusion in the State Mandates Apportionment System, the payment shall be adjusted in the next apportionment to the amount which would have been subvended to the local agency or school district for that fiscal year had the State Mandates Apportionment System been in effect at the time of the initial payment.

GC §17615.3: Annual recalculation of allocation

Notwithstanding Section 17561, by November 30, 1986, and by November 30 of each year thereafter, for those programs included in the State Mandates Apportionment System, the Controller shall recalculate each allocation for each local agency and school district for the 1985-86 fiscal year, by using the actual change in the deflator for that year. That recalculated allocation shall then be adjusted by the estimated change in the deflator for the 1986-87 fiscal year, and each fiscal year thereafter, to establish the allocation amount for the 1986-87 fiscal year, and each fiscal year thereafter. Additionally, for programs approved by the commission for inclusion in the State Mandates Apportionment System on or after January 1, 1988, the allocation for each year succeeding the three-year base period shall be adjusted according to any changes in both the deflator and workload. The Controller shall then subvene that amount after adjusting it by any amount of overpayment or underpayment in the 1985-86 fiscal year, and each fiscal year thereafter, due to a discrepancy between the actual change and the estimated change in the deflator or workload. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1986 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "workload" means, for school districts and county offices of education, changes in the average daily attendance; for community colleges, changes in the number of full-time equivalent students; for cities and counties, changes in the population within their boundaries; and for special districts, changes in the population of the county in which the largest percentage of the district's population is located.

GC §17615.4: Procedure for newly mandated program

(a) When a new mandate imposes costs which are funded either by legislation, in local government claims bills, or from the State Mandates Claim Fund, local agencies and school districts may file reimbursement claims as required by Section 17561, for a minimum of three years after the initial funding of the new mandate. (b) After actual cost claims are submitted for three fiscal years against such a new mandate, the commission shall determine, upon request

of the Controller or a local entity or school district receiving reimbursement for the program, whether the amount of the base year entitlement adjusted by changes in the deflator and workload accurately reflects the costs incurred by the local agency or school district. If the commission determines that the base year entitlement, as adjusted, does accurately reflect the costs of the program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System. (c) The Controller shall make recommendations to the commission and the commission shall consider the Controller's recommendations for each new mandate submitted for inclusion in the State Mandates Apportionment System. All claims included in the State Mandates Apportionment System pursuant to this section are also subject to the audit provisions of Section 17616.

GC §17615.5: Procedure where no base year entitlement has been established

(a) If any local agency or school district has an established base year entitlement which does not include costs for a particular mandate, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, adjusted pursuant to Section 17615.3 by changes in the deflator and workload, or entitlement claims covering a minimum of three consecutive years, after which time its base year entitlement may be adjusted by an amount necessary to fund the costs of that mandate. (b) If any local agency or school district has no base year entitlement, but wishes to begin claiming costs of one or more of the mandates included in the State Mandates Apportionment System, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, or entitlement claims covering the preceding three consecutive years, which shall be adjusted pursuant to Sections 17615.2 and 17615.3 by changes in the deflator and workload, after which time a base year entitlement may be established in an amount necessary to fund the costs of the mandate or mandates.

GC §17615.6: Procedure where program is no longer mandatory

If a local agency or school district realizes a decrease in the amount of costs incurred because a mandate is discontinued, or made permissive, the Controller shall determine the amount of the entitlement attributable to that mandate by determining the base year amount for that mandate for the local agency or school district plus the annual adjustments. This amount shall be subtracted from the annual subvention which would otherwise have been allocated to the local agency or school district.

GC §17615.7: Procedure where program is modified

If a mandated program included in the State Mandates Apportionment System is modified or amended by the Legislature or by executive order, and the modification or amendment significantly affects the costs of the program, as determined by the commission, the program shall be removed from the State Mandate Apportionment System, and the payments reduced accordingly. Local entities or school districts may submit actual costs claims for a period of three years, after which the program may be considered for inclusion in the State Mandates Apportionment System, pursuant to the provisions of Section 17615.4.

GC §17615.8: Review of base year entitlement

(a) The commission shall establish a procedure for reviewing, upon request, any apportionment or base year entitlement of a local agency or school district. (b) Local agencies and school districts which request such a review shall maintain and provide those records and documentation as the commission or its designee determines are necessary for the commission or its designee to make the required determinations. With the exception of records required to verify base year entitlements, the records may not be used to adjust current or prior apportionment, but may be used to adjust future apportionment. (c) If the commission

determines that an apportionment or base year entitlement for funding costs mandated by the state does not accurately reflect the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission shall direct the Controller to adjust the apportionment accordingly. For the purposes of this section, an apportionment or a base year entitlement does not accurately reflect the costs incurred by a local agency or school district if it falls short of reimbursing, or overreimburses, that local agency's or school district's actual costs by 20 percent or by one thousand dollars (\$1,000), whichever is less. (d) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state accurately reflects the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission may, in its discretion, direct the Controller to withhold, and, if so directed, the Controller shall withhold the costs of the commission's review from the next apportionment to the local agency or school district, if the commission review was requested by the local agency or school district.

GC §17615.9: Review of programs under SMAS

The commission shall periodically review programs funded under the State Mandate Apportionment System to evaluate the effectiveness or continued statewide need for each such mandate.

GC §17616: Audits and verification by Controller

Notwithstanding the provisions of Section 2231 of the Revenue and Taxation **Code**, the Controller shall have the authority to do either or both of the following: (a) Audit the fiscal years comprising the base year entitlement no later than three years after the year in which the base year entitlement is established. The results of such audits shall be used to adjust the base year entitlements and any subsequent apportionment based on that entitlement, in addition to adjusting actual cost payments made for the base years audited. (b) Verify that any local agency or school district receiving funds pursuant to this article is providing the reimbursed activities.

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2002-06A
ANIMAL ADOPTION

MAY 7, 2002

In accordance with Government Code Section (GC §) 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for the filing of claims for the Animal Adoption (AA) program. These claiming instructions are issued subsequent to adoption of the program's parameters and guidelines (P's & G's) by the Commission on State Mandates (COSM).

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. It increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive necessary and prompt veterinary care.

On January 25, 2001, the COSM determined that Chapter 752/98 established costs mandated by the State according to the provisions listed in the attached P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a direct result of this mandate, is eligible to claim reimbursement of these costs.

Filing Deadlines

A. Initial Claims

Initial reimbursement claims must be filed within 120 days from the issuance date of claiming instructions. All claims must be filed with the SCO and be delivered or postmarked on or before **September 4, 2002**. Estimated claims for the 2001-02 fiscal year must also be delivered or postmarked on or before **September 4, 2002**. Thereafter, having received payment for an estimated claim, the claimant must file an annual reimbursement claim by January 15 of the following fiscal year. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$1,000. The claiming period for the reimbursable activities listed in **IV.**, beginning on page 3 of the P's and G's, are as follows:

- **IV. A. 1., 2., 3. - One Time Activities**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 1. - Acquisition of Additional Space and/or Construction of New Facilities (Food and Agriculture Code Sections {F & AC §§} 31108, 31752, and 31753).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 2. - Remodeling/Renovating Existing Facilities (F & AC §§ 31108, 31752, and 31753).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 3. - Care and Maintenance of Impounded Stray or Abandoned Dogs and Cats (F & AC §§ 31108 and 31752).**

Claiming Period - Fiscal years 1999-00 to 2000-01¹.

- **IV. B. 4. - Care and Maintenance of Impounded Stray or Abandoned Animals (F & AC § 31753).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 5. - Agencies Using the Holding Period of Four Business Days after the Day of Impoundment (F & AC §§ 31108, 31752, and 31753).**

Animals Other than Cats and Dogs

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

Impounded Dogs and Cats

Claiming Period - Fiscal year 1999-00 to 2000-01.

- **IV. B. 6. - Feral Cats (F & AC § 31752.5).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 7. - Lost and Found Lists (F & AC § 32001).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 and 2000-01.

- **IV. B. 8. - Maintaining Non-Medical Records (F & AC § 32003).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 and 2000-01.

- **IV. B. 9. - Necessary and Prompt Veterinary Care (Civil Code §§ 1834 and 1846).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 and 2000-01.

¹ Claiming period was previously listed as January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 10. - Procurement of Medical, Kennel, and Computer Equipment**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

Costs for all initial reimbursement claims must be filed separately according to the fiscal year in which the costs were incurred. However, the initial claims will be considered as one claim for the purpose of computing the late claim penalty. Do not prorate the penalty among fiscal years. If the claims are late, the penalty should be applied to a single fiscal year.

In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. **Claims filed more than one year after the deadline will not be accepted.**

B. Estimated Claims

Unless otherwise specified in the claiming instructions, local agencies are not required to provide cost schedules and supporting documents with an estimated claim if the estimated amount does not exceed the previous fiscal year's actual costs by more than 10%. Claimants can simply enter the estimated amount on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, claimants must complete supplemental claim forms to support their estimated costs as specified for the program to explain the reason for the increased costs. If no explanation supporting the higher estimate is provided with the claim, it will automatically be adjusted to 110% of the previous fiscal year's actual costs. Future estimated claims filed with the SCO must be postmarked by January 15 of the fiscal year in which costs will be incurred. Claims filed timely will be paid before late claims.

Minimum Claim Cost

GC Section 17564 provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds two hundred dollars (\$200), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds \$200, even if the individual school district's, direct service district's, or special district's claims do not each exceed \$200. The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the SCO, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

Reimbursement of Claims

Initial reimbursement claims will only be reimbursed to the extent that expenditures can be supported and, if such information is unavailable, claims will be reduced. In addition, ongoing reimbursement claims must be supported by documentation as evidence of the expenditures. Examples of documentation may include, but are not limited to, employee time records that

identify mandate activities, payroll records, invoices, receipts, contracts, travel expense vouchers, purchase orders, and caseload statistics.

If a documented time study is the basis for claimed time spent in implementing the provisions of **IV. B. 3.** of the P's and G's, attach the time records with the claim. The Controller's Office will review the documented time study for precision and reliability. For information on the Time Study Method, refer to pages 7 and 8 of the P's and G's.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment," specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of two years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for two years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard/local/locreim/index.htm.

Address for Filing Claims

Submit a signed, original form FAM-27, Claim for Payment, and all other forms and supporting documents (no copies necessary) to:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

PARAMETERS AND GUIDELINES

Civil Code Sections 1834 and 1846;
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
As Added or Amended by Statutes of 1998, Chapter 752

Animal Adoption

I. Summary of the Mandate

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive “necessary and prompt veterinary care.”

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
 - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
 - (b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a

mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing “necessary and prompt veterinary care” for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

II. Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. Period of Reimbursement

Government Code section 17557, as amended by Statutes of 1998, Chapter 681 (which became effective on September 22, 1998), states that a test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. On December 22, 1998, the County of Los Angeles filed the test claim for this mandated program, establishing eligibility for reimbursement beginning on or after July 1, 1997.

However, except for the amendments to Food and Agriculture Code sections 31108 and 31752, Statutes of 1998, Chapter 752 became operative and effective on January 1, 1999. Therefore, except for the amendments to Food and Agriculture Code sections 31108 and 31752, the costs incurred for Statutes of 1998, Chapter 752 are eligible for reimbursement on or after January 1, 1999.

Section 21 of Statutes of 1998, Chapter 752 establishes an operative date of July 1, 1999 for the amendments to Food and Agriculture Code section 31108 (holding period for stray dogs) and Food and Agriculture Code sections 31752 (holding period for stray cats). Therefore, costs incurred for Food and Agriculture Code sections 31108 and 31752, as amended by Statutes of 1998, Chapter 752, are eligible for reimbursement on or after July 1, 1999.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561, subdivision (d)(1) of the Government Code, all claims for reimbursement of initial years’ costs shall be submitted within 120 days of notification by the State Controller of the issuance of claiming instructions.

If the total costs for a given year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. Reimbursable Activities

For each eligible claimant, all direct and indirect costs of labor, materials, supplies, fixed assets, contracted services, training and travel for the performance of the activities listed below are eligible for reimbursement.

Except as specified in Component (B)(3) and (4), reimbursement claims for the performance of the activities listed below shall be based on actual or estimated costs as provided in Government Code section 17560.

A. One Time Activities

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

B. Ongoing Activities

1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from

reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board

meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or

abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- a. Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- b. Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);

- c. Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- d. Owner relinquished dogs and cats; and
- e. Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of dogs and cats.
 - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
 - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).
- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study

supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- i. Reflect an after-the-fact distribution of each employee's actual activity;
 - ii. Account for the total activity for which each employee is compensated;
 - iii. Account for the total labor hours of the month;
 - iv. Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
 - v. Document, by signature or initials and date, supervisor approval.
4. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- a. Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- b. Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- c. Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- d. Owner relinquished animals; and

- e. Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method –Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
 - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
 - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by each reimbursable day (four or six business days from the day after impoundment).
- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the

eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- i. Reflect an after-the-fact distribution of each employee's actual activity;
- ii. Account for the total activity for which each employee is compensated;
- iii. Account for the total labor hours of the month;
- iv. Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- v. Document, by signature or initials and date, supervisor approval.

5. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

6. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

7. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on “lost and found” lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

8. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and
- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

9. “Necessary and Prompt Veterinary Care” (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding

period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- a. Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- b. Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- c. Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- d. Owner relinquished animals; and
- e. Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));

- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

V. Claim Preparation and Submission

Each claim for reimbursement must be timely filed and identify each cost element for which reimbursement is claimed under this mandate. Claimed costs must be identified to each reimbursable activity identified in Section IV. of these Parameters and Guidelines.

A. Direct Costs

Direct costs are defined as costs that can be traced to specific goods, services, programs, activities, or functions and shall be supported by the following cost element information:

1. Salaries and Benefits

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed, specify the actual time devoted to each activity by each employee, and the productive hourly rate, and related fringe benefits.

Reimbursement for personnel services includes compensation paid for salaries, wages, and employee fringe benefits. Employee fringe benefits include regular compensation paid to an employee during periods of authorized absences (e.g., annual leave, sick leave) and the employer's contributions to social security, pension plans, insurance, and worker's compensation insurance. Fringe benefits are eligible for reimbursement when distributed equitably to all job activities performed by the employee.

2. Materials and Supplies

Only expenditures that can be identified as direct costs of this mandate may be claimed. List the cost of the materials and supplies consumed specifically for the purposes of this mandate. Purchases

shall be claimed at the actual price after deducting cash discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

3. Contract Services

Provide the name(s) of the contractor(s) who performed the services, including any fixed contracts for services. Describe the reimbursable activity(ies) performed by each named contractor and give the number of actual hours spent on the activities, if applicable. Show the inclusive dates when services were performed and itemize all costs for those services. Attach consultant invoices to the claim.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlements are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of traveler(s), purpose of travel, inclusive dates and times of travel, destination point(s), and travel costs.

5. Training

The cost of training an employee to perform the mandated activities, as specified in Section IV (A) of these Parameters and Guidelines, is eligible for reimbursement. Identify the employee(s) by name and job classification. Provide the title and subject of the training session, the date(s) attended, and the location. Reimbursable costs may include salaries and benefits, registration fees, transportation, lodging, and per diem.

6. Fixed Assets

List the costs of the fixed assets that have been acquired specifically for the purpose of this mandate. If the fixed asset is utilized in some way not directly related to the mandated program, only the pro-rata portion of the asset that is used for the purposes of the mandated program is reimbursable.

B. Indirect Costs

Compensation for indirect costs is eligible for reimbursement. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) pursuant to the Office of Management and Budget (OMB) Circular A-87.

VI. Supporting Data

For auditing purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, cost allocation reports, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, time studies, etc.) that show evidence of the validity of such costs and their relationship to this mandate. All documentation in support of claimed costs shall be made available to the State Controller's Office, as may be requested. Pursuant to Government Code section 17558.5, these documents must be kept on file by the agency submitting the claim for a period of no less than two years after the later of (1) the end of the calendar year in which the reimbursement claim is filed or last amended, or (2) if no funds are appropriated for the fiscal year for which the claim is made, the date of initial payment of the claim.

VII. Offsetting Savings and Other Reimbursements

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section

31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

VIII. State Controller's Office Required Certification

An authorized representative of the claimant shall be required to provide a certification of the claim, as specified in the State Controller's Office claiming instructions, for those costs mandated by the state contained herein.

IX. Parameters and Guidelines Amendments

Pursuant to title 2, California Code of Regulations, section 1183.2, Parameters and Guidelines amendments filed before the deadline for initial claims as specified in the Claiming Instructions shall apply to all years eligible for reimbursement as defined in the original Parameters and Guidelines. A Parameters and Guidelines amendment filed after the initial claiming deadline must be submitted on or before January 15, following a fiscal year in order to establish eligibility for reimbursement for the fiscal year.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ANIMAL ADOPTION			For State Controller Use Only	Program 213
(01) Claimant Identification Number			(19) Program Number 00213 (20) Date Filed ____/____/____ (21) LRS Input ____/____/____	
(02) Claimant Name				
County of Location				
Street Address or P.O. Box Suite				
City State Zip Code				
			Reimbursement Claim Data	
Type of Claim	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(22) AA-1, (04)(A)(1)(g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(23) AA-1, (04)(A)(2)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(24) AA-1, (04)(A)(3)(g)	
			(25) AA-1, (04)(B)(1)(g)	
Fiscal Year of Cost	(06) 20 ____/20____	(12) 19 ____/20____	(26) AA-1, (04)(B)(2)(g)	
Total Claimed Amount	(07)	(13)	(27) AA-1, (04)(B)(3)(g)	
Less: 10% Late Penalty, not to exceed \$1,000		(14)	(28) AA-1, (04)(B)(4)(g)	
Less: Prior Claim Payment Received		(15)	(29) AA-1, (04)(B)(5)(g)	
Net Claimed Amount		(16)	(30) AA-1, (04)(B)(6)(g)	
Due from State	(08)	(17)	(31) AA-1, (04)(B)(7)(g)	
Due to State		(18)	(32) AA-1, (04)(B)(8)(g)	
(37) CERTIFICATION OF CLAIM <p>In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file claims with the State of California for costs mandated by Chapter 752, Statutes of 1998, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 752, Statutes of 1998.</p> <p>The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 752, Statutes of 1998 set forth on the attached statements.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;"> Signature of Authorized Officer _____ Type or Print Name </div> <div style="width: 35%;"> Date _____ Title </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> (38) Name of Contact Person for Claim _____ </div> <div style="width: 50%;"> Telephone Number () - Ext. E-Mail Address _____ </div> </div>				

Program 213	ANIMAL ADOPTION Certification Claim Form Instructions	FORM FAM-27
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- (01) Leave blank.
- (02) A set of mailing labels with the claimant's I.D. number and address was enclosed with the letter regarding the claiming instructions. Affix a label in the space shown. If you did not receive labels, print or type your agency's mailing address.
- (03) If filing an original estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing an original estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended or combined claim, enter an "X" in the box on line (05) Amended. Leave boxes (03) and (04) blank.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form AA-1 and enter the amount from line (11).
- (08) Enter the same amount as shown on line (07).
- (09) If filing an original reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing an original reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended or a combined claim on behalf of districts within the county, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of reimbursement claim from form AA-1, line (11).
- (14) **Filing Deadline. Initial Claims of Ch. 752/98.** If the reimbursement claims for the period January 1, 1999, to June 30, 1999, and fiscal years 1999-00 through 2000-01 are filed after **September 4, 2002**, the claims must be reduced by a late penalty. Costs for all initial reimbursement claims must be filed separately according to the fiscal year in which the costs were incurred. However, the initial claims will be considered as one claim for the purpose of computing the late claim penalty. Do not prorate the penalty among the fiscal years. If the claims are late, the penalty should be applied to a single fiscal year. Enter either the product of multiplying the sum total of line (13) for all applicable FAM-27's by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- In subsequent years, reimbursement claims must be filed by January 15 of the following fiscal year in which costs were incurred or the claims shall be reduced by a late penalty. Enter either the product of multiplying line (13) by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- (15) If filing a reimbursement claim and an estimated claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17) Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount in line (18) Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., AA-1, (04)(A)(1)(f), means the information is located on form AA-1, line (04)(A)(1), column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 34.19% should be shown as 34. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by a signed certification.**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED, ORIGINAL FORM FAM-27 WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS (NO COPIES NECESSARY) TO:

Address, if delivered by U.S. Postal Service:

**OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250**

Address, if delivered by other delivery service:

**OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816**

Program 213	MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY						FORM AA-1	
(01) Claimant				(02) Type of Claim		Fiscal Year		
				Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>		19__/20__		
(03) Department								
Direct Costs		Object Accounts						
(04) Reimbursable Components		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Salaries	Benefits	Materials & Supplies	Contract Services	Travel & Training	Fixed Assets	Total
A. One-Time Costs								
1. Policies and Procedures								
2. Training								
3. Computer Software								
B. Ongoing Costs								
1. Acquiring Space/Facilities								
2. Renovating Facilities								
3. Care of Dogs & Cats								
4. Care of Other Animals								
5. Holding Period								
6. Feral Cats								
7. Lost and Found Lists								
8. Non-Medical Records								
9. Veterinary Care								
10. Procuring Equipment								
(05) Total Direct Costs								
Indirect Costs								
(06) Indirect Cost Rate						[From ICRP]		%
(07) Total Indirect Costs						[Line (06) x line (05)(a)] or [Line (06) x {line (05)(a) + line (05)(b)}]		
(08) Total Direct and Indirect Costs						[Line (05)(g) + line (07)]		
Cost Reduction								
(09) Less: Offsetting Savings								
(10) Less: Other Reimbursements								
(11) Total Claimed Amount						[Line (08) - {line (09) + line (10)}]		

Program 213	ANIMAL ADOPTION CLAIM SUMMARY Instructions	FORM AA-1
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- (01) Enter the name of the claimant.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year of costs.
- Form AA-1 must be filed for a reimbursement claim. Do not complete form AA-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form AA-1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Department. If more than one department has incurred costs for this mandate, give the name of each department. A separate form AA-1 should be completed for each department.
- (04) Reimbursable Components. For each reimbursable component, enter the total from form AA-2, line (05), columns (d) through (i) to form AA-1, block (05), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (g).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim. If more than one department is reporting costs, each must have its own ICRP for the program.
- (07) Total Indirect Costs. Multiply Total Salaries, line (05)(a), by the Indirect Cost Rate, line (06). If both salaries and benefits were used in the distribution base for the computation of the indirect cost rate, then multiply the sum of Total Salaries, line (05)(a), and Total Benefits, line (05)(b), by the Indirect Cost Rate, line (06).
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(g), and Total Indirect Costs, line (07).
- (09) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements. Reimbursement received from any source shall be identified and deducted from this claim. Sources shall include, but are not limited to, rewards received under authority of Civil Code § 1845, licensing fees and fines received and applied pursuant to Food and Agriculture Code Section (F & AC §) 30652, Government Code Section 28502, and Penal Code Section 597f, and other state funds, and federal funds. Fees and fines received pursuant to F & AC § 30652 shall be deducted according to the priority specified on page 15 of the P's and G's.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim or line (13) for the Reimbursement Claim.

Program 213	MANDATED COSTS ANIMAL ADOPTION COMPONENT/ACTIVITY COST DETAIL	FORM AA-2
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Components: Check only **one** box per form to identify the component being claimed.

One-Time ☐ Policies and Procedures ☐ Training ☐ Computer Software

Ongoing ☐ Acquiring Space/Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats

☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats

☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care

☐ Procuring Equipment

(04) Description of Expenses	Object Accounts
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(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel and Training
(05) Total <input type="checkbox"/>	Subtotal <input type="checkbox"/>	Page: ____ of ____						

Program 213	ANIMAL ADOPTION COMPONENT/ACTIVITY COST DETAIL Instructions	FORM AA-2
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- (01) Claimant. Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A separate form AA-2 should be completed for each department.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Components. Check the box which indicates the cost component being claimed. Check only one box per form. A separate form AA-2 shall be prepared for each applicable component.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the component activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than two years after the end of the calendar year in which the reimbursement claim was filed or last amended, whichever is later. If no funds are appropriated for the initial payment at the time the claims are filed, supporting documents must be retained for two years from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Itemized Cost of Services Performed			Copy of Contract
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Itemized Cost of Equipment Purchased		Supporting Documentation
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Cost = Rate x Days or Miles or Total Travel Cost	
	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the component/activity costs, number each page. Enter totals from line (05), columns (d) through (i) to form AA-1, block (05), columns (a) through (f) in the appropriate row.

GENERAL CLAIMING INSTRUCTIONS

RECEIVED
 July 29, 2015
*Commission on
 State Mandates*

Reimbursable State Mandated Cost Programs

Local agencies may file claims with the SCO for the cost of complying with the following state mandated programs. An "x" indicates the agencies that are eligible to file claims for the given program. For your convenience, the programs are listed in alphabetical order by program name.

Program Number	Program Name	Counties	Cities	Special Districts
2	Absentee Ballots	x	x	x
1	AIDS Testing	x		
178	Airport Land Use Commission/Plans	x	x	x
152	Allocation of Property Tax Revenue	x		
213	Animal Adoption	x	x	x
6	Brendon Maguire Act	x	x	x
13	Child Abduction and Recovery	x		
196	Child Abuse Treatment Services Authorization and Case Management	x		
67	Conservatorship: Developmentally Disabled Adults	x		
88	Coroners	x		
207	County Treasury Oversight Committees	x		
158	Crime Victims' Rights	x		
87	Developmentally Disabled: Attorneys' Services	x		
167	Domestic Violence Arrest Policies and Standards	x	x	
177	Domestic Violence Treatment Services Authorization and Case Management	x	x	
205	Elder Abuse, Law Enforcement Training	x	x	
204	Extended Commitment, Youth Authority	x		
23	Firefighters' Cancer Presumption	x	x	x
197	Health Benefits for Survivors of Peace Officers and Firefighters	x	x	x
161	Investment Reports	x	x	x
193	Law Enforcement Sexual Harassment Training	x	x	x
41	Mandate Reimbursement Process	x	x	x
43	Medi-Cal Beneficiary Death Notices	x		
203	Mentally Disordered Offenders' Extended Commitment Proceedings	x		

Program Number	Program Name	Counties	Cities	Special Districts
39	Mentally Disordered Sex Offenders: Extended Commitments	x		
66	Mentally Retarded Defendants: Diversion	x		
138	Misdemeanors: Booking and Fingerprinting	x	x	
200	Not Guilty by Reason of Insanity II	x		
219	Open Meetings Act/Brown Act Reform	x	x	x
122	Pacific Beach Safety	x	x	
118	Peace Officers' Cancer Presumption	x	x	x
187	Peace Officers Procedural Bill of Rights	x	x	x
124	Perinatal Services	x		
83	Permanent Absent Voters	x		
121	Pesticide Use Reports	x		
215	Photographic Record of Evidence	x	x	x
128	Prisoner Parental Rights	x	x	
127	Rape Victim Counseling Center Notices	x	x	
55	Regional Housing Need Determination	x	x	x
73	Search Warrant: AIDS	x	x	
18	Senior Citizens Property Tax Postponement	x		
191	Seriously Emotionally Disturbed Pupils: Out of-State Mental Health Services	x		
111	Services to Handicapped Students	x		
220	Sex Crime Confidentiality	x	x	
217	Sex Offenders: Disclosure by Law Enforcement Officers (Megan's Law)	x	x	x
175	Sexually Violent Predators	x		
110	SIDS: Autopsy Protocols	x		
125	SIDS: Contact By Local Health Officers	x		
180	SIDS Training for Firefighters	x	x	x
120	Stolen Vehicle Notification	x	x	
163	Threats Against Peace Officers	x	x	x
90	Unitary Countywide Tax Rates	x		
181	Very High Fire Hazard Severity Zones	x	x	x

**APPROPRIATIONS FOR STATE MANDATED COST PROGRAMS
2003-04 FISCAL YEAR**
Source of State Mandated Cost Appropriations

Mandated Programs		Amounts Appropriated
2003 State Budget Act (Chapter 157/03)		
Item 0820-295-0001 Department of Justice		
Chapter 1399/76	Child Abduction and Recovery	\$1,000
Chapter 337/90	Stolen Vehicle Notification	0 ¹
Chapter 1105/92	Misdemeanors: Booking and Fingerprinting	0 ¹
Chapter 485/98	Sex Offenders; Disclosure by Law Enforcement Officers	0 ¹
Item 0890-295-0001 Secretary of State		
Chapter 77/78	Absentee Ballots	1,000
Chapter 391/88	Brendon Maguire Act	1,000
Chapter 704/75	Voters Registration Procedures	1,000
Chapter 1422/82	Permanent Absent Voters	1,000
Item 0950-295-0001 State Treasurer		
Chapter 783/95	Investment Reports	0 ¹
Chapter 784/95	County Treasury Oversight Committee	0 ¹
Item 1880-295-0001 State Personnel Board		
Chapter 675/90	Peace Officers Procedural Bill of Rights	1,000
Item 2240-295-0001 Department of Housing and Community Development		
Chapter 1143/80	Regional Housing Need Determination	1,000
Item 2660-295-0001 Department of Transportation		
Chapter 644/94	Airport Land Use	2,000
Item 3540-295-0001 Department of Forestry and Fire Protection		
Chapter 1188/92	Very High Fire Hazard Severity Zones	0 ¹
Item 3930-295-0001 Department of Pesticide Regulations		
Chapter 1200/89	Pesticide Use Reports	1,000
Item 4260-295-0001 Department of Health Services		
Chapter 268/91	Sudden Infant Death Syndrome: Contact By Health Services	0 ¹
Chapter 453/74	Sudden Infant Death Syndrome: Notices	0 ¹

¹ The 2003-04 Budget Act suspended all mandates with a \$0 appropriation for the 2003-04 fiscal year.

Chapter 961/92	Pacific Beach Safety	1,000
Chapter 955/89	Sudden Infant Death Syndrome: Autopsies	1,000
Chapter 1088/88	AIDS Search Warrants	1,000
Chapter 102/81	Medi-Cal Beneficiary Death Notices	1,000
Chapter 1597/88	AIDS Testing	0 ¹
Chapter 1603/90	Perinatal Services	1,000
Chapter 1111/89	SIDS Training for Firefighters	0 ¹

Item 4300-295-0001 Department of Developmental Services

Chapter 644/80	Judicial Proceedings	1,000
Chapter 694/75	Developmentally Disabled: Attorneys' Services	1,000
Chapter 1253/80	Mentally Retarded Defendants: Diversion	1,000
Chapter 1304/80	Conservatorship: Developmentally Disabled Adults	1,000

Item 4440-295-0001 Department of Mental Health

Chapter 498/77	Coroners	1,000
Chapter 1036/78	Mentally Disordered Sex Offenders: Extended Commitments	1,000
Chapter 1114/79	Not Guilty by Reason of Insanity	1,000
Chapter 1747/84	Services to Handicapped Students	1,000
Chapter 762/95	Sexually Violent Predators	1,000
Chapter 654/96	Seriously Emotionally Disturbed Pupils	1,000

Item 5180-295-0001 Department of Social Services

Chapter 1090/96	Child Abuse Treatment Services Authorization and Case Management	0 ¹
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Item 5240-295-0001 Department of Corrections

Chapter 820/91	Prisoner Parental Rights	1,000
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Item 5430-295-0001 Board of Corrections

Chapter 183/92	Domestic Violence Treatment Services Authorization and Case Management	1,000
Chapter 221/93	Domestic Violence Treatment Program Approvals	1,000

Item 7350-295-0001 Department of Industrial Relations

Chapter 1171/89	Peace Officers' Cancer Presumption	1,000
Chapter 1568/82	Firefighters' Cancer Presumption	1,000

Item 8100-295-0001 Office of Criminal Justice Planning

Chapter 1249/92	Threats Against Peace Officers	1,000
Chapter 411/95	Crime Victims' Rights	1,000

Item 8120-295-0001 Commission on Peace Officer Standards and Training

Chapter 126/93	Law Enforcement Sexual Harassment Training	0 ¹
Chapter 246/95	Domestic Violence Arrest Policies and Standards	1,000

¹ The 2003-04 Budget Act suspended all mandates with a \$0 appropriation for the 2003-04 fiscal year.

Chapter 444/97	Elder Abuse Law Enforcement Training	0 ¹
Item 8570-295-0001 Department of Food and Agriculture		
Chapter 752/98	Animal Adoption	0 ¹
Item 9100-295-0001 Tax Relief		
Chapter 1242/77	Senior Citizens' Property Tax Postponement	1,000
Chapter 921/87	Unitary Countywide Tax Rates	1,000
Chapter 697/92	Allocation of Property Tax Revenue	1,000
Item 9210-295-0001 Local Government Financing		
Chapter 486/75	Mandate Reimbursement Process	1,000
Chapter 641/86	Open Meetings Act/Brown Act Reform	1,000
Chapter 999/91	Rape Victims Counseling Center Notices	1,000
TOTAL - Funding for the 2003-04 Fiscal Year		<u>\$39,000</u>

FILING A CLAIM

1. Introduction

The law in the State of California, (Government Code Sections 17500 through 17616), provides for the reimbursement of costs incurred by school districts for costs mandated by the State. Costs mandated by the State means any increased costs which a school district is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

Estimated claims that show costs to be incurred in the current fiscal year and reimbursement claims that detail the costs actually incurred for the prior fiscal year may be filed with the State Controller's Office (SCO). Claims for on-going programs are filed annually by January 15. Claims for new programs are filed within 120 days from the date claiming instructions are issued for the program. A 10 percent penalty, (up to \$1,000 for continuing claims, no limit for initial claims), is assessed for late claims. The SCO may audit the records of any school district to verify the actual amount of mandated costs and may reduce any claim that is excessive or unreasonable.

When a program has been reimbursed for three or more years, the COSM may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds are made available.

The instructions contained in this manual are intended to provide general guidance for filing a mandated cost claim. Since each mandate is administered separately, it is important to refer to the specific program for information relating to established policies on eligible reimbursable costs.

2. Types of Claims

There are three types of claims: Reimbursement, Estimated, and Entitlement. A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year or may file an estimated claim for mandated costs to be incurred during the current fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable. The claim must be filed with sufficient documentation to support the costs claimed. The types of documentation required to substantiate a claim are identified in the instructions for the program. The certification of claim, form FAM-27, must be signed and dated by the entity's authorized officer in order for the SCO to make payment on the claim.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. The claim must include supporting documentation to substantiate the costs claimed.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal years of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual reimbursement claims must be filed by January 15 following the fiscal year in which costs were incurred for the program. A reimbursement claim must detail the costs actually incurred in the prior fiscal year.

An actual claim for the 2002-03 fiscal year may be filed by January 15, 2004, without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$1,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.

B. Estimated Claim

An estimated claim is defined in GC Section 17522 as any claim filed with the SCO, during the fiscal year in which the mandated costs are to be incurred by the local agency, against an appropriation made to the SCO for the purpose of paying those costs.

An estimated claim may be filed in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times for estimated costs to be incurred during the current fiscal year. Annual estimated claims are due January 15 of the fiscal year in which the costs are to be incurred. Initial estimated claims are due on the date specified in the claiming instructions. Timely filed estimated claims are paid before those filed after the deadline.

After receiving payment for an estimated claim, the claimant must file a reimbursement claim by January 15 following the fiscal year in which costs were incurred. If the claimant fails to file a reimbursement claim, monies received for the estimated claims must be returned to the State.

C. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a local agency with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by January 15 to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs. Local mandates included in SMAS are listed in Section 2, number 6.

Once a mandate has been included in SMAS and the claimant has established a base year entitlement, the claimant will receive automatic payments from the SCO for the mandate. The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the implicit price deflator of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by the COSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three year base period is adjusted according to any changes by both the deflator and average daily attendance. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

A base year entitlement is determined by computing an average of the claimant's costs for any three consecutive years after the program has been approved for the SMAS process. The amount is first adjusted according to any changes in the deflator. The deflator is applied separately to each year's costs for the three years, which comprise the base year. The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

3. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30, 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564. Combined claims may be filed only when the county is the fiscal agent for the special districts. The county shall determine if the submission of a combined claim is economically feasible and shall be responsible for disbursing the funds to each special district. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a special district, provides to the county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

GC Section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000), provided that a county may submit a combined claim on behalf of direct service districts or special districts within their county if the combined claim exceeds \$1,000, even if the individual direct service district's or special district's claim does not each exceed \$1,000. The county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each direct service district or special district. These combined claims may be filed only when the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a direct service district or special district provides a written notice of its intent to file a separate claim to the county and to the SCO at least 180 days prior to the deadline for filing the claim.

4. Filing Deadline for Claims

Initial reimbursement claims (first-time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date of issuance of the program's claiming instructions by the SCO. If the initial reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% penalty. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for costs incurred during the previous fiscal year and estimated claims for costs to be incurred during the current fiscal year must be filed with the SCO and postmarked on or before January 15. If the annual or estimated reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$1,000. Claims must include supporting data to show how the amount claimed was derived. Without this information, the claim cannot be accepted.

Entitlement claims do not have a filing deadline. However, entitlement claims and supporting documents should be filed by January 15 to permit an orderly processing of claims. Entitlement claims are used to establish a base year entitlement amount for calculating automatic annual payments. Entitlement does not result in the claimant being reimbursed for costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

5. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer.

Reimbursement and estimated claims are paid within 60 days of the filing deadline for the claim. A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs. The 20 percent withheld is not subject to accrued interest.

In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the COSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or parameters and guidelines, the determination of allowable and unallowable costs for mandates is based on the Parameters and Guidelines adopted by the COSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the COSM. The SCO determines allowable reimbursable costs, subject to amendment by the COSM, for mandates funded by special legislation. Unless specified, allowable costs are those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the Parameters and Guidelines.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that, for the purpose of claiming mandated costs, are unallowable and should not be claimed on the claim forms unless specified as reimbursable under the program. These expenses include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops general education, and travel costs.

6. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the COSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each county that has submitted reimbursement claims, (or entitlement claims), for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims, (or entitlement claims), for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in IPD, which is applied separately to each year's costs for the three years that

comprise the base period. The base period means the three fiscal years immediately succeeding the COSM's approval.

Each county with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and workload.

For cities and counties, "workload" means a change in population within their boundaries; for special districts, a change in population of the county in which the largest percentage of the district's population is located.

In the event a county has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the county may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by a county with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any nonrecurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the county determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based, is set forth in GC Section 17615.8 and requires the approval of the COSM.

The following programs are placed in SMAS:

Program Name	Chapter/Statute	Program Number
Conservatorship: Developmentally Disabled Adults	Ch. 1304/80	67
Coroners	Ch. 498/77	88
Mentally Retarded Defendants: Diversion	Ch. 1253/80	66
Senior Citizens Property Tax Postponement	Ch. 1242/77	18

Listed are state mandated local programs and counties that are entitled to receive automatic apportionments in those fiscal years in which the program is funded.

Counties of:	Ch. 498/77 Coroners	Ch. 1242/77 Senior Citizens Property Tax Postponement	Ch. 1253/80 Mentally Retarded Defendants: Diversion	Ch. 1304/80 Developmentally Disabled Adults: Conservatorship
Alameda		x	x	x
Butte		x	x	x
Calaveras		x	x	x
Contra Costa		x	x	x
El Dorado		x	x	x
Fresno		x	x	x
Humboldt		x	x	x
Kern		x	x	x
Lake		x	x	x
Los Angeles	x	x	x	x
Marin		x	x	x
Mendocino		x	x	x
Monterey		x	x	x
Napa	x	x	x	x
Nevada		x	x	x
Orange	x	x	x	x
Placer		x	x	x
Plumas		x	x	x
Riverside		x	x	x
Sacramento		x	x	x
San Bernardino	x	x	x	x
San Diego		x	x	x
San Francisco		x	x	x
San Joaquin	x	x		
San Luis Obispo	x	x	x	x
San Mateo		x	x	x
Santa Barbara		x	x	x
Santa Clara	x	x	x	x
Santa Cruz		x	x	x
Shasta		x	x	x
Solano		x	x	x
Sonoma	x	x	x	x
Stanislaus		x	x	x
Tulare	x	x	x	x
Tuolumne		x		
Ventura	x	x	x	x
Yolo		x	x	x
Yuba		x		

7. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Each claimed reimbursable cost must be supported by documentation as described in Section 12. Costs that are typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A local agency may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claim must include a computation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1 Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2 Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: <i>Fringe Benefits as a Percent of Salary</i>		Step 2: <i>Productive Hourly Rate</i>
Retirement	15.00 %	Formula: $[(EAS \times (1 + FBR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 3, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, workmen's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at the higher level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 4 Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is \$45.88/5.50 hrs. = \$8.34			

(d) Employer's Fringe Benefits Contribution

A local agency has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them.

For example:

<u>Employer's Contribution</u>	<u>% of Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(e) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity and cost. Purchases in excess of reasonable quality, quantity and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by local agencies.

(f) Calculating a Unit Cost for Materials and Supplies

In those instances where the claiming instructions suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1 Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2 Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>
If the number of reimbursable instances, is 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50 / 25).		

(g) Contract Services

The cost of contract services is allowable if the local agency lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor; explain the reason for having to hire a contractor; describe the mandated activities performed; give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the claiming instructions for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

(h) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the claiming instructions for the particular mandate. Equipment rentals used solely for the mandate are reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time

period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the prorata portion of the rental costs can be claimed.

(i) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the claiming instructions specify them as allowable. If they are allowable, the claiming instructions for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the prorata portion of the purchase price used to implement the reimbursable activities can be claimed.

(j) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the claiming instructions may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto mileage traveled, and the cost of tolls and parking with receipts required for charges over \$10.00.

(k) Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

8. Indirect Costs

GC Section 17564(b) provides that claims for indirect costs shall be filed in the manner prescribed by the SCO. Indirect costs (or overhead) are those costs incurred for a common or joint purpose, benefiting more than one program and are not directly assignable to a particular program without efforts disproportionate to the result achieved. Indirect costs may include both (1) the overhead costs for the unit performing the mandate and (2) the costs of central government services distributed through the central service cost allocation plan and not otherwise treated as a direct cost.

Previously, the costs of elected officials were considered "expenses related to general government" and, thus, were unallowable for reimbursement purposes. Recent interpretation has moved in the opposite direction, except for those items of cost, which are unallowable in the cost principles set forth in Office of Management and Budget Circular (OMB) Circular A-87. A cost that is necessary for proper and efficient administration of a program and is identifiable to that program is eligible for consideration as allocable indirect costs. Allocable costs for time spent on programs must be supported by time records.

Local agencies have the option of using 10% of direct labor as indirect costs or claiming indirect costs through a department's Indirect Cost Rate Proposal (ICRP) for the program prepared in accordance with the provisions of OMB Circular A-87 (Refer to the Appendix-Costs Computation: Indirect Costs). An ICRP must be prepared if the claim for indirect costs is in excess of 10% of direct salaries; the ICRP must be submitted with the claim.

A. Fixed 10% Rate Method

Indirect costs may be computed as 10% of direct labor costs (excluding fringe benefits) of employees, provided their services are required by a program. The use of the 10% rate may benefit small agencies where few supportive services are provided.

Direct costs are defined as "those that can readily be identified with a single program or activity." Normally direct costs will include the salaries, benefits, and supplies that can be directly identified with a particular function.

For example, if a county auditor prepares warrants for other county departments, the direct costs of providing the service would include the salary and benefits of the persons in the auditor's office who actually work on the warrants, the cost of the paper on which warrants are written, and the salaries and benefits of a first-line supervisor. Indirect costs of the warrant writing service would include the cost of space, equipment, utilities, maintenance, supervision above first-line and administration of the auditor's office.

Direct Costs Incurred By	On Behalf of	
<u>Auditor</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Warrant Writing:</u>		
A. Salary of employee working	\$5,000	\$1,000
B. Benefits of above	800	200
C. Cost of paper	350	100
D. First-line supervision (salaries)	3,000	500
E. Indirect cost 10% of A + D	800	150
Total amount charged to benefited departments for warrant writing services	<u>\$9,950</u>	<u>\$1,950</u>
Direct Costs Incurred By	On Behalf of	
<u>Building & Grounds Department</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Maintenance of Buildings:</u>		
A. Salary of employees performing maintenance	\$1,000	\$500
B. Benefits of above	200	100
C. Cleaning supplies	250	150
D. First-line supervision (salaries)	500	200
E. Indirect cost 10% of A + D	150	70
Total amount charged to benefited departments for building maintenance services	<u>\$2,100</u>	<u>\$1,020</u>

Any local agency using this method for claiming costs must submit a statement similar to the example above and with supporting data. The cost data required for desk audit purposes are

described in the claiming instructions for that mandated program under Salaries and Employee Benefits, Materials and Supplies, Contract Services, Travel Expenses, etc.

B. Indirect Cost Rate Proposal Method

If a local agency elects not to utilize the 10% fixed rate method but wants to claim indirect costs, it must prepare an ICRP for the program. The proposal must follow the provisions of the OMB circular No. A-87, *Cost Principles for State, Local and Indian Tribal Governments*. The development of the indirect cost rate proposal requires that the indirect cost pool include only those costs which are incurred for a common or joint purpose that benefit more than one cost objective. The indirect cost pool may only include costs that can be shown to provide benefits to the program. In addition, total allocable indirect costs may only include costs, which cannot be directly charged to an identifiable cost center (i.e., program).

A method for preparing a departmental indirect cost rate proposal for programs is presented as Exhibit 1. Only this format is acceptable under the SCO reimbursement requirements. If more than one department is involved in the reimbursement program, each department must have their own indirect cost rate proposal for the program.

**INDIRECT COST RATE PROPOSAL
PUBLIC DEFENDER'S OFFICE
INVESTIGATION PROGRAM
FISCAL YEAR 20__-20__**

Exhibit 1

(A) Description of Costs	Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs	
					Investigation PC 987.9	All Others
Salaries & Benefits						
Salaries & Wages	\$ 1,150,000	\$ 50,000 (F)	\$ 150,000	\$ 950,000 (F)	\$ 100,000	\$ 850,000
Overtime	20,000	0	20,000	0	0	0
Benefits	230,000	10,000	30,000	190,000	20,000	170,000
Total	<u>\$ 1,400,000</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 1,140,000</u>	<u>\$ 120,000</u>	<u>\$ 1,020,000</u>
Services & Supplies						
Office Expense	\$ 200,000	\$ 10,000	\$ 20,000	\$ 170,000	\$ 10,000	\$ 160,000
Communications	100,000	2,000	10,000	88,000	1,000	87,000
Transportation	120,000	5,000	0	115,000	5,000	110,000
Special Dept Expense (Contracts)	250,000	0	0	250,000	0	250,000
Other, Pass Through Program	800,000	800,000	0	0	0	0
Total	<u>\$ 1,470,000</u>	<u>\$ 817,000</u>	<u>\$ 30,000</u>	<u>\$ 623,000</u>	<u>\$ 16,000</u>	<u>\$ 607,000</u>
Capital Expenditures	<u>\$ 100,000</u>	<u>\$ 100,000</u>				
Total Budgetary Expenditures	<u>\$ 2,970,000</u>	<u>\$ 977,000</u>	<u>\$ 230,000</u>	<u>\$ 1,763,000</u>	<u>\$ 136,000</u>	<u>\$ 1,627,000</u>
Cost Plan Costs						
	<u>Distribution Base</u>					
Building Use	(Each line item should	\$ 50,000	\$ 2,000	\$ 6,000	\$ 42,000	\$ 40,000
Equipment Use	be reviewed to see if it	30,000	1,000	3,000	26,000	25,000
Data Processing	benefits the mandate	50,000	5,000	30,000	15,000	15,000
Auditor	to insure a fair and	20,000	0	20,000	0	0
Personnel	equitable distribution.)	10,000	1,000	1,000	8,000	7,000
Roll Forward		10,000	0	10,000	0	0
Total		<u>\$ 170,000 (E)</u>	<u>\$ 9,000</u>	<u>\$ 70,000</u>	<u>\$ 91,000</u>	<u>\$ 87,000</u>
Total Allocable Indirect Costs			\$ 300,000 (F)			
Distribution of Allocable Indirect Costs						
Based on Salaries & Wages		<u>\$ 15,000</u>	<u>\$ (300,000)</u>	<u>\$ 285,000</u>	<u>\$ 30,000</u>	<u>\$ 255,000</u>
Totals		<u>\$ 3,140,000</u>	<u>\$ 1,001,000</u>	<u>\$ 2,139,000</u>	<u>\$ 170,000</u>	<u>\$ 1,969,000</u>

(1) Notes to Exhibit 1

- (a) The department's ICRP plan for the distribution of costs to programs must follow the same format as shown on Exhibit 1. Specifically, there must be columns as follows: Description of Costs, Total Cost, Excludable and Unallowable Costs (may be combined or separated), Allowable Indirect Costs, and Allowable Direct Costs (which are further allocated to identifiable programs and other). No other format will be accepted.
- (b) Excluded costs are all costs that are unallowable and unallocable according to specific guidelines (OMB A-87 and state laws).

Examples:

Contributions and donations: Cost of amusement; social activities and related incidental costs such as meals, beverages, lodging, rentals, transportation and gratuities; and pass through revenues to another unit or organization.

- (c) Allocable indirect costs are costs that are not identifiable to a specific program or cost pool and indirectly benefit all cost pools.
- (d) Direct costs are costs that benefit a specific program or cost pool.
- (e) Overhead costs are distributed to the department in the cost allocation plan, which was prepared in accordance with the OMB circular A-87. Use the same year's cost allocation plan for developing the ICRP as the year for which the ICRP is being prepared. Do not include a roll forward adjustment when the program is in its initial year.
- (f) Distribution base for the computation of the indirect cost rate is total salaries and wages.

Total Allocable Direct Costs (direct S&W)	\$950,000
Excluded and Unallowable Costs (direct S&W)	50,000
Distribution Base	<u>\$1,000,000</u>

Therefore, the Indirect Cost Rate for Penal Code 987.9 Program is:

$$\text{ICRP} = \frac{\text{Allowable Indirect Costs}}{\text{Total Salaries and Wages}} = \frac{\$300,000}{\$1,000,000} = 30.00\%$$

9. Offset Against State Mandated Claims

When part or all the costs of a mandated program are specifically reimbursable from non-local agency sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from local agency funds is eligible for reimbursement under the provisions of Government Code Section 17561.

A. Example 1

This example shows how the offset against state mandated claims is determined for local agencies receiving block grant revenues not based on a formula allocation. Listed below are six situations, which may occur at a local agency level. For hypothetical program costs of \$100,000: (1) through (4) show intended funding at 100% from non-local agency sources and (5) through (6) show cost sharing on a 50/50 basis with the local agency. Of the \$100,000 program cost, \$2,500 is the cost of state mandated activity. Offset against state mandated claims is the amount of actual non-local agency funding which exceeds the difference between

program costs and state mandated costs. The offset against state mandated claims cannot exceed the amount of state mandated costs. In (4), non-local revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500. In (1), non-local revenues were less than expected. Non-local agency funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs. In (5), the local agency is sharing 50% of the program cost. Since non-local revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
A. Block Grants (funding not based on a formula allocation)					
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	If in (5) the non-local matching share is less than the amount expected, for example \$49,000, the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.				

* Local agency share is \$50,000 of the program costs.

B. Example 2

This example shows how the offset against state mandated claims is determined for local agencies receiving special project funds based on approved actual costs. Non-local revenues for special projects must be applied proportionately to approved costs. In (2), the entire program cost was approved. Since the non-local agency source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
B. Special Projects (funding based on approved actual costs)					
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	If in (2) the non-local matching share is less than the amount expected, because only \$60,000 of the program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claims is \$1,125. Therefore, the claimable mandated costs are \$375.				

** Local agency share is \$25,000 of the program costs.

With respect to local agencies, the offset against state mandated claims for applicable federal

and state local assistance programs includes, but is not limited to, the following funding sources:

Federal Programs

CETA, PL 93-203	Federal-Health – Administration
Federal Aid for Construction	Federal-Public Assistance – Administration
Federal Aid for Disaster	

State Programs

State Aid for Agriculture	State-Health – Administration
State Aid for Construction	State-Public Assistance - Administration
State Aid for Corrections	

Federal and State Funding Sources

The listing in Appendix C is not inclusive of all funding sources that should be offset against mandated claims but contains some of the more common ones. State school fund apportionments and federal aid for education, which are based on average daily attendance and are part of the general system of financing public schools as well as block grants which do not provide for specific reimbursement of costs (i.e., allocation formulas not tied to expenditures), should not be included as reimbursements from local assistance revenue sources.

Governing Authority

The costs of salaries and expenses of the governing authority, such as the school superintendent and governing board, are not reimbursable. These are costs of general government as described in the Office of Management and Budget Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments".

10. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustments" detailing adjustments made by the SCO.

11. Audit of Costs

All claims submitted to the State Controller's Office (SCO) are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the Parameters and Guidelines (P's & G's) adopted by the Commission on State Mandates (COSM). If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to Government Code (GC) Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the

period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for three years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

12. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

13. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file an estimated or reimbursement claim. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the claims. All supporting documents must be retained for a period of not less than three years after the reimbursement claim was filed or last amended.

B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

Community colleges have the option of using a federally approved rate (i.e., utilizing the cost accounting principles from the Office of Management and Budget Circular A-21) or form FAM-29C.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the county. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 is required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment, and all other forms and supporting documents **(To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)** Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

14. RETENTION OF CLAIMING INSTRUCTIONS

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the School Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the year will be placed on the SCO's web site at **www.sco.ca.gov/ard/local/locreim/index/shtml**.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, send e-mail to lrdsar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the COSM's P's and G's. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a school district is subject to audit by the State Controller no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.

A. STATE OF CALIFORNIA TRAVEL EXPENSE GUIDELINES

Travel Program Effective January 31, 2002

The travel reimbursement program continues to be subject to the Internal Revenue Service (IRS) requirements for an accountable plan. There are no flat rate reimbursements. All items are to be claimed for the actual amount of expense, up to the maximum allowed. If the provisions below do not require submission of a receipt for a given item of expense, it is the employee's responsibility to retain receipts and other records of the expense and have them available for audit.

Lodging and meals that are provided by the State, included in hotel expenses, conference fees, or transportation costs such as airline tickets; or otherwise provided shall not be claimed for reimbursement.

Employees may be reimbursed for actual expenses for breakfast, lunch, dinner, and incidentals for each 24 hours of travel, as follows:

Breakfast	up to	\$6.00
Lunch	up to	10.00
Dinner	up to	18.00
Incidentals	up to	6.00

Incidental expenses include, but are not limited to, expenses for laundering and pressing of clothing and tips for services such as porters and baggage handlers. Incidentals do not include taxicab fares, lodging taxes, or the cost of telegrams or telephone calls.

Lodging

All lodging reimbursements require a receipt from a commercial lodging establishment such as a hotel, motel, bed and breakfast inn, or campground that caters to the general public. No lodging will be reimbursed without a valid receipt. Employees who stay with friends or relatives are not eligible for lodging reimbursement, but may claim their actual expenses for meals and incidentals.

Short-Term Travel

A. For continuous short-term travel of more than 24 hours but less than 31 days, the employee will be reimbursed for actual costs up to the maximum for each meal, incidental, and lodging expense for each completed 24 hours of travel, beginning with the traveler's time of departure and return as follows:

1. On the first day of travel at the beginning of a trip of more than 24 hours:
 - Trip begins at or before 6 a.m. - Breakfast may be claimed
 - Trip begins at or before 11 a.m. - Lunch may be claimed
 - Trip begins at or before 5 p.m. - Dinner may be claimed
2. On the fractional day of travel at the end of a trip of more than 24 hours:
 - Trip ends at or after 8 a.m. - Breakfast may be claimed
 - Trip ends at or after 2 p.m. - Lunch may be claimed
 - Trip ends at or after 7 p.m. - Dinner may be claimed

If the fractional day includes an overnight stay, receipted lodging may be claimed. No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any 24-hour period.

- (l) For continuous travel of less than 24 hours, the employee will be reimbursed for actual expenses, up to a maximum as follows:

Travel begins at or before 6 a.m. and ends at or after 9 a.m. - Breakfast may be claimed
Travel begins at or before 4 p.m. and ends at or after 7 p.m. - Dinner may be claimed

If the trip extends overnight, receipted lodging may be claimed. No lunch or incidentals may be claimed on a trip of less than 24 hours.

Short-Term Travel Maximum Lodging Reimbursement Rate

- A. Statewide except as in (B) and (C) below, actual receipted lodging up to \$84 plus tax.
- B. When required to conduct state business and obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging, to a maximum of \$110 plus tax.
- C. When required to conduct state business and obtain lodging in the counties of Alameda, San Francisco, San Mateo, and Santa Clara, reimbursement will be for actual receipted lodging, to a maximum of \$140 plus tax.

Long-Term Travel

Actual expenses for long-term meals and receipted lodging will be reimbursed when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

A. Full Long-Term Travel

To qualify for full long-term travel reimbursement, the employee on long-term field assignment must meet the following criteria:

- a) The employee continues to maintain a permanent residence at the primary headquarters, and either,
- b) The permanent residence is occupied by the employee's dependents, or
- c) The permanent residence is maintained at a net expense to the employee exceeding \$200 per month.

The employee who is living at the long-term location may claim either:

- 1. Reimbursement for actual individual expense, substantiated by receipts for lodging, water, sewer, gas, and electricity, up to a maximum of \$1,130 per calendar month while on the long-term assignment, and actual expenses up to \$10 for meals and incidentals, for each period of 12 to 24 hours and up to \$5 for actual meals and incidentals for each period of less than 12 hours at the long-term location, or
- 2. Long-term subsistence rates of \$24 for actual meals and incidentals, \$24 for receipted lodging for travel of 12 hours up to 24 hours, and either \$24 for actual meals or \$24 for receipted lodging for travel less than 12 hours when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

B. Partial Long-Term Travel

An employee on long-term field assignment who does not maintain a separate residence in the headquarters area may claim long-term subsistence rates of up to \$12 for actual meals and incidentals and \$12 for receipted lodging for travel of 12 hours up to 24 hours at the long-term location, and either \$12 for actual meals or \$12 for receipted lodging for travel less than 12 hours at the long-term location.

Receipts

Receipts or vouchers shall be submitted for every item of expense of \$25 or more.

- A.** Receipts are required for every item of transportation and business expense incurred as a result of conducting state business except for actual expenses as follows:
 - 1. Railroad and bus fares of less than \$25, when travel is wholly within the State of California.
 - 2. Street car, ferry fares, bridge and road tolls, local rapid transit system, taxi, shuttle, or hotel bus fares, and parking fees of \$10 or less for each continuous period of parking or each separate transportation expense noted in this item.
 - 3. Telephone, telegraph, tax, or other business charges related to state business of \$5 or less.
 - 4. In the absence of a receipt, reimbursement will be limited to the non-receipted amount above.
- B.** Reimbursement will be claimed only for the actual and necessary expenses noted above. Regardless of the above exceptions, the approving officer may require additional certification and/or explanation in order to determine that an expense was actually and reasonably incurred. In the absence of a satisfactory explanation, the expense shall not be allowed.

Mileage

When an employee is authorized by his/her appointing authority or designee to operate a privately owned vehicle on state business, the employee will be allowed to claim and be reimbursed 34 cents per mile. An employee who is required to use a specialized vehicle that has been modified to accommodate disabilities may claim 37 cents per mile.

B. GOVERNMENT CODE SECTIONS 17500-17616

GC §17500: Legislative Findings and Declarations

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for the costs of state-mandated local programs has not provided for the effective determination of the state's responsibilities under Section 6 of Article XIII B of the California Constitution. The Legislature finds and declares that the failure of the existing process to adequately and consistently resolve the complex legal questions involved in the determination of state-mandated costs has led to an increasing reliance by local agencies and school districts on the judiciary and, therefore, in order to relieve unnecessary congestion of the judicial system, it is necessary to create a mechanism which is capable of rendering sound quasi-judicial decisions and providing an effective means of resolving disputes over the existence of state-mandated local programs. It is the intent of the Legislature in enacting this part to provide for the implementation of Section 6 of Article XIII B of the California Constitution and to consolidate the procedures for reimbursement of statutes specified in the Revenue and Taxation Code with those identified in the Constitution. Further, the Legislature intends that the Commission on State Mandates, as a quasi-judicial body, will act in a deliberative manner in accordance with the requirements of Section 6 of Article XIII B of the California Constitution.

GC §17510: Construction of Part

Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this part. The definition of a word applies to any variants thereof and the singular tense of a word includes the plural.

GC §17511: "City"

"City" means any city whether general law or charter, except a city and county.

GC §17512: "Commission"

"Commission" means the Commission on State Mandates.

GC §17513: "Cost Mandated by the Federal Government"

"Costs mandated by the federal government" means any increased costs incurred by a local agency or school district after January 1, 1973, in order to comply with the requirements of a federal statute or regulation. "Costs mandated by the federal government" includes costs resulting from enactment of a state law or regulation where failure to enact that law or regulation to meet specific federal program or service requirements would result in substantial monetary penalties or loss of funds to public or private persons in the state. "Costs mandated by the federal government" does not include costs which are specifically reimbursed or funded by the federal or state government or programs or services which may be implemented at the option of the state, local agency, or school district.

GC §17514: "Costs Mandated by the State"

"Costs mandated by the state" means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution.

GC §17515: "County"

"County" means any chartered or general law county. "County" includes a city and county.

GC §17516: "Executive Order"

"Executive order" means any order, plan, requirement, rule, or regulation issued by any of the following: (a) The Governor. (b) Any officer or official serving at the pleasure of the Governor. (c) Any agency, department, board, or commission of state government. "Executive order" does not include any order, plan, requirement, rule, or regulation issued by the State Water Resources Control Board or by any regional water quality control board pursuant to Division 7 (commencing with Section 13000) of the Water Code. It is the intent of the Legislature that the State Water Resources Control Board and regional water quality control boards will not adopt enforcement orders against publicly owned dischargers which mandate major waste water treatment facility construction costs unless federal financial assistance and state financial assistance pursuant to the Clean Water Bond Act of 1970 and 1974, is simultaneously made available. "Major" means either a new treatment facility or an addition to an existing facility, the cost of which is in excess of 20 percent of the cost of replacing the facility.

GC §17517: "Fund"

"Fund" means the State Mandates Claims Fund.

GC §17518: "Local Agency"

"Local agency" means any city, county, special district, authority, or other political subdivision of the state.

GC §17519: "School District"

"School district" means any school district, community college district, or county superintendent of schools.

GC §17520: "Special District"

"Special district" means any agency of the state which performs governmental or proprietary functions within limited boundaries. "Special district" includes a redevelopment agency, a joint powers agency or entity, a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area. "Special district" does not include a city, a county, a school district, or a community college district. County free libraries established pursuant to Chapter 2 (commencing with Section 27151) of Division 20 of the Education Code, areas receiving county fire protection services pursuant to Section 25643 of the Government Code, and county road districts established pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code shall be considered "special districts" for all purposes of this part.

GC §17521: "Test Claim"

"Test claim" means the first claim, including claims joined or consolidated with the first claim, filed with the commission alleging that a particular statute or executive order imposes costs mandated by the state.

GC §17522: Definitions

(a) "Initial reimbursement claim" means a claim filed with the Controller by a local agency or school district for costs to be reimbursed for the fiscal years specified in the first statute that appropriates funds for reimbursement of the mandate. (b) "Annual reimbursement claim" means a claim for actual costs incurred in a prior fiscal year filed with the Controller by a local agency or school district for which appropriations are made to the Controller for this purpose. (c) "Estimated reimbursement claim" means a claim filed with the Controller by a local agency or school district in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times, for estimated costs to be reimbursed during the current or future fiscal years, for which appropriations are made to the Controller for this purpose. (d) "Entitlement claim" means a claim filed by a local agency or school district with the Controller for the purpose of establishing or adjusting a base year entitlement. All entitlement claims are subject to Section 17616.

GC §17523: "Deflator"

"Deflator" means the Implicit Price Deflator for the Costs of Goods and Services to Governmental Agencies, as determined by the Department of Finance.

GC §17524: "Base Year Entitlement"

"Base year entitlement" means that amount determined to be the average for the approved reimbursement claims of each local agency or school district for the three preceding fiscal years adjusted by the change in the deflator. A base year entitlement shall not include any nonrecurring or initial startup costs incurred by a local agency or school district in any of those three fiscal years. For those mandates which become operative on January 1 of any year, the amount of the "approved reimbursement claim" for the first of the three years may be computed by annualizing the amount claimed for the six-month period of January through June in that first year, excluding nonrecurring or startup costs.

GC §17525: Members: Term and Per Diem for Specified Members

(a) There is hereby created the Commission on State Mandates, which shall consist of seven members as follows: (1) The Controller. (2) The Treasurer. (3) The Director of Finance. (4) The Director of the Office of Planning and Research. (5) A public member with experience in public finance, appointed by the Governor and approved by the Senate. (6) Two members from the following three categories appointed by the Governor and approved by the Senate, provided that no more than one member shall come from the same category: (A) A city council member. (B) A member of a county or city and county board of supervisors. (C) A governing board member of a school district as defined in Section 17519. (b) Each member appointed pursuant to paragraph (5) or (6) of subdivision (a) shall be subject to both of the following: (1) The member shall serve for a term of four years subject to renewal. (2) The member shall receive per diem of one hundred dollars (\$100) for each day actually spent in the discharge of official duties and shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of duties as a member of the commission.

GC §17526: Open Meetings: Executive Sessions

(a) All meetings of the commission shall be open to the public, except that the commission may meet in executive session to consider the appointment or dismissal of officers or employees of the commission or to hear complaints or charges brought against a member, officer, or employee of the commission. (b) The commission shall meet at least once every month. (c) The time and place of meetings may be set by resolution of the commission, by written petition of a majority of the members, or by written call of the chairperson. The chairperson may, for good cause, change the starting time or place, reschedule, or cancel any meeting. (d) This section shall become operative on July 1, 1996.

GC §17527: Powers of Commission

In carrying out its duties and responsibilities, the commission shall have the following powers: (a) To examine any document, report, or data, including computer programs and data files, held by any local agency or school district. (b) To meet at times and places as it may deem proper. (c) As a body or, on the authorization of the commission, as a committee composed of one or more members, to hold hearings at any time and place it may deem proper. (d) Upon a majority vote of the commission, to issue subpoenas to compel the attendance of witnesses and the production of books, records, papers, accounts, reports, and documents. (e) To administer oaths. (f) To contract with other agencies or individuals, public or private, as it deems necessary, to provide or prepare services, facilities, studies, and reports to the commission as will assist it in carrying out its duties and responsibilities. (g) To adopt, promulgate, amend, and rescind rules and regulations, which shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. (h) To do any and all other actions necessary or convenient to enable it fully and adequately to perform its duties and to exercise the powers expressly granted to it.

GC §17528: Election of Officers

The members of the commission shall elect a chairperson and a vice chairperson of the commission.

GC §17529: Appointment of Attorney: Duties

The commission may appoint as attorney to the commission an attorney at law of this state, who shall hold office at the pleasure of the commission. The attorney shall represent and appear for the commission in all actions and proceedings involving any question under this part or under any order or act of the commission. The attorney shall advise the commission and each member of the commission, when so requested, in regard to all matters in connection with the powers and duties of the commission and the members thereof. The attorney shall generally perform all duties and services as attorney to the commission which the commission may require.

GC §17530: Appointment of Executive Director: Duties

The commission shall appoint an executive director, who shall be exempt from civil service and shall hold office at the pleasure of the commission. The executive director shall be responsible for the executive and administrative duties of the commission and shall organize, coordinate, supervise, and direct the operations and affairs of the commission and expedite all matters within the jurisdiction of the commission. The executive director shall keep a full and true record of all proceedings of the commission, issue all necessary process, writs, warrants, and notices, and perform other duties as the commission prescribes.

GC §17531: Authority of Executive Director to Employ Necessary Staff

The executive director may employ those officers, examiners, experts, statisticians, accountants, inspectors, clerks, and employees as the executive director deems necessary to carry out the provisions of this part or to perform the duties and exercise the powers conferred upon the commission by law.

GC §17532: Quorum: Investigations, Inquiries, and Hearing

A majority of the commissioners shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the commission. Any investigation, inquiry, or hearing which the commission has power to undertake or to hold may be undertaken or held by or before any commissioner or commissioners designated for the purpose by the commission. The evidence in any investigation, inquiry, or hearing may be taken by the commissioner or commissioners to whom the investigation, inquiry, or hearing has been assigned or, in his or her or their behalf, by an examiner designated for that purpose. Every finding, opinion, and order made by the commissioner or commissioners so designated, pursuant to the investigation, inquiry, or hearing, when approved or confirmed by the commission and ordered filed in its office, shall be deemed to be the finding, opinion, and order of the commission.

GC §17533: Provisions not Applicable to Hearing by Commission

Notwithstanding Section 11425.10, Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 does not apply to a hearing by the commission under this part.

GC §17550: Reimbursements of Local Agencies and Special Districts

Reimbursement of local agencies and school districts for costs mandated by the state shall be provided pursuant to this chapter.

GC §17551: Commission Hearing and Decision Upon Claims

(a) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district that the local agency or school district is entitled to be reimbursed by the

state for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution. (b) Commission review of claims may be had pursuant to subdivision (a) only if the test claim is filed within the time limits specified in this section. (c) Local agency and school district test claims shall be filed not later than three years following the date the mandate became effective, or in the case of mandates that became effective before January 1, 2002, the time limit shall be one year from the effective date of this subdivision. (d) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561.

GC §17552: Exclusivity of Procedure by Chapter

This chapter shall provide the sole and exclusive procedure by which a local agency or school district may claim reimbursement for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution.

GC §17553: Adoption of Procedure for Receiving Claims and Providing Hearings: Postponement of Hearings

(a) The commission shall adopt procedures for receiving claims pursuant to this article and for providing a hearing on those claims. The hearing procedure shall provide for presentation of evidence by the claimant, the Department of Finance and any other affected department or agency, and any other interested person. The procedures shall ensure that a statewide cost estimate is adopted within 12 months after receipt of a test claim, when a determination is made by the commission that a mandate exists. This deadline may be extended for up to six months upon the request of either the claimant or the commission. Hearing of a claim may be postponed at the request of the claimant, without prejudice, until the next scheduled hearing. (b) The procedures adopted by the commission pursuant to subdivision (a) shall include the following: (1) Provisions for acceptance of more than one claim on the same statute or executive order relating to the same statute or executive order filed with the commission, and, absent agreement by the test claimants to the contrary, to designate the first to file as the lead test claimant. (2) Provisions for consolidating test claims relating to the same statute or executive order filed with the commission with time limits that do not exceed 90 days from the initial filing for consolidating the test claims and for claimants to designate a single contact for information regarding the test claim. (3) Provisions for claimants to designate a single claimant for a test claim relating to the same statute or executive order filed with the commission, with time limits that do not exceed 90 days from the initial filing for making that designation. (c) If a completed test claim is not received by the commission within 30 calendar days from the date that an incomplete test claim was returned by the commission, the original test claim filing date may be disallowed, and a new test claim may be accepted on the same statute or executive order. (d) In addition, the commission shall determine whether an incorrect reduction claim is complete within 10 days after the date that the incorrect reduction claim is filed. If the commission determines that an incorrect reduction claim is not complete, the commission shall notify the local agency and school district that filed the claim stating the reasons that the claim is not complete. The local agency or school district shall have 30 days to complete the claim. The commission shall serve a copy of the complete incorrect reduction claim on the Controller. The Controller shall have no more than 90 days after the date the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the commission.

GC §17554: Commission's Authority to Expedite Claim

With the agreement of all parties to the claim, the commission may waive the application of any procedural requirement imposed by this chapter or pursuant to Section 17553 in order to expedite action on the claim. The authority granted by this section includes the consolidation of claims and the shortening of time periods.

GC §17555: Date for Public Hearing: Test Claim Form and Procedure

(a) The commission, within 10 days after receipt of a test claim based upon a statute or executive order, shall set a date for a public hearing on the claim within 75 days. The test claim may be based upon estimated costs that a local agency or school district may incur as a result of the statute or executive order and may be filed at any time after the statute is enacted or the executive order is adopted. The claim shall be submitted in a form prescribed by the commission. After a hearing in which the claimant and any other interested organization or individual may participate, the commission shall determine if there are costs mandated by the state. (b) This section shall become operative on July 1, 1996.

GC §17556: Criteria for not Finding Costs Mandated by the State

The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds that: (a) The claim is submitted by a local agency or school district which requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or school district which requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this paragraph. (b) The statute or executive order affirmed for the state that which had been declared existing law or regulation by action of the courts. (c) The statute or executive order implemented a federal law or regulation and resulted in costs mandated by the federal government, unless the statute or executive order mandates costs which exceed the mandate in that federal law or regulation. (d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service. (e) The statute or executive order provides for offsetting savings to local agencies or school districts which result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate. (f) The statute or executive order imposed duties which were expressly included in a ballot measure approved by the voters in a statewide election. (g) The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

GC §17557: Determination of Amount to be Subvened for Reimbursement: Parameters and Guidelines

(a) If the commission determines there are costs mandated by the state pursuant to Section 17555, it shall determine the amount to be subvened to local agencies and school districts for reimbursement. In so doing it shall adopt parameters and guidelines for reimbursement of any claims relating to the statute or executive order. The successful test claimants shall submit proposed parameters and guidelines within 30 days of adoption of a statement of decision on a test claim. At the request of a successful test claimant, the commission may provide for one or more extensions of this 30-day period at any time prior to its adoption of the parameters and guidelines. If proposed parameters and guidelines are not submitted within the 30-day period and the commission has not granted an extension, then the commission shall notify the test claimant that the amount of reimbursement the test claimant is entitled to for the first 12 months of incurred costs will be reduced by 20 percent, unless the test claimant can demonstrate to the commission why an extension of the 30-day period is justified. A local agency, school district, and the state may file a claim or request with the commission to amend, modify, or supplement the parameters or guidelines. The commission may, after public notice and hearing, amend, modify, or supplement the parameters and guidelines. (b) In adopting parameters and guidelines, the commission may adopt an allocation formula or uniform allowance which would provide for reimbursement of each local agency or school district of a specified amount each year. (c) The parameters and guidelines adopted by the commission shall specify the fiscal years for which local agencies and school districts shall be reimbursed for costs incurred, provided, however, that the commission shall not specify therein any fiscal year for which payment could be provided in the annual Budget Act. A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. The

claimant may thereafter amend the test claim at any time prior to a commission hearing on the claim without affecting the original filing date as long as the amendment substantially relates to the original test claim.

GC §17558: Submission of Parameters and Guidelines to Controller: Transfer of Claims; Claiming Instructions

(a) The commission shall submit the adopted parameters and guidelines to the Controller. All claims relating to a statute or executive order that are filed after the determination of the test claim pursuant to Section 17557 shall be transferred to the Controller who shall pay and audit the claims from funds made available for that purpose. (b) Not later than 60 days after receiving the adopted parameters and guidelines from the commission, the Controller shall issue claiming instructions for each mandate that requires state reimbursement, to assist local agencies and school districts in claiming costs to be reimbursed. In preparing claiming instructions, the Controller may request the assistance of other state agencies. The claiming instructions shall be derived from the statute or executive order creating the mandate and the parameters and guidelines adopted by the commission. (c) The Controller shall, within 60 days after receiving revised adopted parameters and guidelines from the commission or other information necessitating a revision of the claiming instructions, prepare and issue revised claiming instructions for mandates that require state reimbursement that have been established by commission action pursuant to Section 17555 or after any decision or order of the commission pursuant to Section 17551. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies. (d) This section shall become operative on July 1, 1996.

GC §17558.5: Reimbursement Claim: Audit; Remittance Advice and Other Notices of Payment

(a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. (b) The Controller shall notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review. The notification shall specify the claim components adjusted, the amounts adjusted, interest charges on claims adjusted to reduce the overall reimbursement to the local agency or school district, and the reason for the adjustment. Remittance advices and other notices of payment action shall not constitute notice of adjustment from an audit or review. (c) The interest rate charged by the Controller on reduced claims shall be set at the Pooled Money Investment Account rate and shall be imposed on the dollar amount of the overpaid claim from the time the claim was paid until overpayment is satisfied. (d) Nothing in this section shall be construed to limit the adjustment of payments when inaccuracies are determined to be the result of the intent to defraud, or when a delay in the completion of an audit is the result of willful acts by the claimant or inability to reach agreement on terms of final settlement.

GC §17558.6: Legislative Intent

It is the intent of the Legislature that the Commission on State Mandates review its process by which local agencies may appeal the reduction of reimbursement claims on the basis that the reduction is incorrect in order to provide for a more expeditious and less costly process.

GC §17559: Judicial Review

(a) The commission may order a reconsideration of all or part of a test claim or incorrect reduction claim on petition of any party. The power to order a reconsideration or amend a test claim decision shall expire 30 days after the statement of decision is delivered or mailed to the claimant. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of the 30-day period, the commission may grant a stay of that expiration for no more than 30 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied. (b) A claimant or the state may commence a proceeding in accordance with the

provisions of Section 1094.5 of the Code of Civil Procedure to set aside a decision of the commission on the ground that the commission's decision is not supported by substantial evidence. The court may order the commission to hold another hearing regarding the claim and may direct the commission on what basis the claim is to receive a rehearing.

GC §17560: Deadlines for Filing Reimbursement Claims

Reimbursement for state-mandated costs may be claimed as follows: (a) A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b). (b) A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year. (c) In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of Section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

GC §17561: Reimbursement of Costs for State Mandated Programs

(a) The state shall reimburse each local agency and school district for all "costs mandated by the state," as defined in Section 17514. (b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows: (A) Any statute mandating these costs shall provide an appropriation therefor. (B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill which is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts. (2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor's Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor's Budget and in the accompanying Budget Bill subsequent to the enactment of the local government claims bill pursuant to Section 17600 that includes the amounts awarded relating to these chaptered bills or executive orders. (c) The amount appropriated to reimburse local agencies and school districts for costs mandated by the state shall be appropriated to the Controller for disbursement. (d) The Controller shall pay any eligible claim pursuant to this section within 60 days after the filing deadline for claims for reimbursement or 15 days after the date the appropriation for the claim is effective, whichever is later. The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies that would otherwise collect the costs of these mandates from local agencies or school districts in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows: (1) For initial reimbursement claims, the Controller shall issue claiming instructions to the relevant local agencies pursuant to Section 17558. Issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the commission. (A) When claiming instructions are issued by the Controller pursuant to Section 17558 for each mandate determined pursuant to Section 17555 that requires state reimbursement, each local agency or school district to which the mandate is applicable shall submit claims for initial fiscal year costs to the Controller within 120 days of the issuance date for the claiming instructions. (B) When the commission is requested to review the claiming instructions pursuant to Section 17571, each local agency or school district to which the mandate is applicable shall submit a claim for reimbursement within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller. (C) If the local agency or school district does not submit a claim for reimbursement within the 120-day period, or submits a claim pursuant to revised claiming instructions, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, provided that the Controller (i) may audit the records of any

local agency or school district to verify the actual amount of the mandated costs, and (ii) may reduce any claim that the Controller determines is excessive or unreasonable. (2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, (B) may reduce any claim that the Controller determines is excessive or unreasonable, and (C) shall adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years. (3) When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case shall a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates contained in a claims bill.

GC §17561.5: Payment of Claim with Interest

(a) The payment of an initial reimbursement claim by the Controller shall include accrued interest at the Pooled Money Investment Account rate, if the payment is being made more than 365 days after adoption of the statewide cost estimate for an initial claim or, in the case of payment of a subsequent claim relating to that same statute or executive order, if payment is being made more than 60 days after the filing deadline for, or the actual date of receipt of, the subsequent claim, whichever is later. In those instances, interest shall begin to accrue as of the 366th day after adoption of the statewide cost estimate for an initial claim and as of the 61st day after the filing deadline for, or actual date of receipt of, the subsequent claim, whichever is later. (b) This section shall become operative on July 1, 1996.

GC §17561.6: Payment

(a) A budget act item or appropriation pursuant to this part for reimbursement of claims shall include an amount necessary to reimburse any interest due pursuant to Section 17561.5. (b) This section shall become operative on July 1, 1996.

GC §17562: Review of Costs of State-Mandated Local Programs

(a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to increase information regarding state mandates and establish a method for regularly reviewing the costs and benefits of state-mandated local programs. (b) The Controller shall submit a report to the Joint Legislative Budget Committee and fiscal committees by January 1 of each year. This report shall summarize, by state mandate, the total amount of claims paid per fiscal year and the amount, if any, of mandate deficiencies or surpluses. This report shall be made available in an electronic spreadsheet format. The report shall compare the annual cost of each mandate to the statewide cost estimate adopted by the commission. (c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified. (d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall identify mandates that significantly exceed the statewide cost estimate adopted by the commission. The Legislative Analyst shall make recommendations on whether the mandate should be repealed, funded, suspended, or modified. (e) (1) A statewide association of local agencies or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association

or member shall submit a letter to the Chairs of the Assembly Committee on Local Government and the Senate Committee on Local Government specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year. (2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst. (3) The Department of Finance shall review all statutes enacted each year that contain provisions making inoperative Section 2229 or Section 2230 of the Revenue and Taxation Code or Section 17561 or Section 17565 that have resulted in costs or revenue losses mandated by the state that were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the statutes. The Department of Finance shall also review all statutes enacted each year that may result in cost savings authorized by the state. The Department of Finance shall submit an annual report of the review required by this subdivision, together with the recommendations as it may deem appropriate, by December 1 of each year. (f) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following: (1) The reports and recommendations submitted pursuant to subdivision (e). (2) The reports submitted pursuant to Sections 17570, 17600, and 17601. (3) Legislation to continue, eliminate, or modify any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment.

GC §17563: Use of Funds Received for Public Purpose

Any funds received by a local agency or school district pursuant to the provisions of this chapter may be used for any public purpose.

GC §17564: Filing of Claims: Threshold Amount

(a) No claim shall be made pursuant to Sections 17551 and 17561, nor shall any payment be made on claims submitted pursuant to Sections 17551 and 17561, unless these claims exceed one thousand dollars (\$1,000), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds one thousand dollars (\$1,000) even if the individual school district's, direct service district's, or special district's claims do not each exceed one thousand dollars (\$1,000). The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim. (b) Claims for direct and indirect costs filed pursuant to Section 17561 shall be filed in the manner prescribed in the parameters and guidelines.

GC §17565: Reimbursement of Subsequently Mandated Costs

If a local agency or a school district, at its option, has been incurring costs which are subsequently mandated by the state, the state shall reimburse the local agency or school district for those costs incurred after the operative date of the mandate.

GC §17567: Insufficiency of Appropriation: Proration of Claims

In the event that the amount appropriated for reimbursement purposes pursuant to Section 17561 is not sufficient to pay all of the claims approved by the Controller, the Controller shall prorate claims in proportion to the dollar amount of approved claims timely filed and on hand at the time of proration. The Controller shall adjust prorated claims if supplementary funds are appropriated for this purpose. In the event that the Controller finds it necessary to prorate claims as provided by this section, the Controller shall immediately report this action to the Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, the Controller shall transmit this information to the commission which shall include these amounts in its report to the Legislature pursuant to Section 17600 to assure that an appropriation sufficient to pay the claims is included in the local government claims bills or other appropriation bills. If the local government claims bills required by Section 17612 have been introduced in the Legislature, the Controller shall report directly to the chairperson of the respective committee in each house of the Legislature which considers appropriations to assure inclusion of a sufficient appropriation in the claims bills.

GC §17568: Payment of Claims Submitted After Deadline

If a local agency or school district submits an otherwise valid reimbursement claim to the Controller after the deadline specified in Section 17560, the Controller shall reduce the reimbursement claim in an amount equal to 10 percent of the amount which would have been allowed had the reimbursement claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars (\$1,000). In no case shall a reimbursement claim be paid which is submitted more than one year after the deadline specified in Section 17560. Estimated claims which were filed by the deadline specified in that section shall be paid in full before payments are made on estimated claims filed after the deadline. In the event the amount appropriated to the Controller for reimbursement purposes is not sufficient to pay the estimated claims approved by the Controller, the Controller shall prorate those claims in proportion to the dollar amount of approved claims filed after the deadline and shall report to the commission or the Legislature in the same manner as described in Section 17566 in order to assure appropriation of funds sufficient to pay those claims.

GC §17570: Annual Report to Legislature

The Legislative Analyst shall review each unfunded statutory or regulatory mandate for which claims have been approved by the Legislature pursuant to a claims bill during the preceding fiscal year. Any recommendations by the Legislative Analyst to eliminate or modify the mandates shall be contained in the annual analysis of the Budget Bill prepared by the Legislative Analyst.

GC §17571: Review and Modification of Claiming Instructions

The commission, upon request of a local agency or school district, shall review the claiming instructions issued by the Controller or any other authorized state agency for reimbursement of mandated costs. If the commission determines that the claiming instructions do not conform to the parameters and guidelines, the commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the commission.

GC §17575: Review of Bills

When a bill is introduced in the Legislature, and each time a bill is amended, on and after January 1, 1985, the Legislative Counsel shall determine whether the bill mandates a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution. The Legislative Counsel shall make this determination known in the digest of the bill and shall describe in the digest the basis for this determination. The determination by the Legislative Counsel shall not be binding on the commission in making its determination pursuant to Section 17555.

GC §17576: Amendment of Bills on Floor: Notification by Legislative Counsel

Whenever the Legislative Counsel determines that a bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Department of Finance shall prepare an estimate of the amount of reimbursement which will be required. This estimate shall be prepared for the respective committees of each house of the Legislature which consider taxation measures and appropriation measures and shall be prepared prior to any hearing on the bill by any such committee.

GC §17577: Amount of Estimates

The estimate required by Section 17576 shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local agencies and school districts for costs mandated by the state by the bill.

GC §17578: Amendment of Bills on Floor: Notification by Legislative Counsel

In the event that a bill is amended on the floor of either house, whether by adoption of the report of a conference committee or otherwise, in such a manner as to mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Legislative Counsel shall immediately inform, respectively, the Speaker of the Assembly and the President of the Senate of that fact. Notification from the Legislative Counsel shall be published in the journal of the respective houses of the Legislature.

GC §17579: Requirement for New Mandates to Specify Reimbursement Requirements: Appropriations

(a) Any bill introduced or amended on and after January 1, 1985, for which the Legislative Counsel has determined the bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, shall contain a section specifying that reimbursement shall be made from the fund pursuant to Section 17610 when the amount of the claim has been determined pursuant to Article 1 (commencing with Section 17550) of this chapter or that there is no mandate or that the mandate is being disclaimed and the reason therefor. (b) Any bill introduced or amended on and after January 1, 1985, may, but is not required to, contain an appropriation to provide reimbursement of costs mandated by the state.

GC §17581: Conditions for Exemption From Implementation of Statute or Executive Order

(a) No local agency shall be required to implement or give effect to any statute or executive order, or portion thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply: (1) The statute or executive order, or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution. (2) The statute or executive order, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements. (b) Notwithstanding any other provision of law, if a local agency elects to implement or give effect to a statute or executive order described in subdivision (a), the local agency may assess fees to persons or entities which benefit from the statute or executive order. Any fee assessed pursuant to this subdivision shall not exceed the costs reasonably borne by the local agency. (c) This section shall not apply to any state-mandated local program for the trial courts, as specified in Section 77203. (d) This section shall not apply to any state-mandated local program for which the reimbursement funding counts toward the minimum General Fund requirements of Section 8 of Article XVI of the Constitution.

GC §17581.5 Exemption From Provisions of School Bus Safety II Mandate and School Crimes Reporting II Mandate

(a) A school district shall not be required to implement or give effect to the statutes, or portion thereof, identified in subdivision (b) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply: (1) The statute or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution. (2) The statute, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements. (b) This section applies only to the following mandates: (1) The School Bus Safety II mandate (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997). (2) The School Crimes Reporting II mandate (Chapter 759 of the Statutes of 1992 and Chapter 410 of the Statutes of 1995).

GC §17600: Report on Number of Mandates and Their Costs

At least twice each calendar year the commission shall report to the Legislature on the number of mandates it has found pursuant to Article 1 (commencing with Section 17550) and the estimated statewide costs of these mandates. This report shall identify the statewide costs estimated for each mandate and the reasons for recommending reimbursement.

GC §17601: Report on Claims Denied

The commission shall report to the Legislature on January 15, 1986, and each January 15 thereafter, on the number of claims it denied during the preceding calendar year and the basis on which the particular claims were denied.

GC §17610: Costs Paid From Fund: Limit on Costs

(a) The costs arising from a statute containing a statement that the statute mandates a new program or higher level of service and specifying that reimbursement shall be made from the fund shall, upon certification of the estimated statewide cost by the commission to the Controller, be paid from the fund, provided that the estimated statewide cost of the claim does not exceed one million dollars (\$1,000,000). The Controller shall receive, review, and pay reimbursement claims from the fund as the claims are received. Claims for initial reimbursement shall be filed with the Controller within 120 days from the date that the Controller issued claiming instructions on mandates funded by the fund. When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated cost. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount which would have been allowed had the claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars (\$1,000). The Controller may withhold payment of any initial reimbursement claim filed after the filing deadline until the next deadline for funding claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. (b) For purposes of this section, "estimated statewide cost" means the total amount of funds estimated to be necessary to reimburse all eligible local agencies and school districts for costs incurred as a result of the mandate during the first 12-month period following the operative date of the mandate. (c) For purposes of this section, "costs arising from a statute" means the total amount of funds necessary to reimburse eligible local agencies and school districts for costs incurred as a result of complying with a mandate for the fiscal years specified in the parameters and guidelines in accordance with Section 17557.

GC §17612: Local Government Claims Bills: Judicial Review of Funding Deletions

(a) Immediately upon receipt of the report submitted by the commission pursuant to Section 17600, a local government claims bill shall be introduced in the Legislature. The local government claims bill, at the time of its introduction, shall provide for an appropriation sufficient to pay the estimated costs of these mandates except where the costs have been or will be paid pursuant to Section 17610. (b) The Legislature may amend, modify, or supplement the parameters and guidelines for mandates contained in the local government claims bill. If the Legislature amends, modifies, or supplements the parameters and guidelines, it shall make a declaration in the local government claims bill specifying the basis for the amendment, modification, or supplement. (c) If the Legislature deletes from a local government claims bill funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement.

GC §17613: Authorization of Augmentation for Mandated Costs

(a) The Director of Finance may, upon receipt of any report submitted pursuant to Section 17567, authorize the augmentation of the amount available for expenditure to reimburse costs mandated by the state, as defined in Section 17514, as follows: (1) For augmentation of (A) any schedule in any item to reimburse costs mandated by the state in any budget act, or (B) the amount appropriated in a local government claims bill for reimbursement of the claims of local agencies, as defined by Section 17518, from the unencumbered balance of any other item to reimburse costs mandated by the state in that budget act or another budget act or in an appropriation for reimbursement of the claims of local agencies in another local government claims bill. (2) For augmentation of (A) any schedule in any budget act item, or (B) any amount appropriated in a local government claims bill, when either of these augmentations is for reimbursement of mandated claims of school districts, as defined in Section 17519, when the source of this augmentation is (A) the unencumbered balance of any other scheduled amount in that budget act or another budget act, or (B) an appropriation in another local government claims bill, when either of these appropriations is for reimbursement of mandate claims of school districts. This paragraph applies only to appropriations that are made for the purpose of meeting the minimum funding guarantee for educational programs pursuant to Section 8 of Article XVI of the California Constitution. (b) No authorization for an augmentation pursuant to this section may be made sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

GC §17614: State Mandates Claims Fund

There is hereby created the State Mandates Claims Fund. Notwithstanding Section 13340, money in the fund is continuously appropriated without regard to fiscal years for the sole purpose of paying claims pursuant to Section 17610.

GC §17615: Legislative Findings and Intent

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for actual costs mandated by the state on an annual claim basis is time consuming, cumbersome, and expensive at both the local and state levels. The Controller must process voluminous claims with all claims subject to a desk audit and selected claims also subject to a field audit. Local agencies are required to maintain extensive documentation of all claims in anticipation of such an audit. The volume of these records is substantial and will continue to grow with no relief in sight as new programs are mandated. The cost to local agencies and school districts for filing claims, and for maintaining documentation and responding to the Controller's audits is substantial. The current administrative cost to both state and local governments represents a significant expenditure of public funds with no apparent benefit to the taxpayers. It is the intent of the Legislature to streamline the reimbursement process for costs mandated by the state by creating a system of state mandate apportionments to fund the costs of certain programs mandated by the state.

GC §17615.1: Review of Programs for Inclusion in System

Notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code, the commission shall establish a procedure for reviewing, upon request, mandated cost programs for which appropriations have been made by the Legislature for the 1982-83, 1983-84, and 1984-85 fiscal years, or any three consecutive fiscal years thereafter. At the request of the Department of Finance, the Controller, or any local agency or school district receiving reimbursement for the mandated program, the commission shall review the mandated cost program to determine whether the program should be included in the State Mandates Apportionment System. If the commission determines that the State Mandates Apportionment System would accurately reflect the costs of the state mandated program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System.

GC §17615.2: Calculation of Disbursement Amounts

(a) Notwithstanding Section 17561, after November 30, 1985, for those programs included in the State Mandates Apportionment System, after approval by the commission, there shall be disbursed by the Controller to each local agency and school district which has submitted a reimbursement claim for costs mandated by the state in the 1982-83, 1983-84, and the 1984-85 fiscal years, or any three consecutive fiscal years thereafter, an amount computed by averaging the approved reimbursement claims for this three-year period. The amount shall first be adjusted according to any changes in the deflator. The deflator shall be applied separately to each year's costs for the three years which comprise the base period. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1985 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "base period" means the three fiscal years immediately succeeding the commission's approval. (b) When the Controller has made payment on claims prior to commission approval of the program for inclusion in the State Mandates Apportionment System, the payment shall be adjusted in the next apportionment to the amount which would have been subvended to the local agency or school district for that fiscal year had the State Mandates Apportionment System been in effect at the time of the initial payment.

GC §17615.3: Annual Recalculation of Allocation

Notwithstanding Section 17561, by November 30, 1986, and by November 30 of each year thereafter, for those programs included in the State Mandates Apportionment System, the Controller shall recalculate each allocation for each local agency and school district for the 1985-86 fiscal year, by using the actual change in the deflator for that year. That recalculated allocation shall then be adjusted by the estimated change in the deflator for the 1986 -87 fiscal year, and each fiscal year thereafter, to establish the allocation amount for the 1986-87 fiscal year, and each fiscal year thereafter. Additionally, for programs approved by the commission for inclusion in the State Mandates Apportionment System on or after January 1, 1988, the allocation for each year succeeding the three-year base period shall be adjusted according to any changes in both the deflator and workload. The Controller shall then subvene that amount after adjusting it by any amount of overpayment or underpayment in the 1985-86 fiscal year, and each fiscal year thereafter, due to a discrepancy between the actual change and the estimated change in the deflator or workload. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1986 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "workload" means, for school districts and county offices of education, changes in the average daily attendance; for community colleges, changes in the number of full-time equivalent students; for cities and counties, changes in the population within their boundaries; and for special districts, changes in the population of the county in which the largest percentage of the district's population is located.

GC §17615.4: Procedure for Newly Mandated Program

(a) When a new mandate imposes costs which are funded either by legislation, in local government claims bills, or from the State Mandates Claim Fund, local agencies and school districts may file reimbursement claims as required by Section 17561, for a minimum of three years after the initial funding of the new mandate. (b) After actual cost claims are submitted for three fiscal years against such a new mandate, the commission shall determine, upon request of the Controller or a local entity or school district receiving reimbursement for the program, whether the amount of the base year entitlement adjusted by

changes in the deflator and workload accurately reflects the costs incurred by the local agency or school district. If the commission determines that the base year entitlement, as adjusted, does accurately reflect the costs of the program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System. (c) The Controller shall make recommendations to the commission and the commission shall consider the Controller's recommendations for each new mandate submitted for inclusion in the State Mandates Apportionment System. All claims included in the State Mandates Apportionment System pursuant to this section are also subject to the audit provisions of Section 17616.

GC §17615.5: Procedure Where No Base Year Entitlement Has Been Established

(a) If any local agency or school district has an established base year entitlement which does not include costs for a particular mandate, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, adjusted pursuant to Section 17615.3 by changes in the deflator and workload, or entitlement claims covering a minimum of three consecutive years, after which time its base year entitlement may be adjusted by an amount necessary to fund the costs of that mandate. (b) If any local agency or school district has no base year entitlement, but wishes to begin claiming costs of one or more of the mandates included in the State Mandates Apportionment System, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, or entitlement claims covering the preceding three consecutive years, which shall be adjusted pursuant to Sections 17615.2 and 17615.3 by changes in the deflator and workload, after which time a base year entitlement may be established in an amount necessary to fund the costs of the mandate or mandates.

GC §17615.6: Procedure Where Program is No Longer Mandatory

If a local agency or school district realizes a decrease in the amount of costs incurred because a mandate is discontinued, or made permissive, the Controller shall determine the amount of the entitlement attributable to that mandate by determining the base year amount for that mandate for the local agency or school district plus the annual adjustments. This amount shall be subtracted from the annual subvention which would otherwise have been allocated to the local agency or school district.

GC §17615.7: Procedure Where Program is Modified

If a mandated program included in the State Mandates Apportionment System is modified or amended by the Legislature or by executive order, and the modification or amendment significantly affects the costs of the program, as determined by the commission, the program shall be removed from the State Mandates Apportionment System, and the payments reduced accordingly. Local entities or school districts may submit actual costs claims for a period of three years, after which the program may be considered for inclusion in the State Mandates Apportionment System, pursuant to the provisions of Section 17615.4.

GC §17615.8: Review of Base Year Entitlement

(a) The commission shall establish a procedure for reviewing, upon request, any apportionment or base year entitlement of a local agency or school district. (b) Local agencies and school districts which request such a review shall maintain and provide those records and documentation as the commission or its designee determines are necessary for the commission or its designee to make the required determinations. With the exception of records required to verify base year entitlements, the records may not be used to adjust current or prior apportionments, but may be used to adjust future apportionments. (c) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state does not accurately reflect the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission shall direct the Controller to adjust the apportionment accordingly. For the purposes of this section, an apportionment or a base year entitlement does not accurately reflect the costs incurred by a local agency or school district if it falls short of reimbursing, or overreimburses, that local agency's or school district's actual costs by 20 percent or by one thousand dollars (\$1,000), whichever is less. (d) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state accurately reflects the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the

commission may, in its discretion, direct the Controller to withhold, and, if so directed, the Controller shall withhold the costs of the commission's review from the next apportionment to the local agency or school district, if the commission review was requested by the local agency or school district.

GC §17615.9: Review of Programs Under SMAS

The commission shall periodically review programs funded under the State Mandate Apportionments System to evaluate the effectiveness or continued statewide need for each such mandate.

GC §17616: Audits and Verification by Controller

Notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code, the Controller shall have the authority to do either or both of the following: (a) Audit the fiscal years comprising the base year entitlement no later than three years after the year in which the base year entitlement is established. The results of such audits shall be used to adjust the base year entitlements and any subsequent apportionments based on that entitlement, in addition to adjusting actual cost payments made for the base years audited. (b) Verify that any local agency or school district receiving funds pursuant to this article is providing the reimbursed activities.

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2002-06A
ANIMAL ADOPTION

MAY 7, 2002

In accordance with Government Code Section (GC §) 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for the filing of claims for the Animal Adoption (AA) program. These claiming instructions are issued subsequent to adoption of the program's parameters and guidelines (P's & G's) by the Commission on State Mandates (COSM).

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. It increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive necessary and prompt veterinary care.

On January 25, 2001, the COSM determined that Chapter 752/98 established costs mandated by the State according to the provisions listed in the attached P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a direct result of this mandate, is eligible to claim reimbursement of these costs.

Filing Deadlines

A. Initial Claims

Initial reimbursement claims must be filed within 120 days from the issuance date of claiming instructions. All claims must be filed with the SCO and be delivered or postmarked on or before **September 4, 2002**. Estimated claims for the 2001-02 fiscal year must also be delivered or postmarked on or before **September 4, 2002**. Thereafter, having received payment for an estimated claim, the claimant must file an annual reimbursement claim by January 15 of the following fiscal year. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$1,000. The claiming period for the reimbursable activities listed in **IV.**, beginning on page 3 of the P's and G's, are as follows:

- **IV. A. 1., 2., 3. - One Time Activities**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 1. - Acquisition of Additional Space and/or Construction of New Facilities (Food and Agriculture Code Sections {F & AC §§} 31108, 31752, and 31753).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 2. - Remodeling/Renovating Existing Facilities (F & AC §§ 31108, 31752, and 31753).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 3. - Care and Maintenance of Impounded Stray or Abandoned Dogs and Cats (F & AC §§ 31108 and 31752).**

Claiming Period - Fiscal years 1999-00 to 2000-01¹.

- **IV. B. 4. - Care and Maintenance of Impounded Stray or Abandoned Animals (F & AC § 31753).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 5. - Agencies Using the Holding Period of Four Business Days after the Day of Impoundment (F & AC §§ 31108, 31752, and 31753).**

Animals Other than Cats and Dogs

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

Impounded Dogs and Cats

Claiming Period - Fiscal year 1999-00 to 2000-01.

- **IV. B. 6. - Feral Cats (F & AC § 31752.5).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 7. - Lost and Found Lists (F & AC § 32001).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 and 2000-01.

- **IV. B. 8. - Maintaining Non-Medical Records (F & AC § 32003).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 and 2000-01.

- **IV. B. 9. - Necessary and Prompt Veterinary Care (Civil Code §§ 1834 and 1846).**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 and 2000-01.

¹ Claiming period was previously listed as January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

- **IV. B. 10. - Procurement of Medical, Kennel, and Computer Equipment**

Claiming Period - January 1, 1999, to June 30, 1999, and fiscal years 1999-00 to 2000-01.

Costs for all initial reimbursement claims must be filed separately according to the fiscal year in which the costs were incurred. However, the initial claims will be considered as one claim for the purpose of computing the late claim penalty. Do not prorate the penalty among fiscal years. If the claims are late, the penalty should be applied to a single fiscal year.

In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. **Claims filed more than one year after the deadline will not be accepted.**

B. Estimated Claims

Unless otherwise specified in the claiming instructions, local agencies are not required to provide cost schedules and supporting documents with an estimated claim if the estimated amount does not exceed the previous fiscal year's actual costs by more than 10%. Claimants can simply enter the estimated amount on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, claimants must complete supplemental claim forms to support their estimated costs as specified for the program to explain the reason for the increased costs. If no explanation supporting the higher estimate is provided with the claim, it will automatically be adjusted to 110% of the previous fiscal year's actual costs. Future estimated claims filed with the SCO must be postmarked by January 15 of the fiscal year in which costs will be incurred. Claims filed timely will be paid before late claims.

Minimum Claim Cost

GC Section 17564 provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds two hundred dollars (\$200), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds \$200, even if the individual school district's, direct service district's, or special district's claims do not each exceed \$200. The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the SCO, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

Reimbursement of Claims

Initial reimbursement claims will only be reimbursed to the extent that expenditures can be supported and, if such information is unavailable, claims will be reduced. In addition, ongoing reimbursement claims must be supported by documentation as evidence of the expenditures. Examples of documentation may include, but are not limited to, employee time records that

identify mandate activities, payroll records, invoices, receipts, contracts, travel expense vouchers, purchase orders, and caseload statistics.

If a documented time study is the basis for claimed time spent in implementing the provisions of **IV. B. 3.** of the P's and G's, attach the time records with the claim. The Controller's Office will review the documented time study for precision and reliability. For information on the Time Study Method, refer to pages 7 and 8 of the P's and G's.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment," specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of two years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for two years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard/local/locreim/index.htm.

Address for Filing Claims

Submit a signed, original form FAM-27, Claim for Payment, and all other forms and supporting documents (no copies necessary) to:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

PARAMETERS AND GUIDELINES

Civil Code Sections 1834 and 1846;
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
As Added or Amended by Statutes of 1998, Chapter 752

Animal Adoption

I. Summary of the Mandate

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive “necessary and prompt veterinary care.”

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
 - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
 - (b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a

mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing “necessary and prompt veterinary care” for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

II. Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. Period of Reimbursement

Government Code section 17557, as amended by Statutes of 1998, Chapter 681 (which became effective on September 22, 1998), states that a test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. On December 22, 1998, the County of Los Angeles filed the test claim for this mandated program, establishing eligibility for reimbursement beginning on or after July 1, 1997.

However, except for the amendments to Food and Agriculture Code sections 31108 and 31752, Statutes of 1998, Chapter 752 became operative and effective on January 1, 1999. Therefore, except for the amendments to Food and Agriculture Code sections 31108 and 31752, the costs incurred for Statutes of 1998, Chapter 752 are eligible for reimbursement on or after January 1, 1999.

Section 21 of Statutes of 1998, Chapter 752 establishes an operative date of July 1, 1999 for the amendments to Food and Agriculture Code section 31108 (holding period for stray dogs) and Food and Agriculture Code sections 31752 (holding period for stray cats). Therefore, costs incurred for Food and Agriculture Code sections 31108 and 31752, as amended by Statutes of 1998, Chapter 752, are eligible for reimbursement on or after July 1, 1999.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561, subdivision (d)(1) of the Government Code, all claims for reimbursement of initial years’ costs shall be submitted within 120 days of notification by the State Controller of the issuance of claiming instructions.

If the total costs for a given year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

IV. Reimbursable Activities

For each eligible claimant, all direct and indirect costs of labor, materials, supplies, fixed assets, contracted services, training and travel for the performance of the activities listed below are eligible for reimbursement.

Except as specified in Component (B)(3) and (4), reimbursement claims for the performance of the activities listed below shall be based on actual or estimated costs as provided in Government Code section 17560.

A. One Time Activities

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

B. Ongoing Activities

1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from

reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board

meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or

abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- a. Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- b. Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);

- c. Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- d. Owner relinquished dogs and cats; and
- e. Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of dogs and cats.
 - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
 - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).
- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study

supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- i. Reflect an after-the-fact distribution of each employee's actual activity;
 - ii. Account for the total activity for which each employee is compensated;
 - iii. Account for the total labor hours of the month;
 - iv. Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
 - v. Document, by signature or initials and date, supervisor approval.
4. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- a. Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- b. Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- c. Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- d. Owner relinquished animals; and

- e. Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method –Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
 - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
 - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by each reimbursable day (four or six business days from the day after impoundment).
- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the

eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- i. Reflect an after-the-fact distribution of each employee's actual activity;
- ii. Account for the total activity for which each employee is compensated;
- iii. Account for the total labor hours of the month;
- iv. Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- v. Document, by signature or initials and date, supervisor approval.

5. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

6. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

7. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on “lost and found” lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

8. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and
- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

9. “Necessary and Prompt Veterinary Care” (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding

period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- a. Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- b. Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- c. Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- d. Owner relinquished animals; and
- e. Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injure cats and dogs (Pen. Code, § 597f, subd. (b));

- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

V. Claim Preparation and Submission

Each claim for reimbursement must be timely filed and identify each cost element for which reimbursement is claimed under this mandate. Claimed costs must be identified to each reimbursable activity identified in Section IV. of these Parameters and Guidelines.

A. Direct Costs

Direct costs are defined as costs that can be traced to specific goods, services, programs, activities, or functions and shall be supported by the following cost element information:

1. Salaries and Benefits

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed, specify the actual time devoted to each activity by each employee, and the productive hourly rate, and related fringe benefits.

Reimbursement for personnel services includes compensation paid for salaries, wages, and employee fringe benefits. Employee fringe benefits include regular compensation paid to an employee during periods of authorized absences (e.g., annual leave, sick leave) and the employer's contributions to social security, pension plans, insurance, and worker's compensation insurance. Fringe benefits are eligible for reimbursement when distributed equitably to all job activities performed by the employee.

2. Materials and Supplies

Only expenditures that can be identified as direct costs of this mandate may be claimed. List the cost of the materials and supplies consumed specifically for the purposes of this mandate. Purchases

shall be claimed at the actual price after deducting cash discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

3. Contract Services

Provide the name(s) of the contractor(s) who performed the services, including any fixed contracts for services. Describe the reimbursable activity(ies) performed by each named contractor and give the number of actual hours spent on the activities, if applicable. Show the inclusive dates when services were performed and itemize all costs for those services. Attach consultant invoices to the claim.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlements are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of traveler(s), purpose of travel, inclusive dates and times of travel, destination point(s), and travel costs.

5. Training

The cost of training an employee to perform the mandated activities, as specified in Section IV (A) of these Parameters and Guidelines, is eligible for reimbursement. Identify the employee(s) by name and job classification. Provide the title and subject of the training session, the date(s) attended, and the location. Reimbursable costs may include salaries and benefits, registration fees, transportation, lodging, and per diem.

6. Fixed Assets

List the costs of the fixed assets that have been acquired specifically for the purpose of this mandate. If the fixed asset is utilized in some way not directly related to the mandated program, only the pro-rata portion of the asset that is used for the purposes of the mandated program is reimbursable.

B. Indirect Costs

Compensation for indirect costs is eligible for reimbursement. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) pursuant to the Office of Management and Budget (OMB) Circular A-87.

VI. Supporting Data

For auditing purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, cost allocation reports, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, time studies, etc.) that show evidence of the validity of such costs and their relationship to this mandate. All documentation in support of claimed costs shall be made available to the State Controller's Office, as may be requested. Pursuant to Government Code section 17558.5, these documents must be kept on file by the agency submitting the claim for a period of no less than two years after the later of (1) the end of the calendar year in which the reimbursement claim is filed or last amended, or (2) if no funds are appropriated for the fiscal year for which the claim is made, the date of initial payment of the claim.

VII. Offsetting Savings and Other Reimbursements

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section

31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

VIII. State Controller's Office Required Certification

An authorized representative of the claimant shall be required to provide a certification of the claim, as specified in the State Controller's Office claiming instructions, for those costs mandated by the state contained herein.

IX. Parameters and Guidelines Amendments

Pursuant to title 2, California Code of Regulations, section 1183.2, Parameters and Guidelines amendments filed before the deadline for initial claims as specified in the Claiming Instructions shall apply to all years eligible for reimbursement as defined in the original Parameters and Guidelines. A Parameters and Guidelines amendment filed after the initial claiming deadline must be submitted on or before January 15, following a fiscal year in order to establish eligibility for reimbursement for the fiscal year.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ANIMAL ADOPTION			For State Controller Use Only	Program 213
(01) Claimant Identification Number			(19) Program Number 00213 (20) Date Filed ____/____/____ (21) LRS Input ____/____/____	
(02) Claimant Name				
County of Location				
Street Address or P.O. Box Suite				
City State Zip Code				
			Reimbursement Claim Data	
Type of Claim	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(22) AA-1, (04)(A)(1)(g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(23) AA-1, (04)(A)(2)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(24) AA-1, (04)(A)(3)(g)	
			(25) AA-1, (04)(B)(1)(g)	
Fiscal Year of Cost	(06) 20 ____/20 ____	(12) 20 ____/20 ____	(26) AA-1, (04)(B)(2)(g)	
Total Claimed Amount	(07)	(13)	(27) AA-1, (04)(B)(3)(g)	
Less: 10% Late Penalty, not to exceed \$1,000		(14)	(28) AA-1, (04)(B)(4)(g)	
Less: Prior Claim Payment Received		(15)	(29) AA-1, (04)(B)(5)(g)	
Net Claimed Amount		(16)	(30) AA-1, (04)(B)(6)(g)	
Due from State	(08)	(17)	(31) AA-1, (04)(B)(7)(g)	
Due to State		(18)	(32) AA-1, (04)(B)(8)(g)	
(37) CERTIFICATION OF CLAIM <p>In accordance with the provisions of Government Code §17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the the State of California that the foregoing is true and correct.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;">Signature of Authorized Officer</div> <div style="width: 40%;">Date</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%; border-bottom: 1px solid black;"></div> <div style="width: 40%; border-bottom: 1px solid black;"></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%;">Type or Print Name</div> <div style="width: 40%;">Title</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">(38) Name of Contact Person for Claim</div> <div style="width: 10%;">Telephone Number</div> <div style="width: 10%;">()</div> <div style="width: 10%;">-</div> <div style="width: 15%;">Ext.</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">E-Mail Address</div> <div style="width: 55%; border-bottom: 1px solid black;"></div> </div>				

Program 213	ANIMAL ADOPTION Certification Claim Form Instructions	FORM FAM-27
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) If filing an estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing a combined estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended estimated claim, enter an "X" in the box on line (05) Amended.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of the estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form AA-1 and enter the amount from line (11).
- (08) Enter the same amount as shown on line (07).
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from form AA-1, line (11). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by January 15 of the following fiscal year in which costs were incurred or the claims shall be reduced by a late penalty. Enter zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10 (10% penalty), or \$1,000, whichever is less.
- (15) If filing a reimbursement claim and an estimated claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., AA-1, (04)(A)(1)(g), means the information is located on form AA-1, line (04)(A)(1), column (g). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 34.19% should be shown as 34. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

Address, if delivered by U.S. Postal Service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 P.O. Box 942850
 Sacramento, CA 94250**

Address, if delivered by other delivery service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 3301 C Street, Suite 500
 Sacramento, CA 95816**

Program 213		MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY						FORM AA-1	
(01) Claimant					(02) Type of Claim			Fiscal Year	
					Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>			20__/20__	
(03) Department									
Direct Costs		Object Accounts							
(04) Reimbursable Components		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
		Salaries	Benefits	Materials & Supplies	Contract Services	Travel & Training	Fixed Assets	Total	
A. One-Time Costs									
1. Policies and Procedures									
2. Training									
3. Computer Software									
B. Ongoing Costs									
1. Acquiring Space/Facilities									
2. Renovating Facilities									
3. Care of Dogs & Cats									
4. Care of Other Animals									
5. Holding Period									
6. Feral Cats									
7. Lost and Found Lists									
8. Non-Medical Records									
9. Veterinary Care									
10. Procuring Equipment									
(05) Total Direct Costs									
Indirect Costs									
(06) Indirect Cost Rate								[From ICRP]	%
(07) Total Indirect Costs								[Line (06) x line (05)(a)] or [Line (06) x {line (05)(a) + line (05)(b)}]	
(08) Total Direct and Indirect Costs								[Line (05)(g) + line (07)]	
Cost Reduction									
(09) Less: Offsetting Savings									
(10) Less: Other Reimbursements									
(11) Total Claimed Amount								[Line (08) - {line (09) + line (10)}]	

Program 213	ANIMAL ADOPTION CLAIM SUMMARY Instructions	FORM AA-1
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- (01) Enter the name of the claimant.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year of costs.
- Form AA-1 must be filed for a reimbursement claim. Do not complete form AA-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form AA-1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Department. If more than one department has incurred costs for this mandate, give the name of each department. A separate form AA-1 should be completed for each department.
- (04) Reimbursable Components. For each reimbursable component, enter the total from form AA-2, line (05), columns (d) through (i) to form AA-1, block (05), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (g).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an ICRP. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim.
- (07) Total Indirect Costs. If the 10% flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by the Indirect Cost Rate, line (06). If an ICRP is submitted and both salaries and benefits were used in the distribution base for the computation of the indirect cost rate, then multiply the sum of Total Salaries, line (05)(a), and Total Benefits, line (05)(b), by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(g), and Total Indirect Costs, line (07).
- (09) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements. Reimbursement received from any source shall be identified and deducted from this claim. Sources shall include, but are not limited to, rewards received under authority of Civil Code § 1845, licensing fees and fines received and applied pursuant to Food and Agriculture Code Section (F & AC §) 30652, Government Code Section 28502, and Penal Code Section 597f, and other state funds, and federal funds. Fees and fines received pursuant to F & AC § 30652 shall be deducted according to the priority specified on page 15 of the P's and G's.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim or line (13) for the Reimbursement Claim.

Program 213	MANDATED COSTS ANIMAL ADOPTION COMPONENT/ACTIVITY COST DETAIL	FORM AA-2
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Components: Check only **one** box per form to identify the component being claimed.

One-Time ☐ Policies and Procedures ☐ Training ☐ Computer Software

Ongoing ☐ Acquiring Space/Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats

☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats

☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care

☐ Procuring Equipment

(04) Description of Expenses	Object Accounts
------------------------------	------------------------

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel and Training
(05) Total <input type="checkbox"/>	Subtotal <input type="checkbox"/>	Page: ____ of ____						

Program 213	ANIMAL ADOPTION COMPONENT/ACTIVITY COST DETAIL Instructions	FORM AA-2
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- (01) Claimant. Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A separate form AA-2 should be completed for each department.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Components. Check the box which indicates the cost component being claimed. Check only one box per form. A separate form AA-2 shall be prepared for each applicable component.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the component activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost = Hourly Rate x Hours Worked			Copy of Contract
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost = Unit Cost x Usage		Supporting Documentation
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Cost = Rate x Days or Miles or Total Travel Cost	
	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the component/activity costs, number each page. Enter totals from line (05), columns (d) through (i) to form AA-1, block (04), columns (a) through (f) in the appropriate row.

GENERAL CLAIMING INSTRUCTIONS

RECEIVED
 July 29, 2015
 Commission on
 State Mandates

Reimbursable State Mandated Costs Programs

Local agencies may file claims with the SCO for the cost of complying with the following state mandated programs. An "x" indicates the agencies that are eligible to file claims for the given program. For your convenience, the programs are listed in alphabetical order by program name.

Program Number	Program Name	Counties	Cities	Special Districts
2	Absentee Ballots	x	x	x
248	Absentee Ballots-Tabulation by Precinct	x		
246	Administrative License Suspension	x	x	
73	AIDS: Search Warrants	x	x	
152	Allocation of Property Tax Revenue	x		
213	Animal Adoption	x	x	x
6	Brendon Maguire Act	x	x	x
13	Child Abduction and Recovery	x		
67	Conservatorship: Developmentally Disabled Adults	x		
273	Consolidation of HDS, HDSII, and Seriously Emotionally Disturbed Pupils (SED)	x		
88	Coroners	x		
262	Crime Victim's Domestic Violence Incident Reports	x	x	
158	Crime Victims' Rights	x		
87	Developmentally Disabled: Attorneys' Services	x		
266	DNA Database	x	x	
274	Domestic Violence Arrest and Victim Assistance	x	x	
167	Domestic Violence Arrest Policies and Standards	x	x	
177	Domestic Violence Treatment Services Authorization and Case Management	x		
257	False Reports of Police Misconduct	x	x	x
23	Firefighters' Cancer Presumption ¹	x	x	x
227	Grand Jury Proceedings	x	x	x
263	Handicapped and Disabled Students II	x	x	
197	Health Benefits for Survivors of Peace Officers and Firefighters	x	x	x
259	Local Elections: Consolidation	x		
43	Medi-Cal Beneficiary Death Notices	x		
203	Mentally Disordered Offenders' Extended Commitment Proceedings	x		
39	Mentally Disordered Sex Offenders: Extended Commitments	x		
66	Mentally Retarded Defendants: Diversion	x		
200	Not Guilty by Reason of Insanity II	x		
219	Open Meetings/Brown Act Reform ²	x	x	x
122	Pacific Beach Safety	x		

¹ Beginning 7/1/08, reimbursement for programs 23 and 118 are not required per Reconsideration adopted 9/27/07.

² This program has been set aside pursuant to AB 138 effective July 19, 2005

Reimbursable State Mandated Costs Programs (continued)

Program Number	Program Name	Counties	Cities	Special Districts
118	Peace Officers' Cancer Presumption ¹	x	x	x
264	Peace Officer Personnel Records: Unfounded Complaints and Discovery	x	x	
187	Peace Officers Procedural Bill of Rights	x	x	x
124	Perinatal Services	x		
83	Permanent Absent Voters	x		
121	Pesticide Use Reports	x		
215	Photographic Record of Evidence	x	x	x
279	Post Conviction: DNA Court Proceedings	x	x	x
255	Postmortem Examination	x	x	
127	Rape Victims Counseling Center Notices	x	x	
18	Senior Citizens Property Tax Postponement	x		
175	Sexually Violent Predators	x		
120	Stolen Vehicle Notification	x	x	
163	Threats Against Peace Officers	x	x	x
90	Unitary Countywide Tax Rates	x		
56	Voter Registration Procedures	x		

The Commission on State Mandates set aside Parameters and Guidelines for the following programs:

Program Number

207	Chapter	156/96	County Treasury Oversight Committees
161	Chapter	783/95	Investment Reports
132	Chapter	1281/80	Involuntary Lien Notices
138	Chapter	1105/92	Misdemeanors: Booking and Fingerprinting
82	Chapter	1051/83	Mobilehome Property Tax Deferral Program
219	Chapter	641/86	Open Meetings/Brown Act Reform
28	Chapter	494/79	Physically Handicapped Voter Accessibility
222	Chapter	18/99	Presidential Primaries
52	Chapter	48/87	Property Tax: Family Transfers
55	Chapter	1143/80	Regional Housing Needs Determination
174	Chapter	1297/94	Two-Way Traffic Signal Communications

¹ Beginning 7/1/08, reimbursement for programs 23 and 118 are not required per Reconsideration adopted 9/27/07.

PROGRAMS SUSPENDED FOR THE 2007- 08 FISCAL YEAR

Pursuant to Government Code Section 17581, the following state mandated programs are identified in the 2007 State Budget Act, with a \$0 appropriation by the Legislature. Therefore, the following state mandated programs have been suspended for the 2007-08 fiscal year, and no 2007-08 claim shall be filed.

Item 8885-295-0001, Provision 3

Program Number

227	(a)	Chapter	1170/96	Grand Jury Proceedings
220	(b)	Chapter	502/92	Sex Crime Confidentiality
62	(c)	Chapter	1032/80	Deaf Teletype Equipment
217	(d)	Chapter	908/96	Sex Offenders: Disclosure by Law Enforcement
81	(e)	Chapter	1456/88	Missing Persons Report
28	(f)	Chapter	494/79	Handicapped Voter Access Information
65	(g)	Chapter	238/74	Sub-Standard Housing
3	(h)	Chapter	1123/77	Adult Felony Restitution
181	(i)	Chapter	1188/92	Very High Fire Hazard Severity Zones
37	(j)	Chapter	1330/76	Local Coastal Plans
180	(k)	Chapter	1111/89	SIDS Training for Firefighters
125	(l)	Chapter	268/91	SIDS Contacts by Local Health Officers
110	(m)	Chapter	955/89	SIDS Autopsies
126	(n)	Chapter	1597/88	Inmate AIDS Testing
86	(o)	Chapter	453/74	SIDS Notices
27	(p)	Chapter	1357/76	Guardianship/Conservatorship Filings
71	(q)	Chapter	332/81	Victims' Statements-Minors
204	(r)	Chapter	267/98	Extended Commitment, Youth Authority
128	(s)	Chapter	820/91	Prisoner Parental Rights
64	(t)	Chapter	Title 8	Structural and Wildland Firefighter Safety Clothing and Equipment
24	(u)	Chapter	Title 8	Personal Alarm Devices
193	(v)	Chapter	126/93	Law Enforcement Sexual Harassment Training
205	(w)	Chapter	444/97	Elder Abuse Law Enforcement Training
245	(x)	Chapter	39/98	Redevelopment Agencies Tax Disbursement Reporting
41	(y)	Chapter	486/75	Mandate Reimbursement Process ¹
21	(z)	Chapter	845/78	Filipino Employee Surveys
15	(aa)	Chapter	1609/84	Domestic Violence Information
8	(bb)	Chapter	1334/87	Pocket Masks

Item 8885-295-0042

Program Number

178	(1)	Chapter	644/94	Airport Land Use Commissions/Plans
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¹ This program was also suspended for the 2006-07 fiscal year.

APPROPRIATIONS FOR THE STATE MANDATED COST PROGRAMS

Source of the State Mandated Costs Appropriations – 2007 State Budget Act (Chapter 171/172)

				Amounts Appropriated
Mandated Programs				
Item 8885-295-0001 Commission on State Mandates				
(1) For payment of the following mandate claims for the 2006-07 fiscal year:				0
158	(a)	Ch.	411/95 Crime Victim Rights	
163	(b)	Ch.	1249/92 Threats Against Peace Officers	
13	(c)	Ch.	1399/76 Child Abduction and Recovery	
120	(d)	Ch.	337/90 Stolen Vehicle Notification	
2	(e)	Ch.	77/78 Absentee Ballots	
83	(f)	Ch.	1422/82 Permanent Absent Voters	
56	(g)	Ch.	704/75 Voter Registration Procedures	
248	(h)	Ch.	697/99 Absentee Ballots-Tabulation by Precinct	
6	(i)	Ch.	391/88 Brendon Maguire Act	
43	(j)	Ch.	102/81 Medi-Cal Beneficiary Death Notices	
122	(k)	Ch.	961/92 Pacific Beach Safety	
124	(l)	Ch.	1603/90 Perinatal Services	
73	(m)	Ch.	1088/88 AIDS/Search Warrant	
66	(n)	Ch.	1253/80 Mentally Retarded Defendants Representation	
35	(o)	Ch.	644/80 Judicial Proceedings	
67	(p)	Ch.	1304/80 Conservatorship: Developmentally Disabled Adults	
87	(q)	Ch.	694/75 Developmentally Disabled Attorneys Services	
88	(r)	Ch.	498/77 Coroners Costs	
200	(s)	Ch.	1114/79 Not Guilty by Reason of Insanity	
203	(t)	Ch.	435/91 Mentally Disordered Offenders' Extended Commitments	
175	(u)	Ch.	762/95 Sexually Violent Predators	
39	(v)	Ch.	1036/78 Mentally Disordered Sex Offenders Recommitments	
177	(w)	Ch.	183/92 Domestic Violence Treatment Services	
118	(x)	Ch.	1171/89 Peace Officers Cancer Presumption	
23	(y)	Ch.	1568/82 Firefighters Cancer Presumption	
167	(z)	Ch.	246/95 Domestic Violence Arrest Policies	
213	(aa)	Ch.	752/98 Animal Adoption	
90	(bb)	Ch.	921/87 Unitary Countywide Tax Rates	
18	(cc)	Ch.	1242/77 Senior Citizens Property Tax Deferral	
152	(dd)	Ch.	697/92 Allocation of Property Tax Revenues	
215	(ee)	Ch.	875/85 Photographic Record of Evidence	
127	(ff)	Ch.	999/91 Rape Victims Counseling	
197	(gg)	Ch.	1120/96 Health Benefits for Survivors-Peace Officers Firefighters	
255	(hh)	Ch.	284/00 Postmortem Examinations	
257	(ii)	Ch.	590/95 False Reports of Police Misconduct	

(2) For payment of mandated claims for 2006-07 fiscal year for:

187	(2)	Ch.	675/90 Peace Officers' Procedural Bill of Rights	0
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APPROPRIATIONS FOR THE STATE MANDATED COST PROGRAMS (continued)**Source of the State Mandated Costs Appropriations (continued)**

Mandated Programs					Amounts Appropriated
Item 8885-295-0042 Department of Transportation					
(1) For payment of claims for costs incurred in fiscal years 2002-03 through 2004-05, inclusive:					
178	(1)	Ch.	644/94	Airport Land Use Commission/Plans	\$ 8,000.00
 Item 8885-295-0044 Department of Motor Vehicles					
(1) For payment of claims for costs incurred for fiscal years 1997-98 through 2004-05, inclusive:					
246	(1)	Ch.	1460/89	Administrative License Suspension, Per Se	10,825,000.00
 Item 8885-295-0106 Department of Pesticide Regulation					
(1) For payment of claims for costs incurred for fiscal years 2001-02 through 2004-05, inclusive:					
121	(1)	Ch.	1200/89	Pesticide Use Reports	666,000.00
Grand Total					<u>\$11,499,000.00</u>

FILING A CLAIM

1. Introduction

The law in the State of California (Government Code Sections 17500 through 17616) provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs that local agencies are required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

Estimated claims that show costs to be incurred in the current fiscal year and reimbursement claims that detail the costs actually incurred for the prior fiscal year may be filed with the State Controller's Office (SCO). Claims for on-going programs are filed annually by February 15. Claims for new programs are filed within 120 days from the date claiming instructions are issued for the program. A 10 percent penalty (up to \$10,000 for continuing claims, no limit for initial claims) is assessed for late claims. The SCO may audit the records of any local agency to verify the actual amount of mandated costs and may reduce any claim that is excessive or unreasonable.

When a program has been reimbursed for three or more years, the COSM may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement are not required to file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

The instructions contained in this manual are intended to provide general guidance for filing a mandated cost claim. Since each mandate is administered separately, it is important to refer to the specific program for information related to established policies on eligible reimbursable costs.

2. Types of Claims

There are three types of claims: Reimbursement, estimated, and entitlement. A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year or may file an estimated claim for mandated costs to be incurred during the current fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program would receive an automatic annual payment, which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable. The claim must be filed with sufficient documentation to support the costs claimed. The types of documentation required to substantiate a claim are identified in the instructions for the program. The certification of claim, form FAM-27, must be signed and dated by the entity's authorized officer in order for the SCO to make payment on the claim.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. The claim must include supporting documentation to substantiate the costs claimed.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal years of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual reimbursement claims must be filed by February 15 following the fiscal year in which costs were incurred for the program. A reimbursement claim must detail the costs actually incurred in the prior fiscal year.

An actual claim for the 2006-07 fiscal year may be filed by February 15, 2008, without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.

B. Estimated Claim

An estimated claim is defined in GC Section 17522 as any claim filed with the SCO, during the fiscal year in which the mandated costs are to be incurred by the local agency, against an appropriation made to the SCO for the purpose of paying those costs.

An estimated claim may be filed in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times for estimated costs to be incurred during the current fiscal year. Annual estimated claims are due February 15 of the fiscal year in which the costs are to be incurred. Initial estimated claims are due on the date specified in the claiming instructions. Timely filed estimated claims are paid before those filed after the deadline.

After receiving payment for an estimated claim, the claimant must file a reimbursement claim by February 15 following the fiscal year in which costs were incurred. If the claimant fails to file a reimbursement claim, monies received for the estimated claims must be returned to the State.

C. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a local agency with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by February 15 to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs. Local mandates included in SMAS are listed in Section 2, number 6.

Once a mandate has been included in SMAS and the claimant has established a base year entitlement, the claimant will receive automatic payments from the SCO for the mandate. The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the costs of goods and services to governmental agencies, as determined by the implicit price deflator issued by the State Department of Finance. For programs approved by the COSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three years base period is adjusted according to any changes by both the deflator and average daily attendance. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

A base year entitlement is determined by computing an average of the claimant's costs for any three consecutive years after the program has been approved for the SMAS process. The amount is first adjusted according to any changes in the deflator. The deflator is applied separately to each year's costs for the three years, which comprise the base year. The SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

3. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30, 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564. Combined claims may be filed only when the county is the fiscal agent for the special districts. The county shall determine if the submission of a combined claim is economically feasible and shall be responsible for disbursing the funds to each special district. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a special district provides a written notice of its intent to file a separate claim, to the county and the Controller, at least 180 days prior to the deadline for filing the claim.

GC Section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000), provided that a county may submit a combined claim on behalf of direct service districts or special districts within their county if the combined claim exceeds \$1,000, even if the individual direct service district's or special district's claim does not each exceed \$1,000. The county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each direct service district or special district. These combined claims may be filed only when the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a special district provides a written notice of its intent to file a separate claim to the county and to the SCO at least 180 days prior to the deadline for filing the claim.

4. Filing Deadline for Claims

Initial reimbursement claims (first-time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date of issuance of the program's claiming instructions by the SCO. If the initial reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% penalty. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

Annual reimbursement claims for costs incurred during the previous fiscal year and estimated claims for costs to be incurred during the current fiscal year must be filed with the SCO and postmarked on or before February 15. If the annual or estimated reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Claims must include supporting data to show how the amount claimed was derived. Without this information, the claim cannot be accepted.

Entitlement claims do not have a filing deadline. However, entitlement claims and supporting documents should be filed by February 15 to permit an orderly processing of claims. Entitlement claims are used to establish a base year entitlement amount for calculating automatic annual payments. Entitlement does not result in the claimant being reimbursed for costs incurred, but rather entitles the claimant to receive automatic payments from SMAS.

5. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer.

Pursuant to GC section 17561(d), reimbursement and estimated claims are paid by August 15 or 45 days after the date the appropriation for the claim is effective, whichever is later. A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment is made after the August 15 deadline or more than 45 days after the date the appropriation for the claim is effective, whichever is applicable. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. The SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs. The 20 percent withheld is not subject to accrued interest. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the COSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or Ps & Gs, the determination of allowable and unallowable costs for mandates is based on the Ps & Gs adopted by the COSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the COSM. The SCO determines allowable reimbursable costs, subject to amendment by the COSM, for mandates funded by special legislation. Unless specified, allowable costs are those direct and indirect costs, less applicable credits, considered to be eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carryout the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the Ps & Gs.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that, for the purpose of claiming mandated costs, are unallowable and should not be claimed on the claim forms unless specified as reimbursable under the program. These expenses include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops general education, and travel costs.

6. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the COSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each county that has submitted reimbursement claims, (or entitlement claims), for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims, (or entitlement claims), for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the COSM's approval.

Each county with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was

included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and workload.

For cities and counties, "workload" means a change in population within their boundaries; for special districts, a change in population of the county in which the largest percentage of the district's population is located.

In the event a county has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the county may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by a county with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any non-recurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the county determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based, is set forth in GC Section 17615.8 and requires the approval of the COSM.

The following programs are placed in SMAS:

Program Name	Chapter/Statute	Program Number
Conservatorship: Developmentally Disabled Adults	Ch. 1304/80	67
Coroners	Ch. 498/77	88
Mentally Retarded Defendants: Diversion	Ch. 1253/80	66
Senior Citizens Property Tax Postponement	Ch. 1242/77	18

Listed are state mandated local programs and counties that are entitled to receive automatic apportionments in those fiscal years in which the program is funded.

Counties of:	Ch. 498/77 Coroners	Ch. 1242/77 Senior Citizens Property Tax Postponement	Ch. 1253/80 Mentally Retarded Defendants: Diversion	Ch. 1304/80 Developmentally Disabled Adults: Conservatorship
Alameda		x	x	x
Butte		x	x	x
Calaveras		x	x	x
Contra Costa		x	x	x
El Dorado		x	x	x
Fresno		x	x	x
Humboldt		x	x	x
Kern		x	x	x
Lake		x	x	x
Los Angeles	x	x	x	x
Marin		x	x	x
Mendocino		x	x	x
Monterey		x	x	x
Napa	x	x	x	x
Nevada		x	x	x
Orange	x	x	x	x
Placer		x	x	x
Plumas		x	x	x
Riverside		x	x	x
Sacramento		x	x	x
San Bernardino	x	x	x	x
San Diego		x	x	x
San Francisco		x	x	x
San Joaquin	x	x		
San Luis Obispo	x	x	x	x
San Mateo		x	x	x
Santa Barbara		x	x	x
Santa Clara	x	x	x	x
Santa Cruz		x	x	x
Shasta		x	x	x
Solano		x	x	x
Sonoma	x	x	x	x
Stanislaus		x	x	x
Tulare	x	x	x	x
Tuolumne		x		
Ventura	x	x	x	x
Yolo		x	x	x
Yuba		x		

7. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Each claimed reimbursable cost must be supported by documentation as described in Section 12. Costs that are typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A local agency may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claim must include a computation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: <i>Fringe Benefits as a Percent of Salary</i>		Step 2: <i>Productive Hourly Rate</i>
Retirement	15.00 %	Formula: $[(EAS \times (1 + FBR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, worker's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at the higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming

costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is \$45.88/5.50 hrs. = \$8.34			

(d) Employer's Fringe Benefits Contribution

A local agency has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them.

For example:

<u>Employer's Contribution</u>	<u>% to Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental	
Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(e) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by local agencies.

(f) Calculating a Unit Cost for Materials and Supplies

In those instances where the claiming instructions suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials

and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	0.40
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	2.00
		<u>\$9.50</u>
If the number of reimbursable instances are 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).		

(g) Contract Services

The cost of contract services is allowable if the local agency lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor; explain the reason for having to hire a contractor; describe the mandated activities performed; give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the claiming instructions for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

(h) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the claiming instructions for the particular mandate. Equipment rentals used solely for the mandate, are reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the prorata portion of the rental costs can be claimed.

(i) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the claiming instructions specify them as allowable. If they are allowable, the claiming instructions for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the prorata portion of the purchase price used to implement the reimbursable activities can be claimed.

(j) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the claiming instructions may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto mileage traveled, and the cost of tolls and parking with receipts required for charges over \$10.00.

(k) Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

8. Indirect Costs

GC Section 17564(b) provides that claims for indirect costs shall be filed in the manner prescribed by the SCO. Indirect costs (or overhead) are those costs incurred for a common or joint purpose, benefiting more than one program and are not directly assignable to a particular program without efforts disproportionate to the result achieved. Indirect costs may include both (1) the overhead costs for the unit performing the mandate and (2) the costs of central government services distributed through the central service cost allocation plan and not otherwise treated as a direct cost.

Previously, the costs of elected officials were considered "expenses related to general government" and, thus, were unallowable for reimbursement purposes. Recent interpretation has moved in the opposite direction, except for those items of cost, which are unallowable in the cost principles set forth in Office of Management and Budget Circular (OMB) 2 CFR Part 225. A cost that is necessary for proper and efficient administration of a program and is identifiable to that program is eligible for consideration as allocable indirect costs. Allocable costs for time spent on programs, must be supported by time record.

Local agencies have the option of using 10% of direct labor as indirect costs or claiming indirect costs through a department's Indirect Cost Rate Proposal (ICRP) for the program prepared in accordance with the provisions of OMB 2 CFR Part 225 (Refer to the Appendix-Costs Computation: Indirect Costs). An ICRP must be prepared if the claim for indirect costs is in excess of 10% of direct salaries; the ICRP must be submitted with the claim.

A. Fixed 10% Rate Method

Indirect costs may be computed as 10% of direct labor costs (excluding fringe benefits) of employees, provided their services are required by a program. The use of the 10% rate may

benefit small agencies where few supportive services are provided.

Direct costs are defined as "those that can readily be identified with a single program or activity." Normally direct costs will include the salaries, benefits, and supplies that can be directly identified with a particular function.

For example, if a county auditor prepares warrants for other county departments, the direct costs of providing the service would include the salary and benefits of the persons in the auditor's office who actually work on the warrants, the cost of the paper on which warrants are written, and the salaries and benefits of a first-line supervisor. Indirect costs of the warrant writing service would include the cost of space, equipment, utilities, maintenance, supervision above first-line and administration of the auditor's office.

Direct Costs Incurred By	On Behalf of	
<u>Auditor</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Warrant Writing:</u>		
A. Salary of employee working	\$5,000	\$1,000
B. Benefits of above	800	200
C. Cost of paper	350	100
D. First-line supervision (salaries)	3,000	500
E. Indirect cost 10% of A + D	<u>800</u>	<u>150</u>
Total amount charged to benefited departments for warrant writing services	<u>\$9,950</u>	<u>\$1,950</u>

Direct Costs Incurred By	On Behalf of	
<u>Building & Grounds Department</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Maintenance of Buildings:</u>		
A. Salary of employees performing maintenance	\$1,000	\$500
B. Benefits of above	200	100
C. Cleaning supplies	250	150
D. First-line supervision (salaries)	500	200
E. Indirect cost 10% of A + D	<u>150</u>	<u>70</u>
Total amount charged to benefited departments for building maintenance services	<u>\$2,100</u>	<u>\$1,020</u>

Any local agency using this method for claiming costs must submit a statement similar to the example above and with supporting data. The cost data required for desk audit purposes are described in the claiming instructions for that mandated program under Salaries and Employee Benefits, Materials and Supplies, Contract Services, Travel Expenses, etc.

B. Indirect Cost Rate Proposal Method

If a local agency elects not to utilize the 10% fixed rate method but wants to claim indirect costs, it must prepare an ICRP for the program. The proposal must follow the provisions of the

OMB 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments*. The development of the indirect cost rate proposal requires that the indirect cost pool include only those costs which are incurred for a common or joint purpose that benefit more than one cost objective. The indirect cost pool may only include costs that can be shown to provide benefits to the program. In addition, total allocable indirect costs may only include costs, which cannot be directly charged to an identifiable cost center (i.e., program).

A method for preparing a departmental indirect cost rate proposal for programs is presented as Exhibit 1. Only this format is acceptable under the SCO reimbursement requirements. If more than one department is involved in the reimbursement program, each department must have their own indirect cost rate proposal for the program.

**INDIRECT COST RATE PROPOSAL
PUBLIC DEFENDER'S OFFICE
INVESTIGATION PROGRAM
FISCAL YEAR 20__-20__**

(A) Description of Costs		Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs	
						Investigation PC 987.9	All Others
Salaries & Benefits							
Salaries & Wages		\$ 1,150,000	\$ 50,000 (F)	\$ 150,000	\$ 950,000 (F)	\$ 100,000	\$ 850,000
Overtime		20,000	0	20,000	0	0	0
Benefits		230,000	10,000	30,000	190,000	20,000	170,000
Total		<u>\$ 1,400,000</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 1,140,000</u>	<u>\$ 120,000</u>	<u>\$ 1,020,000</u>
Services & Supplies							
Office Expense		\$ 200,000	\$ 10,000	\$ 20,000	\$ 170,000	\$ 10,000	\$ 160,000
Communications		100,000	2,000	10,000	88,000	1,000	87,000
Transportation		120,000	5,000	0	115,000	5,000	110,000
Special Dept Expense (Contracts)		250,000	0	0	250,000	0	250,000
Other, Pass Through Program		800,000	800,000	0	0	0	0
Total		<u>\$ 1,470,000</u>	<u>\$ 817,000</u>	<u>\$ 30,000</u>	<u>\$ 623,000</u>	<u>\$ 16,000</u>	<u>\$ 607,000</u>
Capital Expenditures		<u>\$ 100,000</u>	<u>\$ 100,000</u>				
Total Budgetary Expenditures		<u>\$ 2,970,000</u>	<u>\$ 977,000</u>	<u>\$ 230,000</u>	<u>\$ 1,763,000</u>	<u>\$ 136,000</u>	<u>\$ 1,627,000</u>
Cost Plan Costs		<u>Distribution Base</u>					
Building Use	(Each line item should be reviewed to see if it benefits the mandate to insure a fair and equitable distribution.)	\$ 50,000	\$ 2,000	\$ 6,000	\$ 42,000	\$ 2,000	\$ 40,000
Equipment Use		30,000	1,000	3,000	26,000	1,000	25,000
Data Processing		50,000	5,000	30,000	15,000	0	15,000
Auditor		20,000	0	20,000	0	0	0
Personnel		10,000	1,000	1,000	8,000	1,000	7,000
Roll Forward		10,000	0	10,000	0	0	0
Total		<u>\$ 170,000 (E)</u>	<u>\$ 9,000</u>	<u>\$ 70,000</u>	<u>\$ 91,000</u>	<u>\$ 4,000</u>	<u>\$ 87,000</u>
Total Allocable Indirect Costs				\$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			<u>\$ 15,000</u>	<u>\$ (300,000)</u>	<u>\$ 285,000</u>	<u>\$ 30,000</u>	<u>\$ 255,000</u>
Totals		\$ 3,140,000	\$ 1,001,000	\$ 0	\$ 2,139,000	\$ 170,000	\$ 1,969,000

(1) Notes to Exhibit 1

- (a) The department's ICRP plan for the distribution of costs to programs must follow the same format as shown on Exhibit 1. Specifically, there must be columns as follows: Description of Costs, Total Cost, Excludable and Unallowable Costs (may be combined or separated), Allowable Indirect Costs, and Allowable Direct Costs (which are further allocated to identifiable programs and other). No other format will be accepted.
- (b) Excluded costs are all costs that are unallowable and unallocable according to specific guidelines (OMB 2 CFR Part 225 and state laws).

Examples:

Contributions and donations: Cost of amusement; social activities and related incidental costs such as meals, beverages, lodging, rentals, transportation and gratuities; and pass through revenues to another unit or organization.

- (c) Allocable indirect costs are costs that are not identifiable to a specific program or cost pool and indirectly benefit all cost pools.
- (d) Direct costs are costs that benefit a specific program or cost pool.
- (e) Overhead costs are distributed to the department in the cost allocation plan, which was prepared in accordance with the OMB 2 CFR Part 225. Use the same year's cost allocation plan for developing the ICRP as the year for which the ICRP is being prepared. Do not include a roll forward adjustment when the program is in its initial year.
- (f) Distribution base for the computation of the indirect cost rate is total salaries and wages.

Total Allocable Direct Costs (direct S&W)	\$950,000
Excluded and Unallowable Costs (direct S&W)	50,000
Distribution Base	<u>\$1,000,000</u>

Therefore, the Indirect Cost Rate for Penal Code 987.9 Program is:

$$\text{ICRP} = \frac{\text{Allowable Indirect Costs}}{\text{Total Salaries and Wages}} = \frac{\$300,000}{\$1,000,000} = 30.00\%$$

9. Time Study Guidelines

Background

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a "formula for reimbursing local agency and school district costs mandated by the state" that meets certain conditions specified in GC Section 17518.5(a). For costs incurred prior to January 1, 2005, time study can only substitute for continuous records of actual time spend for a specific fiscal year if the program's Ps & Gs allow for the use of time studies.

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study, which are described below. Application of time study results is restricted. As explained in Time Study Results below, the results may be projected toward a maximum of two years provided the claimant meets certain criteria.

Actual Time Reporting

Ps & Gs define reimbursable activities for each mandated cost program. (Some Ps & Gs refer to reimbursable activities as reimbursable components.) When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards (which clarify documentation requirements discussed under the Reimbursable Activities section of recent Ps & Gs):

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

Time Study Plan

A time study plan is necessary before conducting the time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied – The plan must show that all time periods selected are representative of the fiscal year, and the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied – For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's Ps & Gs, which are derived from the program's Statement of Decision. If a reimbursable activity in the Ps & Gs identifies separate and distinct sub-activities, these sub-activities must also be treated as individual activities.

For example, sub-activities (a), (b), and (c) under Reimbursable Activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity – Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity.
- Employee universe – The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study.

- Employee sample selection methodology – The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded – The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence, which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained

Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims – Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004, through December 31, 2004, unless (1) the program's Ps & Gs specifically allows time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.
- Initial Claims –When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's Ps & Gs specifically allows time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping requirements for those claims.

10. Offset Against State Mandated Claims

When part or all the costs of a mandated program are specifically reimbursable from non-local agency sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from local agency funds is eligible for reimbursement under the provisions of Government Code Section 17561.

A. Example 1

This example shows how the offset against state mandated claim is determined for local agencies receiving block grant revenues not based on a formula allocation. Listed below are six situations, which may occur at a local agency level. For hypothetical program costs of \$100,000: (1) through (4) show intended funding at 100% from non-local agency sources and (5) through (6) show cost sharing on a 50/50 basis with the local agency. Of the \$100,000 program cost, \$2,500 is the cost of state mandated activity. Offset against state mandated claims is the amount of actual non-local agency funding which exceeds the difference between program costs and state mandated costs. The offset against state mandated claims can not exceed the amount of state mandated costs. In (4), non-local revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500. In (1), non-local revenues were less than expected. Non-local agency funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs. In (5), the local agency is sharing 50% of the program cost. Since non-local revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
A. Block Grants (funding not based on a formula allocation)					
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	If in (5) the non-local matching share is less than the amount expected, for example \$49,000, the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.				

* Local agency share is \$50,000 of the program costs.

B. Example 2

This example shows how the offset against state mandated claims are determined for local agencies receiving special project funds based on approved actual costs. Non-local revenues for special projects must be applied proportionately to approve costs. In (2), the entire program

cost was approved. Since the non-local agency source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
B.	Special Projects (funding based on approved actual costs)				
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	If in (2) the non-local matching share is less than the amount expected, because only \$60,000 of the program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claim is \$1,125. Therefore, the claimable mandated costs are \$375.				

** Local agency share is \$25,000 of the program costs.

With respect to local agencies, the offset against state mandated claims for applicable federal and state local assistance programs includes, but is not limited to, the following funding sources:

Federal and State Funding Sources

Governing Authority

Federal Programs

CETA, PL 93-203	Federal-Health – Administration
Federal Aid for Construction	Federal-Public Assistance – Administration
Federal Aid for Disaster	

State Programs

State Aid for Agriculture	State-Health – Administration
State Aid for Construction	State-Public Assistance - Administration
State Aid for Corrections	

11. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustments" detailing adjustments made by the SCO.

12. Audit of Costs

All claims submitted to the State Controller's Office (SCO) are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the Ps & Gs adopted by the Commission on State Mandates (COSM). If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to Government Code (GC) Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

On-site audits will be conducted by the SCO as deemed necessary. Accordingly, all documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or amended regardless of the year of costs incurred. When no funds are appropriated for initial claims at the time the claim is filed, supporting documents must be retained for three years from the date of initial payment of the claim. Claim documentation shall be made available to the SCO on request.

13. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a "formula for reimbursing local agency and school district costs mandated by the state" that meets certain conditions specified in 17518.5(a). For costs incurred prior to January 1, 2005, time study can substitute for continuous records of actual time spent for a specific fiscal year only if the program's Ps & Gs allows for the use of time studies.

14. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2, provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file an estimated or reimbursement claim. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the

claims. All supporting documents must be retained for a period of not less than three years after the reimbursement claim was filed or last amended.

B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the entity. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 is required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment, and all other forms and supporting documents **(To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)** Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

15. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the Local Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the year will be placed on the SCO's web site at www.sco.ca.gov/ard/local/locreim/index.shtml.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, send e-mail to lrsdar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

16. Retention of Claim Records and Supporting Documentation

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the COSM's P's and G's. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by local agency is subject to audit by the State Controller no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no

payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.

A. STATE OF CALIFORNIA TRAVEL EXPENSE GUIDELINES

Travel Program Effective January 31, 2002

The travel reimbursement program continues to be subject to the Internal Revenue Service (IRS) requirements for an accountable plan. There are no flat rate reimbursements. All items are to be claimed for the actual amount of expense, up to the maximum allowed. If the provisions below do not require submission of a receipt for a given item of expense, it is the employee's responsibility to retain receipts and other records of the expense and have them available for audit.

Lodging and meals that are provided by the State, including hotel expenses, conference fees, or transportation costs such as airline tickets; or otherwise provided shall not be claimed for reimbursement.

Employees may be reimbursed for actual expenses for breakfast, lunch, dinner, and incidentals for each 24 hours of travel, as follows:

Breakfast	up to	\$6.00
Lunch	up to	10.00
Dinner	up to	18.00
Incidentals	up to	6.00

Incidental expenses include, but are not limited to, expenses for laundering and pressing of clothing and tips for services such as porters and baggage handlers. Incidentals do not include taxicab fares, lodging taxes, or the cost of telegrams or telephone calls.

Lodging

All lodging reimbursements require a receipt from a commercial lodging establishment such as a hotel, motel, bed and breakfast inn, or campground that caters to the general public. No lodging will be reimbursed without a valid receipt. Employees who stay with friends or relatives are not eligible for lodging reimbursement, but may claim their actual expenses for meals and incidentals.

Short-Term Travel

A. For continuous short-term travel of more than 24 hours but less than 31 days, the employee will be reimbursed for actual costs up to the maximum for each meal, incidental, and lodging expense for each completed 24 hours of travel, beginning with the traveler's time of departure and return as follows:

1. On the first day of travel at the beginning of a trip of more than 24 hours:
 - Trip begins at or before 6 a.m. - Breakfast may be claimed
 - Trip begins at or before 11 a.m. - Lunch may be claimed
 - Trip begins at or before 5 p.m. - Dinner may be claimed
2. On the fractional day of travel at the end of a trip of more than 24 hours:
 - Trip ends at or after 8 a.m. - Breakfast may be claimed
 - Trip ends at or after 2 p.m. - Lunch may be claimed
 - Trip ends at or after 7 p.m. - Dinner may be claimed

If the fractional day includes an overnight stay, receipted lodging may be claimed. No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any 24-hour period.

- B.** For continuous travel of less than 24 hours, the employee will be reimbursed for actual expenses, up to a maximum as follows:

Travel begins at or before 6 a.m. and ends at or after 9 a.m. - Breakfast may be claimed
Travel begins at or before 4 p.m. and ends at or after 7 p.m. - Dinner may be claimed

If the trip extends overnight, receipted lodging may be claimed. No lunch or incidentals may be claimed on a trip of less than 24 hours.

Short-Term Travel Maximum Lodging Reimbursement Rate

- A.** Statewide except as in (B) and (C) below, actual receipted lodging up to \$84 plus tax.
- B.** When required to conduct state business and obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging, to a maximum of \$110 plus tax.
- C.** When required to conduct state business and obtain lodging in the counties of Alameda, San Francisco, San Mateo, and Santa Clara, reimbursement will be for actual receipted lodging, to a maximum of \$140 plus tax.

Long-Term Travel

Actual expenses for long-term meals and receipted lodging will be reimbursed when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

A. Full Long-Term Travel

To qualify for full long-term travel reimbursement, the employee on a long-term field assignment must meet the following criteria:

- a) The employee continues to maintain a permanent residence at the primary headquarters, and either,
- b) The permanent residence is occupied by the employee's dependents, or
- c) The permanent residence is maintained at a net expense to the employee exceeding \$200 per month.

The employee who is living at the long-term location may claim either:

- 1. Reimbursement for actual individual expense, substantiated by receipts for lodging, water, sewer, gas, and electricity, up to a maximum of \$1,130 per calendar month while on the long-term assignment, and actual expenses up to \$10 for meals and incidentals, for each period of 12 to 24 hours and up to \$5 for actual meals and incidentals for each period of less than 12 hours at the long-term location, or
- 2. Long-term subsistence rates of \$24 for actual meals and incidentals, \$24 for receipted lodging for travel of 12 hours up to 24 hours, and either \$24 for actual meals or \$24 for receipted lodging for travel less than 12 hours when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

B. Partial Long-Term Travel

An employee on long-term field assignment who does not maintain a separate residence in the headquarters area may claim long-term subsistence rates of up to \$12 for actual meals and incidentals and \$12 for receipted lodging for travel of 12 hours up to 24 hours at the long-term location, and either \$12 for actual meals or \$12 for receipted lodging for travel less than 12 hours at the long-term location.

Receipts

Receipts or vouchers shall be submitted for every item of expense of \$25 or more.

- a) Receipts are required for every item of transportation and business expense incurred as a result of conducting state business except for actual expenses as follows:
 - 1. Railroad and bus fares of less than \$25, when travel is wholly within the State of California.
 - 2. Street car, ferry fares, bridge and road tolls, local rapid transit system, taxi, shuttle, or hotel bus fares, and parking fees of \$10 or less for each continuous period of parking or each separate transportation expense noted in this item.
 - 3. Telephone, telegraph, tax, or other business charges related to state business of \$5 or less.
 - 4. In the absence of a receipt, reimbursement will be limited to the non-receipted amount above.
- b) Reimbursement will be claimed only for the actual and necessary expenses noted above. Regardless of the above exceptions, the approving officer may require additional certification and/or explanation in order to determine that an expense was actually and reasonably incurred. In the absence of a satisfactory explanation, the expense shall not be allowed.

Mileage

When an employee is authorized by his/her appointing authority or designee to operate a privately owned vehicle on state business, the employee will be allowed to claim and be reimbursed 34 cents per mile. An employee who is required to use a specialized vehicle that has been modified to accommodate disabilities may claim 37 cents per mile.

B. GOVERNMENT CODE SECTIONS 17500-17617

GC §17500: Legislative Findings and Declarations

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for the costs of state-mandated local programs has not provided for the effective determination of the state's responsibilities under Section 6 of Article XIII B of the California Constitution. The Legislature finds and declares that the failure of the existing process to adequately and consistently resolve the complex legal questions involved in the determination of state-mandated costs has led to an increasing reliance by local agencies and school districts on the judiciary and, therefore, in order to relieve unnecessary congestion of the judicial system, it is necessary to create a mechanism which is capable of rendering sound quasi-judicial decisions and providing an effective means of resolving disputes over the existence of state-mandated local programs. It is the intent of the Legislature in enacting this part to provide for the implementation of Section 6 of Article XIII B of the California Constitution. Further, the Legislature intends that the Commission on State Mandates, as a quasi-judicial body, will act in a deliberative manner in accordance with the requirements of Section 6 of Article XIII B of the California Constitution.

GC §17510: Construction of Part

Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this part. The definition of a word applies to any variants thereof and the singular tense of a word includes the plural.

GC §17511: "City"

"City" means any city whether general law or charter, except a city and county.

GC §17512: "Commission"

"Commission" means the Commission on State Mandates.

GC §17513: "Cost Mandated by the Federal Government"

"Costs mandated by the federal government" means any increased costs incurred by a local agency or school district after January 1, 1973, in order to comply with the requirements of a federal statute or regulation. "Costs mandated by the federal government" includes costs resulting from enactment of a state law or regulation where failure to enact that law or regulation to meet specific federal program or service requirements imposed upon the state would result in substantial monetary penalties or loss of funds to public or private persons in the state whether the federal law was enacted before or after the enactment of the state law, regulation, or executive order. "Costs mandated by the federal government" does not include costs which are specifically reimbursed or funded by the federal or state government or programs or services which may be implemented at the option of the state, local agency, or school district.

GC §17514: "Costs Mandated by the State"

"Costs mandated by the state" means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution.

GC §17515: "County"

"County" means any chartered or general law county. "County" includes a city and county.

GC §17516: "Executive Order"

"Executive order" means any order, plan, requirement, rule, or regulation issued by any of the following: (a) The Governor. (b) Any officer or official serving at the pleasure of the Governor. (c) Any agency, department, board, or commission of state government. "Executive order" does not include any order, plan, requirement, rule, or regulation issued by the State Water Resources Control Board or by any regional water quality control board pursuant to Division 7 (commencing with Section 13000) of the Water Code. It is the intent of the Legislature that the State Water Resources Control Board and regional water quality control boards will not adopt enforcement orders against publicly owned dischargers which mandate major waste water treatment facility construction costs unless federal financial assistance and state financial assistance pursuant to the Clean Water Bond Act of 1970 and 1974, is simultaneously made available. "Major" means either a new treatment facility or an addition to an existing facility, the cost of which is in excess of 20 percent of the cost of replacing the facility.

GC §17517.5: "Cost Savings authorized by the state"

"Cost savings authorized by the state" means any decreased costs that a local agency or school district realizes as a result of any statute enacted or any executive order adopted that permits or requires the discontinuance of or a reduction in the level of service of an existing program that was mandated before January 1, 1975.

GC §17518: "Local Agency"

"Local agency" means any city, county, special district, authority, or other political subdivision of the state.

GC §17518.5: "Reasonable Reimbursement Methodology"

(a) "Reasonable reimbursement methodology" means a formula for reimbursing local agency and school district costs mandated by the state that meets the following conditions: (1) The total amount to be reimbursed statewide is equivalent to total estimated local agency and school district costs to implement the mandate in a cost-efficient manner. (2) For 50 percent or more of eligible local agency and school district claimants, the amount reimbursed is estimated to fully offset their projected costs to implement the mandate in a cost-efficient manner. (b) Whenever possible, a reasonable reimbursement methodology shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed 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. (c) 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.

GC §17519: "School District"

"School district" means any school district, community college district, or county superintendent of schools.

GC §17520: "Special District"

"Special district" means any agency of the state that performs governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or

area, an improvement district or improvement zone, or any other zone or area. "Special district" does not include a city, a county, a school district, or a community college district. County free libraries established pursuant to Chapter 2 (commencing with Section 27151) of Division 20 of the Education Code, areas receiving county fire protection services pursuant to Section 25643 of the Government Code, and county road districts established pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code shall be considered "special districts" for all purposes of this part.

GC §17521: "Test Claim"

"Test claim" means the first claim filed with the commission alleging that a particular statute or executive order imposes costs mandated by the state.

GC §17522: Definitions

(a) "Initial reimbursement claim" means a claim filed with the Controller by a local agency or school district for costs to be reimbursed for the fiscal years specified in the first claiming instructions issued by the Controller pursuant to subdivision (b) of Section 17558. (b) "Annual reimbursement claim" means a claim for actual costs incurred in a prior fiscal year filed with the Controller by a local agency or school district for which appropriations are made to the Controller for this purpose. (c) "Estimated reimbursement claim" means a claim filed with the Controller by a local agency or school district in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times, for estimated costs to be reimbursed during the current or future fiscal years, for which appropriations are made to the Controller for this purpose. (d) "Entitlement claim" means a claim filed by a local agency or school district with the Controller for the purpose of establishing or adjusting a base year entitlement. All entitlement claims are subject to Section 17616.

GC §17523: "Deflator"

"Deflator" means the Implicit Price Deflator for the Costs of Goods and Services to Governmental Agencies, as determined by the Department of Finance.

GC §17524: "Base Year Entitlement"

"Base year entitlement" means that amount determined to be the average for the approved reimbursement claims of each local agency or school district for the three preceding fiscal years adjusted by the change in the deflator. A base year entitlement shall not include any nonrecurring or initial startup costs incurred by a local agency or school district in any of those three fiscal years. For those mandates which become operative on January 1 of any year, the amount of the "approved reimbursement claim" for the first of the three years may be computed by annualizing the amount claimed for the six-month period of January through June in that first year, excluding nonrecurring or startup costs.

GC §17525: Members: Term and Per Diem for Specified Members

(a) There is hereby created the Commission on State Mandates, which shall consist of seven members as follows: (1) The Controller. (2) The Treasurer. (3) The Director of Finance. (4) The Director of the Office of Planning and Research. (5) A public member with experience in public finance, appointed by the Governor and approved by the Senate. (6) Two members from the following three categories appointed by the Governor and approved by the Senate, provided that no more than one member shall come from the same category: (A) A city council member. (B) A member of a county or city and county board of supervisors. (C) A governing board member of a school district as defined in Section 17519. (b) Each member appointed pursuant to paragraph (5) or (6) of subdivision (a) shall be subject to both of the following: (1) The member shall serve for a term of four years subject to renewal. (2) The member shall receive per diem of one hundred dollars (\$100) for each day actually spent in the

discharge of official duties and shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of duties as a member of the commission.

GC §17526: Open Meetings: Executive Sessions

(a) All meetings of the commission shall be open to the public, except that the commission may meet in executive session to consider the appointment or dismissal of officers or employees of the commission or to hear complaints or charges brought against a member, officer, or employee of the commission. (b) The commission shall meet at least once every two months. (c) The time and place of meetings may be set by resolution of the commission, by written petition of a majority of the members, or by written call of the chairperson. The chairperson may, for good cause, change the starting time or place, reschedule, or cancel any meeting.

GC §17527: Powers of Commission

In carrying out its duties and responsibilities, the commission shall have the following powers: (a) To examine any document, report, or data, including computer programs and data files, held by any local agency or school district. (b) To meet at times and places as it may deem proper. (c) As a body or, on the authorization of the commission, as a committee composed of one or more members, to hold hearings at any time and place it may deem proper. (d) Upon a majority vote of the commission, to issue subpoenas to compel the attendance of witnesses and the production of books, records, papers, accounts, reports, and documents. (e) To administer oaths. (f) To contract with other agencies or individuals, public or private, as it deems necessary, to provide or prepare services, facilities, studies, and reports to the commission as will assist it in carrying out its duties and responsibilities. (g) To adopt, promulgate, amend, and rescind rules and regulations, which shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. (h) To do any and all other actions necessary or convenient to enable it fully and adequately to perform its duties and to exercise the powers expressly granted to it.

GC §17528: Election of Officers

The members of the commission shall elect a chairperson and a vice chairperson of the commission.

GC §17529: Appointment of Attorney: Duties

The commission may appoint as attorney to the commission an attorney at law of this state, who shall hold office at the pleasure of the commission. The attorney shall represent and appear for the commission in all actions and proceedings involving any question under this part or under any order or act of the commission. The attorney shall advise the commission and each member of the commission, when so requested, in regard to all matters in connection with the powers and duties of the commission and the members thereof. The attorney shall generally perform all duties and services as attorney to the commission which the commission may require.

GC §17530: Appointment of Executive Director: Duties

The commission shall appoint an executive director, who shall be exempt from civil service and shall hold office at the pleasure of the commission. The executive director shall be responsible for the executive and administrative duties of the commission and shall organize, coordinate, supervise, and direct the operations and affairs of the commission and expedite all matters within the jurisdiction of the commission. The executive director shall keep a full and true record of all proceedings of the commission, issue all necessary process, writs, warrants, and notices, and perform other duties as the commission prescribes.

GC §17531: Authority of Executive Director to Employ Necessary Staff

The executive director may employ those officers, examiners, experts, statisticians, accountants, inspectors, clerks, and employees as the executive director deems necessary to carry out the provisions of this part or to perform the duties and exercise the powers conferred upon the commission by law.

GC §17532: Quorum: Investigations, Inquiries, and Hearing

A majority of the commissioners shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the commission. Any investigation, inquiry, or hearing which the commission has power to undertake or to hold may be undertaken or held by or before any commissioner or commissioners designated for the purpose by the commission. The evidence in any investigation, inquiry, or hearing may be taken by the commissioner or commissioners to whom the investigation, inquiry, or hearing has been assigned or, in his or her or their behalf, by an examiner designated for that purpose. Every finding, opinion, and order made by the commissioner or commissioners so designated, pursuant to the investigation, inquiry, or hearing, when approved or confirmed by the commission and ordered filed in its office, shall be deemed to be the finding, opinion, and order of the commission.

GC §17533: Provisions not Applicable to Hearing by Commission

Notwithstanding Section 11425.10, Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 does not apply to a hearing by the commission under this part.

GC §17550: Reimbursements of Local Agencies and Special Districts

Reimbursement of local agencies and school districts for costs mandated by the state shall be provided pursuant to this chapter.

GC §17551: Commission Hearing and Decision Upon Claims

(a) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district that the local agency or school district is entitled to be reimbursed by the state for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution. (b) Commission review of claims may be had pursuant to subdivision (a) only if the test claim is filed within the time limits specified in this section. (c) Local agency and school district test claims shall be filed not later than 12 months following the effective date of a statute or executive order, or within 12 months of incurring increased costs as a result of a statute or executive order, whichever is later. (d) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561.

GC §17552: Exclusivity of Procedure by Chapter

This chapter shall provide the sole and exclusive procedure by which a local agency or school district may claim reimbursement for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution.

GC §17553: Adoption of Procedure for Receiving Claims and Providing Hearings: Postponement of Hearings

(a) The commission shall adopt procedures for receiving claims pursuant to this article and for providing a hearing on those claims. The procedures shall do all of the following: (1) Provide for presentation of evidence by the claimant, the Department of Finance and any other affected department

or agency, and any other interested person. (2) Ensure that a statewide cost estimate is adopted within 12 months after receipt of a test claim, when a determination is made by the commission that a mandate exists. This deadline may be extended for up to six months upon the request of either the claimant or the commission. (3) Permit the hearing of a claim to be postponed at the request of the claimant, without prejudice, until the next scheduled hearing. (b) All test claims shall be filed on a form prescribed by the commission and shall contain at least the following elements and documents: (1) A written narrative that identifies the specific sections of statutes or executive orders alleged to contain a mandate and shall include all of the following: (A) A detailed description of the new activities and costs that arise from the mandate. (B) A detailed description of existing activities and costs that are modified by the mandate. (C) The actual increased costs incurred by the claimant during the fiscal year for which the claim was filed to implement the alleged mandate. (D) The actual or estimated annual costs that will be incurred by the claimant to implement the alleged mandate during the fiscal year immediately following the fiscal year for which the claim was filed. (E) A statewide cost estimate of increased costs that all local agencies or school districts will incur to implement the alleged mandate during the fiscal year immediately following the fiscal year for which the claim was filed. (F) Identification of all of the following: (i) Dedicated state funds appropriated for this program. (ii) Dedicated federal funds appropriated for this program. (iii) Other nonlocal agency funds dedicated for this program. (iv) The local agency's general purpose funds for this program. (v) Fee authority to offset the costs of this program. (G) Identification of prior mandate determinations made by the Board of Control or the Commission on State Mandates that may be related to the alleged mandate. (2) The written narrative shall be supported with declarations under penalty of perjury, based on the declarant's personal knowledge, information or belief, and signed by persons who are authorized and competent to do so, as follows: (A) Declarations of actual or estimated increased costs that will be incurred by the claimant to implement the alleged mandate. (B) Declarations identifying all local, state, or federal funds, or fee authority that may be used to offset the increased costs that will be incurred by the claimant to implement the alleged mandate, including direct and indirect costs. (C) Declarations describing new activities performed to implement specified provisions of the new statute or executive order alleged to impose a reimbursable state-mandated program. Specific references shall be made to chapters, articles, sections, or page numbers alleged to impose a reimbursable state-mandated program. (3) (A) The written narrative shall be supported with copies of all of the following: (i) The test claim statute that includes the bill number or executive order, alleged to impose or impact a mandate. (ii) Relevant portions of state constitutional provisions, federal statutes, and executive orders that may impact the alleged mandate. (iii) Administrative decisions and court decisions cited in the narrative. (B) State mandate determinations made by the Board of Control and the Commission on State Mandates and published court decisions on state mandate determinations made by the Commission on State Mandates are exempt from this requirement. (4) A test claim shall be signed at the end of the document, under penalty of perjury by the claimant or its authorized representative, with the declaration that the test claim is true and complete to the best of the declarant's personal knowledge or information or belief. The date of signing, the declarant's title, address, telephone number, facsimile machine telephone number, and electronic mail address shall be included. (c) If a completed test claim is not received by the commission within 30 calendar days from the date that an incomplete test claim was returned by the commission, the original test claim filing date may be disallowed, and a new test claim may be accepted on the same statute or executive order. (d) In addition, the commission shall determine whether an incorrect reduction claim is complete within 10 days after the date that the incorrect reduction claim is filed. If the commission determines that an incorrect reduction claim is not complete, the commission shall notify the local agency and school district that filed the claim stating the reasons that the claim is not complete. The local agency or school district shall have 30 days to complete the claim. The commission shall serve a copy of the complete incorrect reduction claim on the Controller. The Controller shall have no more than 90 days after the date the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the commission.

GC §17554: Commission's Authority to Expedite Claim

With the agreement of all parties to the claim, the commission may waive the application of any procedural requirement imposed by this chapter or pursuant to Section 17553. The authority granted by this section includes the consolidation of claims and the shortening of time periods.

GC §17555: Date for Public Hearing: Test Claim Form and Procedure

(a) No later than 30 days after hearing and deciding upon a test claim pursuant to subdivision (a) of Section 17551, the commission shall notify the appropriate Senate and Assembly policy and fiscal committees, the Legislative Analyst, the Department of Finance, and the Controller of that decision. (b) For purposes of this section, the "appropriate policy committee" means the policy committee that has jurisdiction over the subject matter of the statute, regulation, or executive order, and bills relating to that subject matter would have been heard.

GC §17556: Criteria for not Finding Costs Mandated by the State

The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds that: (a) The claim is submitted by a local agency or school district that requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or school district that requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this paragraph. (b) The statute or executive order affirmed for the state a mandate that had been declared existing law or regulation by action of the courts. (c) The statute or executive order imposes a requirement that is mandated by a federal law or regulation and results in costs mandated by the federal government, unless the statute or executive order mandates costs that exceed the mandate in that federal law or regulation. This subdivision applies regardless of whether the federal law or regulation was enacted or adopted prior to or after the date on which the state statute or executive order was enacted or issued. (d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service. (e) The statute, executive order, or an appropriation in a Budget Act or other bill provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate. (f) The statute or executive order imposed duties that were expressly included in a ballot measure approved by the voters in a statewide or local election. (g) The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

GC §17557: Determination of Amount to be Subvened for Reimbursement: Parameters and Guidelines

(a) If the commission determines there are costs mandated by the state pursuant to Section 17551, it shall determine the amount to be subvened to local agencies and school districts for reimbursement. In so doing it shall adopt parameters and guidelines for reimbursement of any claims relating to the statute or executive order. The successful test claimants shall submit proposed parameters and guidelines within 30 days of adoption of a statement of decision on a test claim. At the request of a successful test claimant, the commission may provide for one or more extensions of this 30-day period at any time prior to its adoption of the parameters and guidelines. If proposed parameters and guidelines are not submitted within the 30-day period and the commission has not granted an extension, then the commission shall notify the test claimant that the amount of reimbursement the test claimant is entitled to for the first 12 months of incurred costs will be reduced by 20 percent, unless the test claimant can demonstrate to the commission why an extension of the 30-day period is justified. (b) In adopting parameters and guidelines, the commission may adopt a reasonable reimbursement methodology. (c)

The parameters and guidelines adopted by the commission shall specify the fiscal years for which local agencies and school districts shall be reimbursed for costs incurred. However, the commission may not specify in the parameters and guidelines any fiscal year for which payment could be provided in the annual Budget Act. (d) A local agency, school district, or the state may file a written request with the commission to amend, modify, or supplement the parameters or guidelines. The commission may, after public notice and hearing, amend, modify, or supplement the parameters and guidelines. A parameters and guidelines amendment submitted within 90 days of the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, shall apply to all years eligible for reimbursement as defined in the original parameters and guidelines. A parameters and guidelines amendment filed more than 90 days after the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, and on or before January 15 following a fiscal year, shall establish reimbursement eligibility for that fiscal year. (e) A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. The claimant may thereafter amend the test claim at any time, but before the test claim is set for a hearing, without affecting the original filing date as long as the amendment substantially relates to the original test claim. (f) In adopting parameters and guidelines, the commission shall consult with the Department of Finance, the affected state agency, the Controller, the fiscal and policy committees of the Assembly and Senate, the Legislative Analyst, and the claimants to consider a reasonable reimbursement methodology that balances accuracy with simplicity.

GC §17558: Submission of Parameters and Guidelines to Controller: Transfer of Claims; Claiming Instructions

(a) The commission shall submit the adopted parameters and guidelines to the Controller. All claims relating to a statute or executive order that are filed after the adoption or amendment of parameters and guidelines pursuant to Section 17557 shall be transferred to the Controller who shall pay and audit the claims from funds made available for that purpose. (b) Not later than 60 days after receiving the adopted parameters and guidelines from the commission, the Controller shall issue claiming instructions for each mandate that requires state reimbursement, to assist local agencies and school districts in claiming costs to be reimbursed. In preparing claiming instructions, the Controller shall request assistance from the Department of Finance and may request the assistance of other state agencies. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the commission. (c) The Controller shall, within 60 days after receiving revised adopted parameters and guidelines from the commission or other information necessitating a revision of the claiming instructions, prepare and issue revised claiming instructions for mandates that require state reimbursement that have been established by commission action pursuant to Section 17557 or after any decision or order of the commission pursuant to Section 17551. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies.

GC §17558.5: Reimbursement Claim: Audit; Remittance Advice and Other Notices of Payment

(a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. (b) The Controller may conduct a field review of any claim after the claim has been submitted, prior to the reimbursement of the claim. (c) The Controller shall notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review. The notification shall specify the claim components adjusted, the amounts adjusted, interest charges on claims adjusted to reduce the overall reimbursement to the local agency or school district, and the reason for the adjustment. Remittance advices and other notices of payment action shall not constitute notice of adjustment from an audit or review. (d) The interest rate charged by the Controller on reduced claims shall be set at the Pooled

Money Investment Account rate and shall be imposed on the dollar amount of the overpaid claim from the time the claim was paid until overpayment is satisfied. (e) Nothing in this section shall be construed to limit the adjustment of payments when inaccuracies are determined to be the result of the intent to defraud, or when a delay in the completion of an audit is the result of willful acts by the claimant or inability to reach agreement on terms of final settlement.

GC §17558.6: Legislative Intent

It is the intent of the Legislature that the Commission on State Mandates review its process by which local agencies may appeal the reduction of reimbursement claims on the basis that the reduction is incorrect in order to provide for a more expeditious and less costly process.

GC §17559: Judicial Review

(a) The commission may order a reconsideration of all or part of a test claim or incorrect reduction claim on petition of any party. The power to order a reconsideration or amend a test claim decision shall expire 30 days after the statement of decision is delivered or mailed to the claimant. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of the 30-day period, the commission may grant a stay of that expiration for no more than 30 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied. (b) A claimant or the state may commence a proceeding in accordance with the provisions of Section 1094.5 of the Code of Civil Procedure to set aside a decision of the commission on the ground that the commission's decision is not supported by substantial evidence. The court may order the commission to hold another hearing regarding the claim and may direct the commission on what basis the claim is to receive a rehearing.

GC §17560: Deadlines for Filing Reimbursement Claims

Reimbursement for state-mandated costs may be claimed as follows: (a) A local agency or school district may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b). (b) A local agency or school district may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year. (c) In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of Section 17558 between October 15 and January 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

GC §17561: Reimbursement of Costs for State Mandated Programs

(a) The state shall reimburse each local agency and school district for all "costs mandated by the state," as defined in Section 17514. (b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows: (A) Any statute mandating these costs shall provide an appropriation therefor. (B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill which is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts. (2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor's Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor's Budget and in the accompanying Budget Bill subsequent to the enactment of the local government claims bill pursuant to Section 17600 that includes the amounts awarded relating to these chaptered bills or executive orders. (c) The amount appropriated to reimburse local agencies and

school districts for costs mandated by the state shall be appropriated to the Controller for disbursement. (d) The Controller shall pay any eligible claim pursuant to this section within 60 days after the filing deadline for claims for reimbursement or 15 days after the date the appropriation for the claim is effective, whichever is later. The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies that would otherwise collect the costs of these mandates from local agencies or school districts in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows: (1) For initial reimbursement claims, the Controller shall issue claiming instructions to the relevant local agencies and school districts pursuant to Section 17558. Issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the commission. (A) When claiming instructions are issued by the Controller pursuant to Section 17558 for each mandate determined pursuant to Section 17551 that requires state reimbursement, each local agency or school district to which the mandate is applicable shall submit claims for initial fiscal year costs to the Controller within 120 days of the issuance date for the claiming instructions. (B) When the commission is requested to review the claiming instructions pursuant to Section 17571, each local agency or school district to which the mandate is applicable shall submit a claim for reimbursement within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller. (C) If the local agency or school district does not submit a claim for reimbursement within the 120-day period, or submits a claim pursuant to revised claiming instructions, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, provided that the Controller (i) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, and (ii) may reduce any claim that the Controller determines is excessive or unreasonable. (2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, (B) may reduce any claim that the Controller determines is excessive or unreasonable, and (C) shall adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years. (3) When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates contained in a claims bill.

GC §17561.5: Payment of Claim with Interest

The payment of an initial reimbursement claim by the Controller shall include accrued interest at the Pooled Money Investment Account rate, if the payment is being made more than 365 days after adoption of the statewide cost estimate for an initial claim or, in the case of payment of a subsequent claim relating to that same statute or executive order, if payment is being made more than 60 days after the filing deadline for, or the actual date of receipt of, the subsequent claim, whichever is later. In those instances, interest shall begin to accrue as of the 366th day after adoption of the statewide cost estimate for an initial claim and as of the 61st day after the filing deadline for, or actual date of receipt of, the subsequent claim, whichever is later.

GC §17561.6: Payment

A budget act item or appropriation pursuant to this part for reimbursement of claims shall include an amount necessary to reimburse any interest due pursuant to Section 17561.5.

GC §17562: Review of Costs of State-Mandated Local Programs

(a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to increase information regarding state mandates and establish a method for regularly reviewing the costs and benefits of state-mandated local programs. (b) The Controller shall submit a report to the Joint Legislative Budget Committee and fiscal committees by January 1 of each year. This report shall summarize, by state mandate, the total amount of claims paid per fiscal year and the amount, if any, of mandate deficiencies or surpluses. This report shall be made available in an electronic spreadsheet format. The report shall compare the annual cost of each mandate to the statewide cost estimate adopted by the commission. (c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified. (d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall identify mandates that significantly exceed the statewide cost estimate adopted by the commission. The Legislative Analyst shall make recommendations on whether the mandate should be repealed, funded, suspended, or modified. (e) (1) A statewide association of local agencies or school districts or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit a letter to the Chairs of the Assembly Committee on Education or the Assembly Committee on Local Government, as the case may be, and the Senate Committee on Education or the Senate Committee on Local Government, as the case may be, specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year. (2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst. (3) The Department of Finance shall review all statutes enacted each year that contain provisions making inoperative Section 17561 or Section 17565 that have resulted in costs or revenue losses mandated by the state that were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the statutes. The Department of Finance shall also review all statutes enacted each year that may result in cost savings authorized by the state. The Department of Finance shall submit an annual report of the review required by this subdivision, together with the recommendations as it may deem appropriate, by December 1 of each year. (f) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following: (1) The reports and recommendations submitted pursuant to subdivision (e). (2) The reports submitted pursuant to Sections 17570, 17600, and 17601. (3) Legislation to continue, eliminate, or modify any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment.

GC §17563: Use of Funds Received for Public Purpose

Any funds received by a local agency or school district pursuant to the provisions of this chapter may be used for any public purpose.

GC §17564: Filing of Claims: Threshold Amount

(a) No claim shall be made pursuant to Sections 17551 and 17561, nor shall any payment be made on claims submitted pursuant to Sections 17551 and 17561, unless these claims exceed one thousand dollars (\$1,000), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds one thousand dollars (\$1,000) even if the individual school district's, direct service district's, or special district's claims do not each exceed one thousand dollars (\$1,000). The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim. (b) Claims for direct and indirect costs filed pursuant to Section 17561 shall be filed in the manner prescribed in the parameters and guidelines and claiming instructions.

GC §17565: Reimbursement of Subsequently Mandated Costs

If a local agency or a school district, at its option, has been incurring costs which are subsequently mandated by the state, the state shall reimburse the local agency or school district for those costs incurred after the operative date of the mandate.

GC §17567: Insufficiency of Appropriation: Proration of Claims

In the event that the amount appropriated for reimbursement purposes pursuant to Section 17561 is not sufficient to pay all of the claims approved by the Controller, the Controller shall prorate claims in proportion to the dollar amount of approved claims timely filed and on hand at the time of proration. The Controller shall adjust prorated claims if supplementary funds are appropriated for this purpose. In the event that the Controller finds it necessary to prorate claims as provided by this section, the Controller shall immediately report this action to the Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, the Controller shall transmit this information to the commission which shall include these amounts in its report to the Legislature pursuant to Section 17600 to assure that an appropriation sufficient to pay the claims is included in the local government claims bills or other appropriation bills. If the local government claims bills required by Section 17612 have been introduced in the Legislature, the Controller shall report directly to the chairperson of the respective committee in each house of the Legislature which considers appropriations to assure inclusion of a sufficient appropriation in the claims bills.

GC §17568: Payment of Claims Submitted After Deadline

If a local agency or school district submits an otherwise valid reimbursement claim to the Controller after the deadline specified in Section 17560, the Controller shall reduce the reimbursement claim in an amount equal to 10 percent of the amount which would have been allowed had the reimbursement claim been timely filed, provided that the amount of this reduction shall not exceed one thousand dollars (\$1,000). In no case shall a reimbursement claim be paid which is submitted more than one year after the deadline specified in Section 17560. Estimated claims which were filed by the deadline specified in that section shall be paid in full before payments are made on estimated claims filed after the deadline. In the event the amount appropriated to the Controller for reimbursement purposes is not sufficient to pay the estimated claims approved by the Controller, the Controller shall prorate those claims in proportion to the dollar amount of approved claims filed after the deadline and shall report to the commission or the Legislature in the same manner as described in Section 17566 in order to assure appropriation of funds sufficient to pay those claims.

GC §17570: Annual Report to Legislature

The Legislative Analyst shall review each unfunded statutory or regulatory mandate for which claims have been approved by the Legislature pursuant to a claims bill during the preceding fiscal year. Any recommendations by the Legislative Analyst to eliminate or modify the mandates shall be contained in the annual analysis of the Budget Bill prepared by the Legislative Analyst.

GC §17571: Review and Modification of Claiming Instructions

The commission, upon request of a local agency or school district, shall review the claiming instructions issued by the Controller or any other authorized state agency for reimbursement of mandated costs. If the commission determines that the claiming instructions do not conform to the parameters and guidelines, the commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the commission.

GC §17572: Amended Animal Adoption Parameters and Guidelines

(a) The commission shall amend the parameters and guidelines for the state-mandated local program contained in Chapter 752 of the Statutes of 1998, known as the Animal Adoption mandate (Case No. 98-TC-11), as specified below: (1) Amend the formula for determining the reimbursable portion of acquiring or building additional shelter space that is larger than needed to comply with the increased holding period to specify that costs incurred to address preexisting shelter overcrowding or animal population growth are not reimbursable. (2) Clarify how the costs for care and maintenance shall be calculated. (3) Detail the documentation necessary to support reimbursement claims under this mandate, in consultation with the Bureau of State Audits and the Controller's office. (b) The parameters and guidelines, as amended pursuant to this section, shall apply to claims for costs incurred in fiscal years commencing with the 2005-06 fiscal year in which Chapter 752 of the Statutes of 1998 is not suspended pursuant to Section 17581. (c) Before funds are appropriated to reimburse local agencies for claims related to costs incurred in fiscal years commencing with the 2005-06 fiscal year pursuant to Sections 1834 and 1846 of the Civil Code, and Sections 31108, 31752, 31752.5, 31753, 32001, and 32003 of the Food and Agricultural Code, known as the Animal Adoption mandate, local agencies shall file reimbursement claims pursuant to the parameters and guidelines amended pursuant to this section, and the Controller's revised claiming instructions.

GC §17575: Review of Bills

When a bill is introduced in the Legislature, and each time a bill is amended, on and after January 1, 1985, the Legislative Counsel shall determine whether the bill mandates a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution. The Legislative Counsel shall make this determination known in the digest of the bill and shall describe in the digest the basis for this determination. The determination by the Legislative Counsel shall not be binding on the commission in making its determination pursuant to Section 17555.

GC §17576: Amendment of Bills on Floor: Notification by Legislative Counsel

Whenever the Legislative Counsel determines that a bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Department of Finance shall prepare an estimate of the amount of reimbursement which will be required. This estimate shall be prepared for the respective committees of each house of the Legislature which consider taxation measures and appropriation measures and shall be prepared prior to any hearing on the bill by any such committee.

GC §17577: Amount of Estimates

The estimate required by Section 17576 shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local agencies and school districts for costs mandated by the state by the bill.

GC §17578: Amendment of Bills on Floor: Notification by Legislative Counsel

In the event that a bill is amended on the floor of either house, whether by adoption of the report of a conference committee or otherwise, in such a manner as to mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Legislative Counsel shall immediately inform, respectively, the Speaker of the Assembly and the President of the Senate of that fact. Notification from the Legislative Counsel shall be published in the journal of the respective houses of the Legislature.

GC §17579: Requirement for New Mandates to Specify Reimbursement Requirements: Appropriations

Any bill introduced or amended for which the Legislative Counsel has determined the bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution shall contain a section specifying that reimbursement shall be made pursuant to this chapter or that the mandate is being disclaimed and the reason therefor.

GC §17581: Conditions for Exemption from Implementation of Statute or Executive Order

(a) No local agency shall be required to implement or give effect to any statute or executive order, or portion thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply: (1) The statute or executive order, or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution. (2) The statute or executive order, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements. (b) Notwithstanding any other provision of law, if a local agency elects to implement or give effect to a statute or executive order described in subdivision (a), the local agency may assess fees to persons or entities which benefit from the statute or executive order. Any fee assessed pursuant to this subdivision shall not exceed the costs reasonably borne by the local agency. (c) This section shall not apply to any state-mandated local program for the trial courts, as specified in Section 77203. (d) This section shall not apply to any state-mandated local program for which the reimbursement funding counts toward the minimum General Fund requirements of Section 8 of Article XVI of the Constitution.

GC §17581.5 Exemption from Provisions of School Bus Safety II Mandate and School Crimes Reporting II Mandate

(a) A school district may not be required to implement or give effect to the statutes, or portion thereof, identified in subdivision (b) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply: (1) The statute or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts pursuant to Section 6 of Article XIII B of the California Constitution. (2) The statute, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being

one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements. (b) This section applies only to the following mandates: (1) The School Bus Safety I (CSM-4433) and II (97-TC-22) mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997). (2) The School Crimes Reporting II mandate (97-TC-03; and Chapter 759 of the Statutes of 1992 and Chapter 410 of the Statutes of 1995). (3) Investment reports (96-358-02; and Chapter 783 of the Statutes of 1995 and Chapters 156 and 749 of the Statutes of 1996). (4) County treasury oversight committees (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

GC §17600: Report on Number of Mandates and Their Costs

At least twice each calendar year the commission shall report to the Legislature on the number of mandates it has found pursuant to Article 1 (commencing with Section 17550) and the estimated statewide costs of these mandates. This report shall identify the statewide costs estimated for each mandate and the reasons for recommending reimbursement.

GC §17601: Report on Claims Denied

The commission shall report to the Legislature on January 15, 1986, and each January 15 thereafter, on the number of claims it denied during the preceding calendar year and the basis on which the particular claims were denied.

GC §17612: Local Government Claims Bills: Judicial Review of Funding Deletions

(a) Immediately upon receipt of the report submitted by the commission pursuant to Section 17600, a local government claims bill shall be introduced in the Legislature. The local government claims bill, at the time of its introduction, shall provide for an appropriation sufficient to pay the estimated costs of these mandates. (b) The Legislature may amend, modify, or supplement the parameters and guidelines for mandates contained in the local government claims bill. If the Legislature amends, modifies, or supplements the parameters and guidelines, it shall make a declaration in the local government claims bill specifying the basis for the amendment, modification, or supplement. (c) If the Legislature deletes from a local government claims bill funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement.

GC §17613: Authorization of Augmentation for Mandated Costs

(a) The Director of Finance may, upon receipt of any report submitted pursuant to Section 17567, authorize the augmentation of the amount available for expenditure to reimburse costs mandated by the state, as defined in Section 17514, as follows: (1) For augmentation of (A) any schedule in any item to reimburse costs mandated by the state in any budget act, or (B) the amount appropriated in a local government claims bill for reimbursement of the claims of local agencies, as defined by Section 17518, from the unencumbered balance of any other item to reimburse costs mandated by the state in that budget act or another budget act or in an appropriation for reimbursement of the claims of local agencies in another local government claims bill. (2) For augmentation of (A) any schedule in any budget act item, or (B) any amount appropriated in a local government claims bill, when either of these augmentations is for reimbursement of mandated claims of school districts, as defined in Section 17519, when the source of this augmentation is (A) the unencumbered balance of any other scheduled amount in that budget act or another budget act, or (B) an appropriation in another local government claims bill, when either of these appropriations is for reimbursement of mandate claims of school districts. This paragraph applies only to appropriations that are made for the purpose of meeting the minimum funding guarantee for educational programs pursuant to Section 8 of Article XVI of the California Constitution. (b) No authorization for an augmentation pursuant to this section may be made

sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

GC §17615: Legislative Findings and Intent

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for actual costs mandated by the state on an annual claim basis is time consuming, cumbersome, and expensive at both the local and state levels. The Controller must process voluminous claims with all claims subject to a desk audit and selected claims also subject to a field audit. Local agencies are required to maintain extensive documentation of all claims in anticipation of such an audit. The volume of these records is substantial and will continue to grow with no relief in sight as new programs are mandated. The cost to local agencies and school districts for filing claims, and for maintaining documentation and responding to the Controller's audits is substantial. The current administrative cost to both state and local governments represents a significant expenditure of public funds with no apparent benefit to the taxpayers. It is the intent of the Legislature to streamline the reimbursement process for costs mandated by the state by creating a system of state mandate apportionments to fund the costs of certain programs mandated by the state.

GC §17615.1: Review of Programs for Inclusion in System

The commission shall establish a procedure for reviewing, upon request, mandated cost programs for which appropriations have been made by the Legislature for the 1982-83, 1983-84, and 1984-85 fiscal years, or any three consecutive fiscal years thereafter. At the request of the Department of Finance, the Controller, or any local agency or school district receiving reimbursement for the mandated program, the commission shall review the mandated cost program to determine whether the program should be included in the State Mandates Apportionment System. If the commission determines that the State Mandates Apportionment System would accurately reflect the costs of the state-mandated program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System.

GC §17615.2: Calculation of Disbursement Amounts

(a) Notwithstanding Section 17561, after November 30, 1985, for those programs included in the State Mandates Apportionment System, after approval by the commission, there shall be disbursed by the Controller to each local agency and school district which has submitted a reimbursement claim for costs mandated by the state in the 1982-83, 1983-84, and the 1984-85 fiscal years, or any three consecutive fiscal years thereafter, an amount computed by averaging the approved reimbursement claims for this three-year period. The amount shall first be adjusted according to any changes in the deflator. The deflator shall be applied separately to each year's costs for the three years which comprise the base period. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1985 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "base period" means the three fiscal years immediately succeeding the commission's approval. (b) When the Controller has made payment on claims prior to commission approval of the program for inclusion in the State Mandates Apportionment System, the payment shall be adjusted in the next apportionment to the amount which would have been subvented to the local agency or school district for that fiscal year had the State Mandates Apportionment System been in effect at the time of the initial payment.

GC §17615.3: Annual Recalculation of Allocation

Notwithstanding Section 17561, by November 30, 1986, and by November 30 of each year thereafter, for those programs included in the State Mandates Apportionment System, the Controller shall recalculate each allocation for each local agency and school district for the 1985-86 fiscal year, by using the actual change in the deflator for that year. That recalculated allocation shall then be adjusted by the estimated change in the deflator for the 1986 -87 fiscal year, and each fiscal year thereafter, to

establish the allocation amount for the 1986-87 fiscal year, and each fiscal year thereafter. Additionally, for programs approved by the commission for inclusion in the State Mandates Apportionment System on or after January 1, 1988, the allocation for each year succeeding the three-year base period shall be adjusted according to any changes in both the deflator and workload. The Controller shall then subvene that amount after adjusting it by any amount of overpayment or underpayment in the 1985-86 fiscal year, and each fiscal year thereafter, due to a discrepancy between the actual change and the estimated change in the deflator or workload. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1986 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "workload" means, for school districts and county offices of education, changes in the average daily attendance; for community colleges, changes in the number of full-time equivalent students; for cities and counties, changes in the population within their boundaries; and for special districts, changes in the population of the county in which the largest percentage of the district's population is located.

GC §17615.4: Procedure for Newly Mandated Program

(a) When a new mandate imposes costs that are funded either by legislation or in local government claims bills, local agencies and school districts may file reimbursement claims as required by Section 17561, for a minimum of three years after the initial funding of the new mandate. (b) After actual cost claims are submitted for three fiscal years against such a new mandate, the commission shall determine, upon request of the Controller or a local entity or school district receiving reimbursement for the program, whether the amount of the base year entitlement adjusted by changes in the deflator and workload accurately reflects the costs incurred by the local agency or school district. If the commission determines that the base year entitlement, as adjusted, does accurately reflect the costs of the program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System. (c) The Controller shall make recommendations to the commission and the commission shall consider the Controller's recommendations for each new mandate submitted for inclusion in the State Mandates Apportionment System. All claims included in the State Mandates Apportionment System pursuant to this section are also subject to the audit provisions of Section 17616.

GC §17615.5: Procedure Where No Base Year Entitlement Has Been Established

(a) If any local agency or school district has an established base year entitlement which does not include costs for a particular mandate, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, adjusted pursuant to Section 17615.3 by changes in the deflator and workload, or entitlement claims covering a minimum of three consecutive years, after which time its base year entitlement may be adjusted by an amount necessary to fund the costs of that mandate. (b) If any local agency or school district has no base year entitlement, but wishes to begin claiming costs of one or more of the mandates included in the State Mandates Apportionment System, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, or entitlement claims covering the preceding three consecutive years, which shall be adjusted pursuant to Sections 17615.2 and 17615.3 by changes in the deflator and workload, after which time a base year entitlement may be established in an amount necessary to fund the costs of the mandate or mandates.

GC §17615.6: Procedure Where Program is No Longer Mandatory

If a local agency or school district realizes a decrease in the amount of costs incurred because a mandate is discontinued, or made permissive, the Controller shall determine the amount of the entitlement attributable to that mandate by determining the base year amount for that mandate for the local agency or school district plus the annual adjustments. This amount shall be subtracted from the annual subvention which would otherwise have been allocated to the local agency or school district.

GC §17615.7: Procedure Where Program is Modified

If a mandated program included in the State Mandates Apportionment System is modified or amended by the Legislature or by executive order, and the modification or amendment significantly affects the costs of the program, as determined by the commission, the program shall be removed from the State Mandate Apportionment System, and the payments reduced accordingly. Local entities or school districts may submit actual costs claims for a period of three years, after which the program may be considered for inclusion in the State Mandates Apportionment System, pursuant to the provisions of Section 17615.4.

GC §17615.8: Review of Base Year Entitlement

(a) The commission shall establish a procedure for reviewing, upon request, any apportionment or base year entitlement of a local agency or school district. (b) Local agencies and school districts which request such a review shall maintain and provide those records and documentation as the commission or its designee determines are necessary for the commission or its designee to make the required determinations. With the exception of records required to verify base year entitlements, the records may not be used to adjust current or prior apportionments, but may be used to adjust future apportionments. (c) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state does not accurately reflect the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission shall direct the Controller to adjust the apportionment accordingly. For the purposes of this section, an apportionment or a base year entitlement does not accurately reflect the costs incurred by a local agency or school district if it falls short of reimbursing, or overreimburses, that local agency's or school district's actual costs by 20 percent or by one thousand dollars (\$1,000), whichever is less. (d) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state accurately reflects the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission may, in its discretion, direct the Controller to withhold, and, if so directed, the Controller shall withhold the costs of the commission's review from the next apportionment to the local agency or school district, if the commission review was requested by the local agency or school district.

GC §17615.9: Review of Programs Under SMAS

The commission shall periodically review programs funded under the State Mandate Apportionments System to evaluate the effectiveness or continued statewide need for each such mandate.

GC §17616: Audits and Verification by Controller

The Controller shall have the authority to do either or both of the following: (a) Audit the fiscal years comprising the base year entitlement no later than three years after the year in which the base year entitlement is established. The results of such audits shall be used to adjust the base year entitlements and any subsequent apportionments based on that entitlement, in addition to adjusting actual cost payments made for the base years audited. (b) Verify that any local agency or school district receiving funds pursuant to this article is providing the reimbursed activities.

GC §17617: Local Agency Payment

The total amount due to each city, county, city and county, and special district, for which the state has determined, as of June 30, 2005, that reimbursement is required under Section 6 of Article XIII B of the California Constitution, shall be appropriated for payment to these entities over a period of not more than five years, commencing with the Budget Act for the 2006-07 fiscal year and concluding with the Budget Act for the 2011-12 fiscal year.

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2006-11
ANIMAL ADOPTION 2005

April 3, 2006

In accordance with Government Code (GC) section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for filing claims for the Animal Adoption (AA) program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (COSM).

On January 25, 2001, the COSM determined that Chapter 752, Statutes of 1998, established costs mandated by the State according to the provisions listed in the P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

Eligible Claimants

Any city, county, city and county, dependent special district, or joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this mandate, is eligible to claim reimbursement of these costs.

Filing Deadlines

A. Reimbursement Claims

Initial reimbursement claims must be filed within 120 days from the issuance date of claiming instructions. Costs incurred for this program are reimbursable for fiscal year 2005-06. Estimated claims for fiscal year 2005-06 must be filed on or before **August 1, 2006**. Actual reimbursement claims for fiscal year 2005-06 and estimated claims for fiscal year 2006-07 must be filed on or before **January 16, 2007**.

In order for a claim to be considered properly filed, it must include any specific supporting documentation requested in the instructions. **Claims filed more than one year after the deadline or without the requested supporting documentation will not be accepted.**

B. Late Penalty

1. Initial Claims

AB 3000, enacted into law on September 30, 2002, amended the late penalty assessments on initial claims. Late initial claims submitted **on or after September 30, 2002**, are assessed a late penalty of 10% of the total amount of the initial claims **without limitation**.

2. Annual Reimbursement Claims

All late annual reimbursement claims are assessed a late penalty of 10% subject to the \$1,000 limitation regardless of when the claims were filed.

C. Estimated Claims

Unless otherwise specified in the claiming instructions local agencies are not required to provide cost schedules and supporting documents with an estimated claim if the estimated amount does not exceed the previous fiscal year's actual costs by more than 10%. Claimants can simply enter the estimated amount on form FAM-27, line (07).

However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, claimants must complete supplemental claim forms to support their estimated costs as specified for the program to explain the reason for the increased costs. If no explanation supporting the higher estimate is provided with the claim, it will automatically be adjusted to 110% of the previous fiscal year's actual costs. Future estimated claims filed with the SCO must be postmarked by January 15 of the fiscal year in which costs will be incurred. Claims filed timely will be paid before late claims.

Minimum Claim Cost

GC section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such claim exceeds one thousand dollars (\$1,000).

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs incurred to implement the mandated activities. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question.

Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts. Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. It may also include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

Certification of Claim

In accordance with the provisions of GC section 17561, an authorized representative of the claimant shall be required to provide a certification of claim stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of the Code of Civil Procedure section 2015.5, for those costs mandated by the State and contained herein.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the COSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency pursuant to this chapter is subject to the initiation of an audit by the SCO no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the SCO to initiate an audit shall commence to run from the date of initial payment of the claim.

In any case, an audit shall be completed no later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. On-site audits will be conducted by the SCO as deemed necessary.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions, or requests for hard copies of these instructions, should be faxed to Angie Lowi-Teng at (916) 323-6527 or e-mailed to **LRSDAR@sco.ca.gov**. Or, if you wish, you may call the Local Reimbursements Section at (916) 324-5729.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard/local/locreim/index.shtml.

Address for Filing Claims

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **(To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Amended: January 26, 2006
Adopted: February 28, 2002
j:mandates/2004/pga/04pga01 and 02/draftpga

PARAMETERS AND GUIDELINES AMENDMENT

Civil Code Sections 1834 and 1846;
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
As Added or Amended by Statutes of 1998, Chapter 752

AND

Amended Pursuant to Statutes 2004, Chapter 313 (AB 2224) and
Request of the State Controller's Office

Animal Adoption

I. Summary of the Mandate

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive "necessary and prompt veterinary care."

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
 - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or

(b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing “necessary and prompt veterinary care” for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

II. Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. Period of Reimbursement

The period of reimbursement for the activities in this parameters and guidelines amendment begins on July 1, 2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A local agency may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
2. A local agency may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years’ costs shall be submitted within

120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. Reimbursable Activities

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One Time Activities

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) (8) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the

pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

B. Ongoing Activities

1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Formula for Proportionate Share of Actual Costs:

Where:

(A) = Shelter square footage, 1998

(B) = Total animal average daily census (ADC), 1998

(C) = Square footage per ADC, 1998 (=A/B)

(D) = Total dog/cat ADC, 1998

(E) = Shelter square footage, claim year

(F) = Total dog/cat ADC, claim year

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(I) = Eligible dog/cat square footage, claim year

For shelters that meet the conditions of to Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:¹

$$(I) = 2/5 \times C \times F$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(I) = 4/7 \times C \times F$$

(J) = Reduction in eligible square footage due to decline in total dog/cat population (cannot exceed 0)

For shelters that meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:²

$$(J) = [(F/5 - D/3 \times C \times D) / (D/3)]$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(J) = [(F/7 - D/3) \times C \times D] / (D/3)$$

(K) = Net eligible dog/cat square footage (cannot be less than 0)

$$(K = I+J)$$

(L) = Percentage of eligible dog/cat ADC, claim year ($L = G/F$)

(M) = Allowable dog/cat square footage ($M = K \times L$)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 ($N = C \times H$)

(P) = Eligible percentage of acquisition/construction costs (cannot exceed 100%) [$P = (M+N) / ((E-A))$]

Statutes 2004, chapter 313 specifies that costs incurred to address preexisting shelter overcrowding or animal population growth are not reimbursable. The mandate reimburses for costs required due to the

¹ In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

² In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

increased holding period required by Statutes 1998, chapter 752. In calculating net eligible dog/cat square footage, the formula recognizes that a decline in the number of animals sheltered may offset the effect of the increased holding period. For example, if the dog/cat average daily census does not change between the 1998 base year and the claim year, there is no additional square footage required.

The mandate reimburses only for costs attributable to eligible animals. Prior to Statutes 1998, chapter 752, shelters were required to hold dogs and cats for three days, whereas there was no required holding period for other animals. Therefore, the mandate reimbursable percentage formula separately calculates allowable square footage for dogs and cats, and allowable square footage for other animals specified by Food and Agricultural Code section 31753.

Acquisition/construction costs that are less than or equal to the cost of contract services for eligible animals are reimbursable.

Claimants may recalculate the eligible percentage of acquisition/construction costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.1, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the

holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;

- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holding period required by Statutes 1998, chapter 752; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes 1998, chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holder period required by Statutes 1998, chapter 752. This finding should include the cost to contract with existing shelters..

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire

holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Since the remodeling/renovation will not increase square footage to address existing overcrowding or future growth issues, the mandate reimbursable percentage formula for remodeling/renovation would exclude the eligible percentage of square footage factor.

Formula for proportionate share of actual remodeling/renovation costs:

(A) = Shelter square footage

(B) = Total animal average daily census (ADC), claim year

(C) = Square footage per ADC, claim year ($C = A/B$)

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(M) = Eligible dog/cat square footage, claim year

For shelters that meet the requirements of Food and Agricultural Code section 31108 (a)(1) or (2) for dogs, and section 31752 (a)(1) or (2) for cats, $M = 2/5 \times C \times G$.

For shelters that do not meet the requirements of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats, $M = 4/7 \times C \times G$.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year ($N = C \times H$)

(P) = Eligible percentage of remodeling/renovation costs

$[P = (M + N) / A]$

Claimants may recalculate the eligible percentage of remodeling/renovation costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The

determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.2, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities to comply with the increased holding period required by Statutes 1998, chapter 752.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished dogs and cats; and
- Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of all dogs and cats impounded at a facility. For purposes of claiming reimbursement under IV.B.3, average daily census is defined as the average number of all dogs and cats at a facility housed on any given day, in a 365-day period..
 - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
 - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die

during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
 - b) Account for the total activity for which each employee is compensated;
 - c) Account for the total labor hours of the month;
 - d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
 - e) Document, by signature or initials and date, supervisor approval.
3. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method –Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
 - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
 - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by

each reimbursable day (four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

4. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

5. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

6. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on “lost and found” lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

7. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and

- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

8. “Necessary and Prompt Veterinary Care” (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);

- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));
- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

V. Claim Preparation and Submission

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates

attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the Office of Management and Budget (OMB) Circular A-87. Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in OMB Circular A-87 Attachments A and B) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in OMB Circular A-87 Attachments A and B). However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or
2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections,

and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter³ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of

³ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section 31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decision and the revised parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ANIMAL ADOPTION 2005			For State Controller Use Only	Program 213
(01) Claimant Identification Number			(19) Program Number 00213	
(02) Claimant Name			(20) Date Filed ____/____/____	
County of Location			(21) LRS Input ____/____/____	
Street Address or P.O. Box Suite			(22) AA-1, (04)(A)(1)(g)	
City State Zip Code			(23) AA-1, (04)(A)(2)(g)	
			(24) AA-1, (04)(A)(3)(g)	
			(25) AA-1, (04)(B)(1)(g)	
Type of Claim	Estimated <input type="checkbox"/>	Reimbursement Claim <input type="checkbox"/>	(26) AA-1, (04)(B)(2)(g)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27) AA-1, (04)(B)(3)(g)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) AA-1, (04)(B)(4)(g)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) AA-1, (04)(B)(5)(g)	
Fiscal Year of Cost	(06) 20____/20____	(12) 20____/20____	(30) AA-1, (04)(B)(6)(g)	
Total Claimed Amount	(07)	(13)	(31) AA-1, (04)(B)(7)(g)	
Less: 10% Late Penalty, not to exceed \$1,000		(14)	(32) AA-1, (04)(B)(8)(g)	
Less: Prior Claim Payment Received		(15)	(33) AA-1, (04)(B)(9)(g)	
Net Claimed Amount		(16)	(34) AA-1, (04)(B)(10)(g)	
Due from State	(08)	(17)	(35) AA-1, (06)	
Due to State		(18)	(36)	
(37) CERTIFICATION OF CLAIM				
In accordance with the provisions of Government Code §17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.				
I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein, and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.				
The amounts for this Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.				
Signature of Authorized Officer			Date	
Type or Print Name			Title	
(38) Name of Contact Person for Claim			Telephone Number () - Ext.	
			E-Mail Address	

Program 213	ANIMAL ADOPTION 2005 Certification Claim Form Instructions	FORM FAM-27
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) If filing an estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing a combined estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended estimated claim, enter an "X" in the box on line (05) Amended.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of the estimated claim. If the estimate exceeds the previous year's actual costs by more than 10%, complete form AA-1 and enter the amount from line (11).
- (08) Enter the same amount as shown on line (07).
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from form AA-1, line (11). The total claimed amount must exceed \$1,000.
- (14) Estimated claims for fiscal year 2005-06 must be filed on or before **August 1, 2006**. Actual reimbursement claims for fiscal year 2005-06 and estimated claims for fiscal year 2006-07 must be filed on or before **January 16, 2007**. Enter zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10 (10% penalty), or \$1,000, whichever is less.
- (15) If filing a reimbursement claim and an estimated claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., AA-1, (04)(A)(1)(g), means the information is located on form AA-1, line (04)(A)(1), column (g). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 34.19% should be shown as 34. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

Address, if delivered by U.S. Postal Service:

**OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250**

Address, if delivered by other delivery service:

**OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816**

Program 213	MANDATED COSTS ANIMAL ADOPTION 2005 CLAIM SUMMARY						FORM AA-1	
(01) Claimant				(02) Type of Claim		Fiscal Year		
				Reimbursement <input type="checkbox"/>		20__/20__		
Estimated <input type="checkbox"/>								
(03) Department								
Direct Costs		Object Accounts						
(04) Reimbursable Components		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Salaries	Benefits	Materials & Supplies	Contract Services	Travel & Training	Fixed Assets	Total
A. One-Time Activities								
1. Policies and Procedures								
2. Training								
3. Computer Software								
B. Ongoing Activities								
1. Acquiring Space/Facilities								
2. Renovating Facilities								
3. Care of Dogs & Cats								
4. Care of Other Animals								
5. Holding Period								
6. Feral Cats								
7. Lost and Found Lists								
8. Non-Medical Records								
9. Veterinary Care								
10. Procuring Equipment								
(05) Total Direct Costs								
Indirect Costs								
(06) Indirect Cost Rate						[From ICRP]		%
(07) Total Indirect Costs						[Line (06) x line (05)(a)] or [Line (06) x {line (05)(a) + line (05)(b)}]		
(08) Total Direct and Indirect Costs						[Line (05)(g) + line (07)]		
Cost Reduction								
(09) Less: Offsetting Savings								
(10) Less: Other Reimbursements								
(11) Total Claimed Amount						[Line (08) - {line (09) + line (10)}]		

Program 213	ANIMAL ADOPTION 2005 CLAIM SUMMARY Instructions	FORM AA-1
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- (01) Enter the name of the claimant.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year of costs.
- Form AA-1 must be filed for a reimbursement claim. Do not complete form AA-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form AA-1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Department. If more than one department has incurred costs for this mandate, give the name of each department. A separate form AA-1 should be completed for each department.
- (04) Reimbursable Components. For each reimbursable component, enter the total from form AA-2, line (05), columns (d) through (i) to form AA-1, block (05), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (g).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an ICRP. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim.
- (07) Total Indirect Costs. If the 10% flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by the Indirect Cost Rate, line (06). If an ICRP is submitted and both salaries and benefits were used in the distribution base for the computation of the indirect cost rate, then multiply the sum of Total Salaries, line (05)(a), and Total Benefits, line (05)(b), by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(g), and Total Indirect Costs, line (07).
- (09) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements. Reimbursement received from any source shall be identified and deducted from this claim. Sources shall include, but are not limited to, rewards received under authority of Civil Code section 1845, licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f, and other state funds, and federal funds. Fees and fines received pursuant to Food & Agriculture Code section 30652 shall be deducted according to the priority specified on page 15 of the P's and G's.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim or line (13) for the Reimbursement Claim.

Program 213	MANDATED COSTS ANIMAL ADOPTION 2005 COMPONENT/ACTIVITY COST DETAIL							FORM AA-2	
(01) Claimant				(02) Fiscal Year					
(03) Reimbursable Components: Check only one box per form to identify the component being claimed.									
One-Time <input type="checkbox"/> Policies and Procedures <input type="checkbox"/> Training <input type="checkbox"/> Computer Software									
Ongoing <input type="checkbox"/> Acquiring Space/Facilities <input type="checkbox"/> Renovating Facilities <input type="checkbox"/> Care of Dogs & Cats <input type="checkbox"/> Care of Other Animals <input type="checkbox"/> Holding Period <input type="checkbox"/> Feral Cats <input type="checkbox"/> Lost and Found Lists <input type="checkbox"/> Non-Medical Records <input type="checkbox"/> Veterinary Care <input type="checkbox"/> Procuring Equipment									
(04) Description of Expenses				Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel and Training	
(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ____ of ____									

Program 213	ANIMAL ADOPTION 2005 COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM AA-2
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- (01) Claimant. Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A separate form AA-2 should be completed for each department.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Components. Check the box which indicates the cost component being claimed. Check only one box per form. A separate form AA-2 shall be prepared for each applicable component.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the component activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost = Hourly Rate x Hours Worked			Copy of Contract
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost = Unit Cost x Usage		Supporting Documentation
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Cost = Rate x Days or Miles or Total Travel Cost	
	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the component/activity costs, number each page. Enter totals from line (05), columns (d) through (i) to form AA-1, block (04), columns (a) through (f) in the appropriate row.

GENERAL CLAIMING INSTRUCTIONS

RECEIVED
 July 29, 2015
 Commission on
 State Mandates

Reimbursable State Mandated Costs Programs

Local agencies may file claims with the SCO for the cost of complying with the following state mandated programs. An "x" indicates the agencies that are eligible to file claims for the given program. For your convenience, the programs are listed in alphabetical order by program name.

Program Number	Program Name	Counties	Cities	Special Districts
2	Absentee Ballots	x	x	x
248	Absentee Ballots-Tabulation by Precinct	x		
246	Administrative License Suspension	x	x	
73	AIDS: Search Warrants	x	x	
178	Airport Land Use Commission/Plans ¹	x	x	x
152	Allocation of Property Tax Revenue	x		
213	Animal Adoption	x	x	x
6	Brendon Maguire Act	x	x	x
13	Child Abduction and Recovery	x		
67	Conservatorship: Developmentally Disabled Adults	x		
273	Consolidation of HDS, HDSII, and Seriously Emotionally Disturbed Pupils (SED)	x		
88	Coroners	x		
90	Countywide Tax Rates - Unitary	x		
262	Crime Victim's Domestic Violence Incident Reports	x	x	
158	Crime Victims' Rights	x		
87	Developmentally Disabled: Attorneys' Services	x		
266	DNA Database	x	x	
274	Domestic Violence Arrest and Victim Assistance	x	x	
167	Domestic Violence Arrest Policies and Standards	x	x	
177	Domestic Violence Treatment Services Authorization and Case Management	x		
257	False Reports of Police Misconduct	x	x	x
23	Firefighters' Cancer Presumption ²	x	x	x
197	Health Benefits for Survivors of Peace Officers and Firefighters	x	x	x
259	Local Elections: Consolidation	x		
43	Medi-Cal Beneficiary Death Notices	x		
203	Mentally Disordered Offenders' Extended Commitment Proceedings	x		
39	Mentally Disordered Sex Offenders: Extended Commitments	x		
66	Mentally Retarded Defendants: Diversion	x		
200	Not Guilty by Reason of Insanity II	x		
122	Pacific Beach Safety	x		
118	Peace Officers' Cancer Presumption ³	x	x	x
264	Peace Officer Personnel Records: Unfounded Complaints and Discovery	x	x	

¹ This program is suspended for 08-09 per Item 8885-295-0042, Schedule (1) of the Budget Act of 08-09.

² Beginning 7/1/08, reimbursement for programs 23 and 118 are not required per Amended P's & G's adopted on 9/27/2007, pursuant to AB 1805.

³ From 7/1/08, reimbursement for this program is not required per Amended P's & G's adopted on 9/27/07.

Reimbursable State Mandated Costs Programs (continued)

Program Number	Program Name	Counties	Cities	Special Districts
187	Peace Officers Procedural Bill of Rights	x	x	x
124	Perinatal Services	x		
83	Permanent Absent Voters	x		
121	Pesticide Use Reports	x		
215	Photographic Record of Evidence	x	x	x
279	Post Conviction: DNA Court Proceedings	x	x	x
255	Postmortem Examination	x	x	
127	Rape Victims Counseling Center Notices	x	x	
18	Senior Citizens Property Tax Postponement	x		
175	Sexually Violent Predators	x		
120	Stolen Vehicle Notification	x	x	
163	Threats Against Peace Officers	x	x	x
56	Voter Registration Procedures	x		
	Initial Claims			
284	Binding Arbitration ¹	x	x	
288	CA Fire Incident Reporting System (CFIRS) ²	x	x	x
290	Fifteen-Day Close of Voter Registration ³	x		
293	Firearm Hearings for Discharged Inpatients ⁴	x		
283	Fire Safety Inspections of Care Facilities ⁵	x	x	x
289	In-Home Supportive Services II ⁶	x	x	x
285	Local Recreational Areas: Background Screenings ⁷	x	x	x
282	Racial Profiling: Law Enforcement Training ⁸	x	x	

The Commission on State Mandates set aside Parameters and Guidelines for the following programs:

Program Number

207	Chapter	156/96	County Treasury Oversight Committees
161	Chapter	783/95	Investment Reports
132	Chapter	1281/80	Involuntary Lien Notices
41	Chapter	486/75	Mandate Reimbursement Process ⁹
138	Chapter	1105/92	Misdemeanors: Booking and Fingerprinting
82	Chapter	1051/83	Mobilehome Property Tax Deferral Program
219	Chapter	641/86	Open Meetings/Brown Act Reform ⁹
28	Chapter	494/79	Physically Handicapped Voter Accessibility
222	Chapter	18/99	Presidential Primaries
52	Chapter	48/87	Property Tax: Family Transfers
55	Chapter	1143/80	Regional Housing Needs Determination
174	Chapter	1297/94	Two-Way Traffic Signal Communications

¹ Reimbursable for 01/01/01 to 04/30/03 only.

² Reimbursable for 07/01/90 to 06/29/92 only.

³ Reimbursable for 01/01/01 to 06/30/01 and fiscal years 01-02 and subsequent fiscal years.

⁴ Reimbursable for fiscal years 98-99 to 06-07 and subsequent fiscal years.

⁵ Reimbursable for fiscal years 00-01 to 06-07 and subsequent fiscal years.

⁶ Ch. 90/99 is reimbursable for 07/12/99 to 12/31/02 and Ch. 445/00 for 09/14/00 and subsequent fiscal years.

⁷ Reimbursable for 01/01/02 to 06/30/02 and fiscal years 02-03 and subsequent years.

⁸ Reimbursable from 01/01/01 to 07/01/04 only.

⁹ This program has been set aside by the Commission on State Mandates pursuant to AB 138, Statutes of 2005.

PROGRAMS SUSPENDED FOR THE 2007- 08 AND 2008-09 FISCAL YEARS

Pursuant to Government Code Section 17581, the following state mandated programs are identified in the 2007 and 2008 State Budget Act, with a \$0 appropriation by the Legislature. Therefore, no claims for these programs may be filed for the 2007-08 and 2008-09 fiscal years.

Item 8885-295-0001, Provision 3

**Program
Number**

227	(a)	Chapter	1170/96	Grand Jury Proceedings
220	(b)	Chapter	502/92	Sex Crime Confidentiality
62	(c)	Chapter	1032/80	Deaf Teletype Equipment
217	(d)	Chapter	908/96	Sex Offenders: Disclosure by Law Enforcement
81	(e)	Chapter	1456/88	Missing Persons Report
28	(f)	Chapter	494/79	Handicapped Voter Access Information
65	(g)	Chapter	238/74	Sub-Standard Housing
3	(h)	Chapter	1123/77	Adult Felony Restitution
181	(i)	Chapter	1188/92	Very High Fire Hazard Severity Zones
37	(j)	Chapter	1330/76	Local Coastal Plans
180	(k)	Chapter	1111/89	SIDS Training for Firefighters
125	(l)	Chapter	268/91	SIDS Contacts by Local Health Officers
110	(m)	Chapter	955/89	SIDS Autopsies
126	(n)	Chapter	1597/88	Inmate AIDS Testing
86	(o)	Chapter	453/74	SIDS Notices
27	(p)	Chapter	1357/76	Guardianship/Conservatorship Filings
71	(q)	Chapter	332/81	Victims' Statements-Minors
204	(r)	Chapter	267/98	Extended Commitment, Youth Authority
128	(s)	Chapter	820/91	Prisoner Parental Rights
64	(t)	Chapter	Title 8	Structural and Wildland Firefighter Safety Clothing and Equipment
24	(u)	Chapter	Title 8	Personal Alarm Devices
193	(v)	Chapter	126/93	Law Enforcement Sexual Harassment Training
205	(w)	Chapter	444/97	Elder Abuse Law Enforcement Training
245	(x)	Chapter	39/98	Redevelopment Agencies Tax Disbursement Reporting
41	(y)	Chapter	486/75	Mandate Reimbursement Process
21	(z)	Chapter	845/78	Filipino Employee Surveys
15	(aa)	Chapter	1609/84	Domestic Violence Information
8	(bb)	Chapter	1334/87	Pocket Masks

Item 8885-295-0042

**Program
Number**

178	(1)	Chapter	644/94	Airport Land Use Commissions/Plans
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APPROPRIATIONS FOR THE STATE MANDATED COST PROGRAMS

Source of the State Mandated Costs Appropriations – 2008 State Budget Act (Chapter 268/269)

Mandated Programs				Amounts Appropriated
Item 8885-295-0001 Commission on State Mandates				
(1) For payment of the following mandate claims for the 2005-06 and 2006-07 fiscal years:				\$11,000,000.00
158	(a)	Ch.	411/95	Crime Victim Rights
163	(b)	Ch.	1249/92	Threats Against Peace Officers
13	(c)	Ch.	1399/76	Child Abduction and Recovery
120	(d)	Ch.	337/90	Stolen Vehicle Notification
2	(e)	Ch.	77/78	Absentee Ballots
83	(f)	Ch.	1422/82	Permanent Absent Voters
56	(g)	Ch.	704/75	Voter Registration Procedures
248	(h)	Ch.	697/99	Absentee Ballots-Tabulation by Precinct
6	(i)	Ch.	391/88	Brendon Maguire Act
43	(j)	Ch.	102/81	Medi-Cal Beneficiary Death Notices
122	(k)	Ch.	961/92	Pacific Beach Safety
124	(l)	Ch.	1603/90	Perinatal Services
73	(m)	Ch.	1088/88	AIDS/Search Warrant
66	(n)	Ch.	1253/80	Mentally Retarded Defendants Representation
35	(o)	Ch.	644/80	Judicial Proceedings
67	(p)	Ch.	1304/80	Conservatorship: Developmentally Disabled Adults
87	(q)	Ch.	694/75	Developmentally Disabled Attorneys Services
88	(r)	Ch.	498/77	Coroners Costs
200	(s)	Ch.	1114/79	Not Guilty by Reason of Insanity
203	(t)	Ch.	435/91	Mentally Disordered Offenders' Extended Commitments
175	(u)	Ch.	762/95	Sexually Violent Predators
39	(v)	Ch.	1036/78	Mentally Disordered Sex Offenders Recommitments
177	(w)	Ch.	183/92	Domestic Violence Treatment Services
118	(x)	Ch.	1171/89	Peace Officers Cancer Presumption
23	(y)	Ch.	1568/82	Firefighters Cancer Presumption
167	(z)	Ch.	246/95	Domestic Violence Arrest Policies
213	(aa)	Ch.	752/98	Animal Adoption
90	(bb)	Ch.	921/87	Unitary Countywide Tax Rates
18	(cc)	Ch.	1242/77	Senior Citizens Property Tax Deferral
152	(dd)	Ch.	697/92	Allocation of Property Tax Revenues
215	(ee)	Ch.	875/85	Photographic Record of Evidence
127	(ff)	Ch.	999/91	Rape Victims Counseling
197	(gg)	Ch.	1120/96	Health Benefits for Survivors-Peace Officers Firefighters
255	(hh)	Ch.	284/00	Postmortem Examinations
257	(ii)	Ch.	590/95	False Reports of Police Misconduct
262	(jj)	Ch.	1022/99	Crime Victim's Domestic Violence Incident Reports
264	(kk)	Ch.	630/78	Peace Officer Personnel Records: Unfounded Complaints and Discovery
274	(ll)	Ch.	698/98	Domestic Violence Arrests and Victims Assistance
279	(mm)	Ch.	943/01	Post Conviction: DNA Court Proceedings

APPROPRIATIONS FOR THE STATE MANDATED COST PROGRAMS (continued)**Source of the State Mandated Costs Appropriations (continued)**

				Mandated Programs	Amounts Appropriated
Item 8885-295-0001 Commission on State Mandates (Cont'd.)					
(1) For payment of claims for costs incurred in fiscal years 2005-06 and 2006-07 fiscal years (Cont'd.):					
266	(nn)	Ch.	822/00	DNA Databas and Amendment to Post Mortem Examinations: Unidentified Bodies	
263	(oo)	Ch.	1128/94	Handicapped and Disabled Students II ¹	
 (2) For payment of mandate claims for the 2005-06 and 2006-07 fiscal year for:					
187	(2)	Ch.	675/90	Peace Officers' Procedural Bill of Rights	0
 Item 8885-295-0042 Department of Transportation					
178	(1)	Ch.	644/94	Airport Land Use Commission/Plans	0
 Item 8885-295-0044 Department of Motor Vehicles					
(1) For payment of the following mandate claims for the 2005-06 and 2006-07 fiscal years:					
246	(1)	Ch.	1460/89	Administrative License Suspension, Per Se	1,700,000.00
 Item 8885-295-0106 Department of Pesticide Regulation					
(1) For payment of the following mandate claims for the 2005-06 and 2006-07 fiscal years:					
121	(1)	Ch.	1200/89	Pesticide Use Reports	160,000.00
Grand Total					<u>\$12,860,000.00</u>

¹ Program 263 is for fiscal year 05-06 only; for 06-07 and subsequent fiscal years, program 273, the consolidation of HDS I & II and Seriously Emotionally Disturbed Pupils, must be used.

FILING A CLAIM

1. Introduction

The law in the State of California, (GC Sections 17500 through 17617), provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. An actual claim for the 2007-08 fiscal year, may be filed by February 15, 2009, without a late penalty. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. However, since the 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on before February 17th, 2009. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims filed more than one year after the deadline will not be accepted by the SCO.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate. A full discussion of the indirect cost methods available to local agencies may be found in Section 8 of these instructions. Documentation to support actual costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 16 of these instructions.

When a program has been reimbursed for three or more years, the Commission on State Mandates (CSM) may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement do not need to file further claims for the program.

SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

These claiming instructions are issued to help claimants prepare paper, and electronic mandated cost claims, for submission to SCO. These instructions are based upon the State of California statutes, regulations, and parameters and guidelines (P's & G's) adopted by CSM. Since each mandate is administered separately, it is important to refer to the specific program for information relating to established policies on eligible reimbursable costs.

2. Local Government Electronic Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and also provides a web service so claims can be uploaded in batch files. LGeC also incorporates an attachment feature so claimants can electronically attach supporting documentation if required. In order for a claim to be considered properly filed it must include a copy of the Indirect Cost Rate Proposal (ICRP) if the indirect cost rate exceeds ten

percent. All other documentation to support actual costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 16 of these instructions.

The LGeC system provides an easy and straightforward approach to the claiming process.

Filing claims using LGeC eliminates the manual preparation and submission of paper claims by the locals and the receiving, processing, key entry, verification, and storage of paper claims by SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the state with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred by local entities for handling, postage, and storage of claims filed using the LGeC system.

In order to use the LGeC system you will need to obtain a user ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC website located at <https://www.sco.ard/local/lgec/index.shtml>. Complete the application and other documents as requested and mail them to the SCO using the address provided on the form. The application will be processed and a User ID and password will be issued to each applicant to provide access to the LGeC system.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claim receipts, payments, test claims, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information disseminated by other state agencies.

You can find more information about LGeC and the email distribution lists at <https://www.sco.ard/local/lgec/index.shtml>. This website provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, FAQ's and additional help files. Questions about the information on this website may be directed to LRSDAR@sco.ca.gov, or to Angie Lowi Teng at the Division of Accounting and Reporting, Local Reimbursements Section, Local Government e-Claims, (916) 323-0706.

3. Types of Claims

What is the difference between a reimbursement and entitlement claim? A claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant, who has established a base year entitlement for a program, would receive an automatic annual payment which is reflective of the current costs for the program.

All claims received by SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with SCO by a Local Agency for reimbursement of costs incurred for which an appropriation is made for paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. If the filing deadline falls on a weekend or holiday,

the filing deadline will be the next business day. Since February 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on or before February 17th, 2009. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

In order for a claim to be considered properly filed, it must include the Indirect Cost Rate Proposal (ICRP) to support the indirect cost rate if the indirect cost rate exceeds ten percent. A more detailed discussion of the indirect cost methods available to local agencies may be found in Section 8 of these instructions. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 16 of these instructions.

Estimated Claims

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 16, 2008, will not be accepted by SCO.

B. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a Local Agency with SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims should be filed by February 15, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the IPD of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by CSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three year base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

4. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date SCO issues the claiming instructions for the program.

When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs.

All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty.

Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid.

In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since February 15th falls on a weekend in 2009, claims will be accepted without penalty if postmarked or delivered on before February 17th, 2009.

If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims filed more than one year after the deadline cannot be accepted for reimbursement.

Entitlement claims do not have a filing deadline. However, entitlement claims should be filed by February 15th to permit orderly processing of the claims.

6. Payment of Claims

In order for SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon id and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by August 15, or 45 days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than 365 days after the adoption of the program's statewide cost estimate. SCO may withhold up to 20 percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs.

SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature, who consider appropriations in order to assure

appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to CSM which will include these amounts in its report to assure that an appropriation sufficient to pay the claims is included in the next local government claims bill or other appropriation bills. When the supplementary funds are made available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by CSM. The determination of allowable reimbursable mandated costs for unfunded mandates is made by CSM. SCO determines allowable reimbursable costs, subject to amendment by CSM, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

7. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the CSM.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each local agency that has submitted reimbursement claims, (or entitlement claims), for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims, (or entitlement claims), for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the CSM's approval.

Each local agency with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and workload.

For cities and counties, "workload" means a change in population within their boundaries; for special districts, a change in population of the county in which the largest percentage of the district's population is located.

In the event a local agency has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the local agency may file an entitlement claim for each of those missed years to establish a base year entitlement. An "entitlement claim" means any claim filed by a local agency with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any non-recurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30th. The amount to be apportioned is the base year

entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the local agency determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based, is set forth in GC Section 17615.8 and requires the approval of the CSM.

The following programs are placed in SMAS:

Program Name	Chapter/Statute	Program Number
Conservatorship: Developmentally Disabled Adults	Ch. 1304/80	67
Coroners	Ch. 498/77	88
Mentally Retarded Defendants: Diversion	Ch. 1253/80	66
Senior Citizens Property Tax Postponement	Ch. 1242/77	18

Listed are state mandated local programs and counties that are entitled to receive automatic apportionments in those fiscal years in which the program is funded.

Counties of:	Ch. 498/77 Coroners	Ch. 1242/77 Senior Citizens Property Tax Postponement	Ch. 1253/80 Mentally Retarded Defendants: Diversion	Ch. 1304/80 Developmentally Disabled Adults: Conservatorship
Alameda		x	x	x
Butte		x	x	x
Calaveras		x	x	x
Contra Costa		x	x	x
El Dorado		x	x	x
Fresno		x	x	x
Humboldt		x	x	x
Kern		x	x	x
Lake		x	x	x
Los Angeles	x	x	x	x
Marin		x	x	x
Mendocino		x	x	x
Monterey		x	x	x
Napa	x	x	x	x
Nevada		x	x	x
Orange	x	x	x	x
Placer		x	x	x
Plumas		x	x	x
Riverside		x	x	x
Sacramento		x	x	x
San Bernardino	x	x	x	x
San Diego		x	x	x
San Francisco		x	x	x
San Joaquin	x	x		
San Luis Obispo	x	x	x	x
San Mateo		x	x	x
Santa Barbara		x	x	x
Santa Clara	x	x	x	x
Santa Cruz		x	x	x
Shasta		x	x	x
Solano		x	x	x
Sonoma	x	x	x	x
Stanislaus		x	x	x
Tulare	x	x	x	x
Tuolumne		x		
Ventura	x	x	x	x
Yolo		x	x	x
Yuba		x		

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions. Costs that are typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A local agency may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claim must include a computation of how these hours were computed. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + Benefits) \div APH] = PHR$	EAS = Employee's Annual Salary APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to EAS, multiply the biweekly salary by 26. To convert a monthly salary to

EAS, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: <i>Fringe Benefits as a Percent of Salary</i>		Step 2: <i>Productive Hourly Rate</i>
Retirement	15.00 %	Formula: $[(EAS \times (1 + FBR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, worker's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at the higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

(c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is \$45.88/5.50 hrs. = \$8.34			

(d) Employer's Fringe Benefits Contribution

A local agency has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

For example:

<u>Employer's Contribution</u>	<u>% to Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental	
Insurance	5.25%
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(e) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the

actual price after deducting discounts, rebates and allowances received by local agencies. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

(f) Calculating a Unit Cost for Materials and Supplies

In those instances where the claiming instructions suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2.

Table 1: Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>
If the number of reimbursable instances are 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50/25).		

(g) Contract Services

The cost of contract services is allowable if the local agency lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor; explain the reason for having to hire a contractor; describe the mandated activities performed; give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the claiming instructions for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

(h) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the claiming instructions for the particular mandate. Equipment rentals used solely for the mandate, are reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the prorata portion of the rental costs can be claimed. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

(i) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the claiming instructions specify them as allowable. If they are allowable, the claiming instructions for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the prorata portion of the purchase price used to implement the reimbursable activities can be claimed. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

(j) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the claiming instructions may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto miles traveled, and the cost of tolls and parking with receipts required for charges over \$10.00. Documentation to support these costs must be kept on hand by the claimant and made available to SCO upon request as explained in Section 17 of these instructions.

(k) Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

9. Indirect Costs

GC Section 17564(b) provides that claims for indirect costs shall be filed in the manner prescribed by the SCO. Indirect costs (or overhead) are those costs incurred for a common or joint purpose, benefiting more than one program and are not directly assignable to a particular program without efforts disproportionate to the result achieved. Indirect costs may include both (1) the overhead costs for the unit performing the mandate and (2) the costs of central government services distributed through the central service cost allocation plan and not otherwise treated as a direct cost.

Previously, the costs of elected officials were considered "expenses related to general government" and, thus, were unallowable for reimbursement purposes. Recent interpretation has moved in the opposite direction, except for those items of cost, which are unallowable in the cost principles set forth in Office of Management and Budget (OMB) Circular A-87 (Title 2 CFR Part 225). A cost that is necessary for proper and efficient administration of a program and is identifiable to that program is eligible for consideration as allocable indirect costs. Allocable costs for time spent on programs, must be supported by time record.

Local agencies have the option of using 10% of direct labor as indirect costs or claiming indirect costs through a department's Indirect Cost Rate Proposal (ICRP) for the program prepared in accordance with the provisions of Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225.) (Refer to the Appendix-Costs Computation: Indirect Costs). An ICRP must be prepared if the claim for indirect costs is in excess of 10% of direct salaries; the ICRP must be submitted with the claim.

A. Fixed 10% Rate Method

Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. The use of the 10% rate may benefit small agencies where it is inefficient to prepare an ICRP.

Direct Costs Incurred By	On Behalf of	
<u>Auditor</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Warrant Writing:</u>		
A. Salary of employee working	\$5,000	\$1,000
B. Benefits of above	800	200
C. Cost of paper	350	100
D. First-line supervision (salaries)	3,000	500
E. Indirect cost 10% of A + D	<u>800</u>	<u>150</u>
Total amount charged to benefited departments for warrant writing services	<u>\$9,950</u>	<u>\$1,950</u>
Direct Costs Incurred By	On Behalf of	
<u>Building & Grounds Department</u>	<u>Welfare Administration</u>	<u>Health Department</u>
<u>Maintenance of Buildings:</u>		
A. Salary of employees performing maintenance	\$1,000	\$500
B. Benefits of above	200	100
C. Cleaning supplies	250	150
D. First-line supervision (salaries)	500	200
E. Indirect cost 10% of A + D	<u>150</u>	<u>70</u>
Total amount charged to benefited departments for building maintenance services	<u>\$2,100</u>	<u>\$1,020</u>

Any local agency using this method for claiming costs must submit a statement similar to the example above and with supporting data. The cost data required for desk audit purposes are described in the claiming instructions for that mandated program under Salaries and Employee Benefits, Materials and Supplies, Contract Services, Travel Expenses, etc.

B. Indirect Cost Rate Proposal Method

If a local agency elects not to utilize the 10% fixed rate method but wants to claim indirect costs, it must prepare an ICRP. The proposal must follow the provisions of the Office of Management and Budget (OMB) Circular A-87 (Title 2 CFR Part 225), *Cost Principles for State, Local, and Indian Tribal Governments*. The development of the indirect cost rate proposal requires that the indirect cost pool include only those costs which are incurred for a common or joint purpose that benefit more than one cost objective. The indirect cost pool may only include costs that can be shown to provide benefits to the program. In addition, total allocable indirect costs may only include costs, which cannot be directly charged to an identifiable cost center (i.e., program).

A method for preparing a departmental indirect cost rate proposal for programs is presented as Exhibit 1. Only this format is acceptable under the SCO reimbursement requirements. If more than one department is involved in the reimbursement program, each department must have their own indirect cost rate proposal for the program.

Local Agencies Mandated Costs Manual
INDIRECT COST RATE PROPOSAL
PUBLIC DEFENDER'S OFFICE
INVESTIGATION PROGRAM
FISCAL YEAR 20__-20__

(A) Description of Costs	Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs	
					Investigation PC 987.9	All Others
Salaries & Benefits						
Salaries & Wages	\$ 1,150,000	\$ 50,000 (F)	\$ 150,000	\$ 950,000 (F)	\$ 100,000	\$ 850,000
Overtime	20,000	0	20,000	0	0	0
Benefits	230,000	10,000	30,000	190,000	20,000	170,000
Total	<u>\$ 1,400,000</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 1,140,000</u>	<u>\$ 120,000</u>	<u>\$ 1,020,000</u>
Services & Supplies						
Office Expense	\$ 200,000	\$ 10,000	\$ 20,000	\$ 170,000	\$ 10,000	\$ 160,000
Communications	100,000	2,000	10,000	88,000	1,000	87,000
Transportation	120,000	5,000	0	115,000	5,000	110,000
Special Dept Expense (Contracts)	250,000	0	0	250,000	0	250,000
Other, Pass Through Program	800,000	800,000	0	0	0	0
Total	<u>\$ 1,470,000</u>	<u>\$ 817,000</u>	<u>\$ 30,000</u>	<u>\$ 623,000</u>	<u>\$ 16,000</u>	<u>\$ 607,000</u>
Capital Expenditures	<u>\$ 100,000</u>	<u>\$ 100,000</u>				
Total Budgetary Expenditures	<u>\$ 2,970,000</u>	<u>\$ 977,000</u>	<u>\$ 230,000</u>	<u>\$ 1,763,000</u>	<u>\$ 136,000</u>	<u>\$ 1,627,000</u>
<u>Distribution Base</u>						
Cost Plan Costs						
Building Use	(Each line item should	\$ 50,000	\$ 2,000	\$ 6,000	\$ 42,000	\$ 2,000
Equipment Use	be reviewed to see if it	30,000	1,000	3,000	26,000	1,000
Data Processing	benefits the mandate	50,000	5,000	30,000	15,000	0
Auditor	to insure a fair and	20,000	0	20,000	0	0
Personnel	equitable distribution.)	10,000	1,000	1,000	8,000	1,000
Roll Forward		10,000	0	10,000	0	0
Total		<u>\$ 170,000 (E)</u>	<u>\$ 9,000</u>	<u>\$ 70,000</u>	<u>\$ 91,000</u>	<u>\$ 4,000</u>
Total Allocable Indirect Costs			\$ 300,000 (F)			
Distribution of Allocable Indirect Costs						
Based on Salaries & Wages		<u>\$ 15,000</u>	<u>\$ (300,000)</u>	<u>\$ 285,000</u>	<u>\$ 30,000</u>	<u>\$ 255,000</u>
Totals		<u>\$ 3,140,000</u>	<u>\$ 1,001,000</u>	<u>\$ 0</u>	<u>\$ 2,139,000</u>	<u>\$ 170,000</u>
					<u>\$ 1,969,000</u>	

(1) Notes to Exhibit 1

- (a) The department's ICRP plan for the distribution of costs to programs must follow the same format as shown on Exhibit 1. Specifically, there must be columns as follows: Description of Costs, Total Cost, Excludable and Unallowable Costs (may be combined or separated), Allowable Indirect Costs, and Allowable Direct Costs (which are further allocated to identifiable programs and other). No other format will be accepted.
- (b) Excluded costs are all costs that are unallowable and unallocable according to specific guidelines (OMB 2 CFR Part 225 and state laws).

Examples:

Contributions and donations: Cost of amusement; social activities and related incidental costs such as meals, beverages, lodging, rentals, transportation and gratuities; and pass through revenues to another unit or organization.

- (c) Allocable indirect costs are costs that are not identifiable to a specific program or cost pool and indirectly benefit all cost pools.
- (d) Direct costs are costs that benefit a specific program or cost pool.
- (e) Overhead costs are distributed to the department in the cost allocation plan, which was prepared in accordance with the OMB 2 CFR Part 225. Use the same year's cost allocation plan for developing the ICRP as the year for which the ICRP is being prepared. Do not include a roll forward adjustment when the program is in its initial year.
- (f) Distribution base for the computation of the indirect cost rate is total salaries and wages.

Total Allocable Direct Costs (direct S&W)	\$950,000
Excluded and Unallowable Costs (direct S&W)	50,000
Distribution Base	<u>\$1,000,000</u>

Therefore, the Indirect Cost Rate for Penal Code 987.9 Program is:

$$\text{ICRP} = \frac{\text{Allowable Indirect Costs}}{\text{Total Salaries and Wages}} = \frac{\$300,000}{\$1,000,000} = 30.00\%$$

10. Time Study Guidelines

Background

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a "formula for reimbursing local agency and school district costs mandated by the state" that meets certain conditions specified in GC Section 17518.5(a). For costs incurred prior to January 1, 2005, time study can only substitute for continuous records of actual time spend for a specific fiscal year if the program's Ps & Gs allow for the use of time studies.

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study, which are described below. Application of time study results is restricted. As explained in Time Study Results below, the results may be projected toward a maximum of two years provided the claimant meets certain criteria.

Actual Time Reporting

Ps & Gs define reimbursable activities for each mandated cost program. (Some Ps & Gs refer to reimbursable activities as reimbursable components.) When employees work on multiple activities and/or programs, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards (which clarify documentation requirements discussed under the Reimbursable Activities section of recent Ps & Gs):

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

Time Study Plan

A time study plan is necessary before conducting the time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied – The plan must show that all time periods selected are representative of the fiscal year, and the results can be reasonably projected to approximate actual costs.
- Activities and/or programs to be studied – For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's Ps & Gs, which are derived from the program's Statement of Decision. If a reimbursable activity in the Ps & Gs identifies separate and distinct sub-activities, these sub-activities must also be treated as individual activities.

For example, sub-activities (a), (b), and (c) under Reimbursable Activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity – Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity.
- Employee universe – The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study.

- Employee sample selection methodology – The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations.
- Time increments to be recorded – The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence, which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained

Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims – Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004, through December 31, 2004, unless (1) the program's Ps & Gs specifically allows time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.
- Initial Claims –When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's Ps & Gs specifically allows time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping requirements for those claims.

11. Offset Against State Mandated Claims

When part or all the costs of a mandated program are specifically reimbursable from non-local agency sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from local agency funds is eligible for reimbursement under the provisions of Government Code Section 17561.

A. Example 1

This example shows how the offset against state mandated claim is determined for local agencies receiving block grant revenues not based on a formula allocation. Listed below are six situations, which may occur at a local agency level. For hypothetical program costs of \$100,000: (1) through (4) show intended funding at 100% from non-local agency sources and (5) through (6) show cost sharing on a 50/50 basis with the local agency. Of the \$100,000 program cost, \$2,500 is the cost of state mandated activity. Offset against state mandated claims is the amount of actual non-local agency funding which exceeds the difference between program costs and state mandated costs. The offset against state mandated claims can not exceed the amount of state mandated costs. In (4), non-local revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500. In (1), non-local revenues were less than expected. Non-local agency funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs. In (5), the local agency is sharing 50% of the program cost. Since non-local revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
A.	Block Grants (funding not based on a formula allocation)				
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	If in (5) the non-local matching share is less than the amount expected, for example \$49,000, the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.				

* Local agency share is \$50,000 of the program costs.

B. Example 2

This example shows how the offset against state mandated claims are determined for local agencies receiving special project funds based on approved actual costs. Non-local revenues for special projects must be applied proportionately to approve costs. In (2), the entire program

cost was approved. Since the non-local agency source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
B.	Special Projects (funding based on approved actual costs)				
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	If in (2) the non-local matching share is less than the amount expected, because only \$60,000 of the program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claim is \$1,125. Therefore, the claimable mandated costs are \$375.				

** Local agency share is \$25,000 of the program costs.

With respect to local agencies, the offset against state mandated claims for applicable federal and state local assistance programs includes, but is not limited to, the following funding sources:

Federal and State Funding Sources

Governing Authority

Federal Programs

CETA, PL 93-203	Federal-Health – Administration
Federal Aid for Construction	Federal-Public Assistance – Administration
Federal Aid for Disaster	

State Programs

State Aid for Agriculture	State-Health – Administration
State Aid for Construction	State-Public Assistance - Administration
State Aid for Corrections	

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. If any adjustments are made to a claim, the claimant will receive a "Notice of Claim Adjustments" detailing adjustments made by the SCO.

13. Audit of Costs

Pursuant to GC Section 17558.5, subdivision (b) The SCO may conduct a field review of any claim after the claim has been submitted, prior to the reimbursement of the claim to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with SCO's claiming instructions and the P's & G's adopted by CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days

after payment of the claim.

Pursuant to Government Code (GC) Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. All documents used to support the reimbursable activities, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

14. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a "formula for reimbursing local agency and school district costs mandated by the state" that meets certain conditions specified in 17518.5(a).

15. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2 provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file a reimbursement claim. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the claims. All supporting documents must be retained for a period of not less than three years after the reimbursement claim was filed or last amended.

B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and

are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the Local Agency. All applicable information from Form-1 must be carried forward onto this form in order for SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment. **(To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)** Use the following mailing addresses:

If delivered by
U.S. Postal Service:

**Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250**

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

16. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the Local Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the year will be placed on the SCO's web site at www.sco.ca.gov/ard/local/locreim/index.shtml.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, send e-mail to lrsdar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claim Records and Supporting Documentation

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to SCO on request.

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A. STATE OF CALIFORNIA TRAVEL EXPENSE GUIDELINES

Travel Program Effective January 31, 2002

The travel reimbursement program continues to be subject to the Internal Revenue Service (IRS) requirements for an accountable plan. There are no flat rate reimbursements. All items are to be claimed for the actual amount of expense, up to the maximum allowed. If the provisions below do not require submission of a receipt for a given item of expense, it is the employee's responsibility to retain receipts and other records of the expense and have them available for audit.

Lodging and meals that are provided by the State, including hotel expenses, conference fees, or transportation costs such as airline tickets; or otherwise provided shall not be claimed for reimbursement.

Employees may be reimbursed for actual expenses for breakfast, lunch, dinner, and incidentals for each 24 hours of travel, as follows:

Breakfast	up to	\$6.00
Lunch	up to	10.00
Dinner	up to	18.00
Incidentals	up to	6.00

Incidental expenses include, but are not limited to, expenses for laundering and pressing of clothing and tips for services such as porters and baggage handlers. Incidentals do not include taxicab fares, lodging taxes, or the cost of telegrams or telephone calls.

Lodging

All lodging reimbursements require a receipt from a commercial lodging establishment such as a hotel, motel, bed and breakfast inn, or campground that caters to the general public. No lodging will be reimbursed without a valid receipt. Employees who stay with friends or relatives are not eligible for lodging reimbursement, but may claim their actual expenses for meals and incidentals.

Short-Term Travel

A. For continuous short-term travel of more than 24 hours but less than 31 days, the employee will be reimbursed for actual costs up to the maximum for each meal, incidental, and lodging expense for each completed 24 hours of travel, beginning with the traveler's time of departure and return as follows:

1. On the first day of travel at the beginning of a trip of more than 24 hours:

Trip begins at or before 6 a.m. - Breakfast may be claimed

Trip begins at or before 11 a.m. - Lunch may be claimed

Trip begins at or before 5 p.m. - Dinner may be claimed

2. On the fractional day of travel at the end of a trip of more than 24 hours:

Trip ends at or after 8 a.m. - Breakfast may be claimed

Trip ends at or after 2 p.m. - Lunch may be claimed

Trip ends at or after 7 p.m. - Dinner may be claimed

If the fractional day includes an overnight stay, receipted lodging may be claimed. No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any 24-hour period.

- B.** For continuous travel of less than 24 hours, the employee will be reimbursed for actual expenses, up to a maximum as follows:

Travel begins at or before 6 a.m. and ends at or after 9 a.m. - Breakfast may be claimed
Travel begins at or before 4 p.m. and ends at or after 7 p.m. - Dinner may be claimed

If the trip extends overnight, receipted lodging may be claimed. No lunch or incidentals may be claimed on a trip of less than 24 hours.

Short-Term Travel Maximum Lodging Reimbursement Rate

- A.** Statewide except as in (B) and (C) below, actual receipted lodging up to \$84 plus tax.
- B.** When required to conduct state business and obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging, to a maximum of \$110 plus tax.
- C.** When required to conduct state business and obtain lodging in the counties of Alameda, San Francisco, San Mateo, and Santa Clara, reimbursement will be for actual receipted lodging, to a maximum of \$140 plus tax.

Long-Term Travel

Actual expenses for long-term meals and receipted lodging will be reimbursed when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

A. Full Long-Term Travel

To qualify for full long-term travel reimbursement, the employee on a long-term field assignment must meet the following criteria:

- a) The employee continues to maintain a permanent residence at the primary headquarters, and either,
- b) The permanent residence is occupied by the employee's dependents, or
- c) The permanent residence is maintained at a net expense to the employee exceeding \$200 per month.

The employee who is living at the long-term location may claim either:

- 1. Reimbursement for actual individual expense, substantiated by receipts for lodging, water, sewer, gas, and electricity, up to a maximum of \$1,130 per calendar month while on the long-term assignment, and actual expenses up to \$10 for meals and incidentals, for each period of 12 to 24 hours and up to \$5 for actual meals and incidentals for each period of less than 12 hours at the long-term location, or
- 2. Long-term subsistence rates of \$24 for actual meals and incidentals, \$24 for receipted lodging for travel of 12 hours up to 24 hours, and either \$24 for actual meals or \$24 for receipted lodging for travel less than 12 hours when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

B. Partial Long-Term Travel

An employee on long-term field assignment who does not maintain a separate residence in the headquarters area may claim long-term subsistence rates of up to \$12 for actual meals and incidentals and \$12 for receipted lodging for travel of 12 hours up to 24 hours at the long-term location, and either \$12 for actual meals or \$12 for receipted lodging for travel less than 12 hours at the long-term location.

Receipts

Receipts or vouchers shall be submitted for every item of expense of \$25 or more.

- a) Receipts are required for every item of transportation and business expense incurred as a result of conducting state business except for actual expenses as follows:
 - 1. Railroad and bus fares of less than \$25, when travel is wholly within the State of California.
 - 2. Street car, ferry fares, bridge and road tolls, local rapid transit system, taxi, shuttle, or hotel bus fares, and parking fees of \$10 or less for each continuous period of parking or each separate transportation expense noted in this item.
 - 3. Telephone, telegraph, tax, or other business charges related to state business of \$5 or less.
 - 4. In the absence of a receipt, reimbursement will be limited to the non-receipted amount above.
- b) Reimbursement will be claimed only for the actual and necessary expenses noted above. Regardless of the above exceptions, the approving officer may require additional certification and/or explanation in order to determine that an expense was actually and reasonably incurred. In the absence of a satisfactory explanation, the expense shall not be allowed.

Mileage

When an employee is authorized by his/her appointing authority or designee to operate a privately owned vehicle on state business, effective January 1, 2009, the employee will be allowed to claim and be reimbursed 55 cents per mile.

[RETURN TO TABLE OF CONTENTS](#)**B. GOVERNMENT CODE SECTIONS 17500-17617****GC §17500: Legislative Findings and Declarations**

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for the costs of state-mandated local programs has not provided for the effective determination of the state's responsibilities under Section 6 of Article XIII B of the California Constitution. The Legislature finds and declares that the failure of the existing process to adequately and consistently resolve the complex legal questions involved in the determination of state-mandated costs has led to an increasing reliance by local agencies and school districts on the judiciary and, therefore, in order to relieve unnecessary congestion of the judicial system, it is necessary to create a mechanism which is capable of rendering sound quasi-judicial decisions and providing an effective means of resolving disputes over the existence of state-mandated local programs. It is the intent of the Legislature in enacting this part to provide for the implementation of Section 6 of Article XIII B of the California Constitution. Further, the Legislature intends that the Commission on State Mandates, as a quasi-judicial body, will act in a deliberative manner in accordance with the requirements of Section 6 of Article XIII B of the California Constitution.

GC §17510: Construction of Part

Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this part. The definition of a word applies to any variants thereof and the singular tense of a word includes the plural.

GC §17511: “City”

"City" means any city whether general law or charter, except a city and county.

GC §17512: “Commission”

"Commission" means the Commission on State Mandates.

GC §17513: “Cost Mandated by the Federal Government”

"Costs mandated by the federal government" means any increased costs incurred by a local agency or school district after January 1, 1973, in order to comply with the requirements of a federal statute or regulation. "Costs mandated by the federal government" includes costs resulting from enactment of a state law or regulation where failure to enact that law or regulation to meet specific federal program or service requirements imposed upon the state would result in substantial monetary penalties or loss of funds to public or private persons in the state whether the federal law was enacted before or after the enactment of the state law, regulation, or executive order. "Costs mandated by the federal government" does not include costs which are specifically reimbursed or funded by the federal or state government or programs or services which may be implemented at the option of the state, local agency, or school district.

GC §17514: “Costs Mandated by the State”

"Costs mandated by the state" means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution.

GC §17515: "County"

"County" means any chartered or general law county. "County" includes a city and county.

GC §17516: "Executive Order"

"Executive order" means any order, plan, requirement, rule, or regulation issued by any of the following: (a) The Governor. (b) Any officer or official serving at the pleasure of the Governor. (c) Any agency, department, board, or commission of state government. "Executive order" does not include any order, plan, requirement, rule, or regulation issued by the State Water Resources Control Board or by any regional water quality control board pursuant to Division 7 (commencing with Section 13000) of the Water Code. It is the intent of the Legislature that the State Water Resources Control Board and regional water quality control boards will not adopt enforcement orders against publicly owned dischargers which mandate major waste water treatment facility construction costs unless federal financial assistance and state financial assistance pursuant to the Clean Water Bond Act of 1970 and 1974, is simultaneously made available. "Major" means either a new treatment facility or an addition to an existing facility, the cost of which is in excess of 20 percent of the cost of replacing the facility.

GC §17517.5: "Cost Savings authorized by the state"

"Cost savings authorized by the state" means any decreased costs that a local agency or school district realizes as a result of any statute enacted or any executive order adopted that permits or requires the discontinuance of or a reduction in the level of service of an existing program that was mandated before January 1, 1975.

GC §17518: "Local Agency"

"Local agency" means any city, county, special district, authority, or other political subdivision of the state.

GC §17518.5: "Reasonable Reimbursement Methodology"

(a) "Reasonable reimbursement methodology" means a formula for reimbursing local agencies and school districts for costs mandated by the state, as defined in Section 17514. (b) A reasonable reimbursement methodology shall be based on cost information from a 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 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, and other approximations of local costs mandated by the state, rather than detailed 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.

GC §17519: "School District"

"School district" means any school district, community college district, or county superintendent of schools.

GC §17520: "Special District"

"Special district" means any agency of the state that performs governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area. "Special district" does not include a city, a county, a school district, or a community college district. County free libraries established pursuant to Chapter 2 (commencing with Section 27151) of Division 20 of the Education Code, areas receiving county fire protection services pursuant to Section 25643 of the Government Code, and county road districts established pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code shall be considered "special districts" for all purposes of this part.

GC §17521: "Test Claim"

"Test claim" means the first claim filed with the commission alleging that a particular statute or executive order imposes costs mandated by the state, and includes a claim filed pursuant to Section 17574.

GC §17521.5: "Legislatively Determined Mandate"

"Legislatively determined mandate" means the provisions of a statute or executive order that the Legislature, pursuant to Article 1.5, has declared by statute to be a mandate for which reimbursement is required by Section 6 of Article XIII B of the California Constitution.

GC §17522: Definitions

(a) "Initial reimbursement claim" means a claim filed with the Controller by a local agency or school district for costs to be reimbursed for the fiscal years specified in the first claiming instructions issued by the Controller pursuant to subdivision (b) of Section 17558. (b) "Annual reimbursement claim" means a claim for actual costs incurred in a prior fiscal year filed with the Controller by a local agency or school district for which appropriations are made to the Controller for this purpose. (c) "Estimated reimbursement claim" means a claim filed with the Controller by a local agency or school district in conjunction with an initial reimbursement claim, annual reimbursement claim, or at other times, for estimated costs to be reimbursed during the current or future fiscal years, for which appropriations are made to the Controller for this purpose. (d) "Entitlement claim" means a claim filed by a local agency or school district with the Controller for the purpose of establishing or adjusting a base year entitlement. All entitlement claims are subject to Section 17616.

GC §17523: "Deflator"

"Deflator" means the Implicit Price Deflator for the Costs of Goods and Services to Governmental Agencies, as determined by the Department of Finance.

GC §17524: "Base Year Entitlement"

"Base year entitlement" means that amount determined to be the average for the approved reimbursement claims of each local agency or school district for the three preceding fiscal years adjusted by the change in the deflator. A base year entitlement shall not include any nonrecurring or initial startup costs incurred by a local agency or school district in any of those three fiscal years. For those mandates which become operative on January 1 of any year, the amount of the "approved reimbursement claim" for the first of the three years may be computed by annualizing the amount claimed for the six-month period of January through June in that first year, excluding nonrecurring or startup costs.

GC §17525: Members: Term and Per Diem for Specified Members

(a) There is hereby created the Commission on State Mandates, which shall consist of seven members as follows: (1) The Controller. (2) The Treasurer. (3) The Director of Finance. (4) The Director of the Office of Planning and Research. (5) A public member with experience in public finance, appointed by the Governor and approved by the Senate. (6) Two members from the following three categories appointed by the Governor and approved by the Senate, provided that no more than one member shall come from the same category: (A) A city council member. (B) A member of a county or city and county board of supervisors. (C) A governing board member of a school district as defined in Section 17519. (b) Each member appointed pursuant to paragraph (5) or (6) of subdivision (a) shall be subject to both of the following: (1) The member shall serve for a term of four years subject to renewal. (2) The member shall receive per diem of one hundred dollars (\$100) for each day actually spent in the discharge of official duties and shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of duties as a member of the commission.

GC §17526: Commission Meetings

(a) All meetings of the commission shall be open to the public, except that the commission may meet in executive session to consider the appointment or dismissal of officers or employees of the commission or to hear complaints or charges brought against a member, officer, or employee of the commission. (b) The commission shall meet at least once every two months. (c) The time and place of meetings may be set by resolution of the commission, by written petition of a majority of the members, or by written call of the chairperson. The chairperson may, for good cause, change the starting time or place, reschedule, or cancel any meeting.

GC §17527: Powers of Commission

In carrying out its duties and responsibilities, the commission shall have the following powers: (a) To examine any document, report, or data, including computer programs and data files, held by any local agency or school district. (b) To meet at times and places as it may deem proper. (c) As a body or, on the authorization of the commission, as a committee composed of one or more members, to hold hearings at any time and place it may deem proper. (d) Upon a majority vote of the commission, to issue subpoenas to compel the attendance of witnesses and the production of books, records, papers, accounts, reports, and documents. (e) To administer oaths. (f) To contract with other agencies or individuals, public or private, as it deems necessary, to provide or prepare services, facilities, studies, and reports to the commission as will assist it in carrying out its duties and responsibilities. (g) To adopt, promulgate, amend, and rescind rules and regulations, which shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. (h) To do any and all other actions necessary or convenient to enable it fully and adequately to perform its duties and to exercise the powers expressly granted to it.

GC §17528: Election of Officers

The members of the commission shall elect a chairperson and a vice chairperson of the commission.

GC §17529: Appointment of Attorney: Duties

The commission may appoint as attorney to the commission an attorney at law of this state, who shall hold office at the pleasure of the commission. The attorney shall represent and appear for the commission in all actions and proceedings involving any question under this part or under any order or act of the commission. The attorney shall advise the commission and each member of the commission, when so requested, in regard to all matters in connection with the powers and duties of the commission and the members thereof. The attorney shall generally perform all duties and services as attorney to the commission which the commission may require.

GC §17530: Appointment of Executive Director: Duties

The commission shall appoint an executive director, who shall be exempt from civil service and shall hold office at the pleasure of the commission. The executive director shall be responsible for the executive and administrative duties of the commission and shall organize, coordinate, supervise, and direct the operations and affairs of the commission and expedite all matters within the jurisdiction of the commission. The executive director shall keep a full and true record of all proceedings of the commission, issue all necessary process, writs, warrants, and notices, and perform other duties as the commission prescribes.

GC §17531: Authority of Executive Director to Employ Necessary Staff

The executive director may employ those officers, examiners, experts, statisticians, accountants, inspectors, clerks, and employees as the executive director deems necessary to carry out the provisions of this part or to perform the duties and exercise the powers conferred upon the commission by law.

GC §17532: Quorum: Investigations, Inquiries, and Hearing

A majority of the commissioners shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the commission. Any investigation, inquiry, or hearing which the commission has power to undertake or to hold may be undertaken or held by or before any commissioner or commissioners designated for the purpose by the commission. The evidence in any investigation, inquiry, or hearing may be taken by the commissioner or commissioners to whom the investigation, inquiry, or hearing has been assigned or, in his or her or their behalf, by an examiner designated for that purpose. Every finding, opinion, and order made by the commissioner or commissioners so designated, pursuant to the investigation, inquiry, or hearing, when approved or confirmed by the commission and ordered filed in its office, shall be deemed to be the finding, opinion, and order of the commission.

GC §17533: Provisions not Applicable to Hearing by Commission

Notwithstanding Section 11425.10, Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 does not apply to a hearing by the commission under this part.

GC §17550: Reimbursements of Local Agencies and Special Districts

Reimbursement of local agencies and school districts for costs mandated by the state shall be provided pursuant to this chapter.

GC §17551: Commission Hearing and Decision Upon Claims

(a) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district that the local agency or school district is entitled to be reimbursed by the state for costs mandated by the state as required by Section 6 of Article XIIB of the California Constitution. (b) Except as provided in Sections 17573 and 17574, commission review of claims may be had pursuant to subdivision (a) only if the test claim is filed within the time limits specified in this section. (c) Local agency and school district test claims shall be filed not later than 12 months following the effective date of a statute or executive order, or within 12 months of incurring increased costs as a result of a statute or executive order, whichever is later. (d) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561.

GC §17552: Exclusivity of Procedure by Chapter

This chapter shall provide the sole and exclusive procedure by which a local agency or school district may claim reimbursement for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution.

GC §17553: Adoption of Procedure for Receiving Claims and Providing Hearings: Postponement of Hearings

(a) The commission shall adopt procedures for receiving claims filed pursuant to this article and Section 17574 for providing a hearing on those claims. The procedures shall do all of the following: (1) Provide for presentation of evidence by the claimant, the Department of Finance and any other affected department or agency, and any other interested person. (2) Ensure that a statewide cost estimate is adopted within 12 months after receipt of a test claim, when a determination is made by the commission that a mandate exists. This deadline may be extended for up to six months upon the request of either the claimant or the commission. (3) Permit the hearing of a claim to be postponed at the request of the claimant, without prejudice, until the next scheduled hearing. (b) All test claims shall be filed on a form prescribed by the commission and shall contain at least the following elements and documents: (1) A written narrative that identifies the specific sections of statutes or executive orders and the effective date and register number of regulations alleged to contain a mandate and shall include all of the following: (A) A detailed description of the new activities and costs that arise from the mandate. (B) A detailed description of existing activities and costs that are modified by the mandate. (C) The actual increased costs incurred by the claimant during the fiscal year for which the claim was filed to implement the alleged mandate. (D) The actual or estimated annual costs that will be incurred by the claimant to implement the alleged mandate during the fiscal year immediately following the fiscal year for which the claim was filed. (E) A statewide cost estimate of increased costs that all local agencies or school districts will incur to implement the alleged mandate during the fiscal year immediately following the fiscal year for which the claim was filed. (F) Identification of all of the following: (i) Dedicated state funds appropriated for this program. (ii) Dedicated federal funds appropriated for this program. (iii) Other non-local agency funds dedicated for this program. (iv) The local agency's general purpose funds for this program. (v) Fee authority to offset the costs of this program. (G) Identification of prior mandate determinations made by the Commission on State Mandates or a predecessor agency that may be related to the alleged mandate. (H) Identification of a legislatively determined mandate pursuant to Section 17573 that is on the same statute or executive order. (2) The written narrative shall be supported with declarations under penalty of perjury, based on the declarant's personal knowledge, information or belief, and signed by persons who are authorized and competent to do so, as follows: (A) Declarations of actual or estimated increased costs that will be incurred by the claimant to implement the alleged mandate. (B) Declarations identifying all local, state, or federal funds, or fee authority that may be used to offset the increased costs that will be incurred by the claimant to implement the alleged mandate, including direct and indirect costs. (C) Declarations describing new activities performed to implement specified provisions of the new statute or executive order alleged to impose a reimbursable state-mandated program. Specific references shall be made to chapters, articles, sections, or page numbers alleged to impose a reimbursable state-mandated program. (D) If applicable, declarations describing the period of reimbursement and payments received for full reimbursement of costs for a legislatively determined mandate pursuant to Section 17573, and the authority to file a test claim pursuant to paragraph (1) of Section 17574. (3) (A) The written narrative shall be supported with copies of all of the following: (i) The test claim statute that includes the bill number or executive order, alleged to impose or impact a mandate. (ii) Relevant portions of state constitutional provisions, federal statutes, and executive orders that may impact the alleged mandate. (iii) Administrative decisions and court decisions cited in the narrative. (B) State mandate determinations made by the Commission on State Mandates or a predecessor agency and published court decisions on state mandate determinations made by the Commission on State Mandates are exempt from this requirement. (4) A test claim shall be signed at the end of the document, under penalty of perjury by the claimant or its authorized representative, with the declaration that the test claim is true and complete to the best of the declarant's personal knowledge or information or belief. The date of signing, the declarant's title, address, telephone number, facsimile machine telephone number, and electronic mail address shall be included.

(c) If a completed test claim is not received by the commission within 30 calendar days from the date that an incomplete test claim was returned by the commission, the original test claim filing date may be disallowed, and a new test claim may be accepted on the same statute or executive order. (d) In addition, the commission shall determine whether an incorrect reduction claim is complete within 10 days after the date that the incorrect reduction claim is filed. If the commission determines that an incorrect reduction claim is not complete, the commission shall notify the local agency and school district that filed the claim stating the reasons that the claim is not complete. The local agency or school district shall have 30 days to complete the claim. The commission shall serve a copy of the complete incorrect reduction claim on the Controller. The Controller shall have no more than 90 days after the date the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the commission.

GC §17554: Commission's Authority to Expedite Claim

With the agreement of all parties to the claim, the commission may waive the application of any procedural requirement imposed by this chapter or pursuant to Section 17553. The authority granted by this section includes the consolidation of claims and the shortening of time periods.

GC §17555: Date for Public Hearing: Test Claim Form and Procedure

(a) No later than 30 days after hearing and deciding upon a test claim pursuant to subdivision (a) of Section 17551, and determining the amount to be subvended to local agencies and school districts for reimbursement pursuant to subdivision (a) of Section 17557, the commission shall notify the appropriate Senate and Assembly policy and fiscal committees, the Legislative Analyst, the Department of Finance, and the Controller of that decision. (b) For purposes of this section, the "appropriate policy committee" means the policy committee that has jurisdiction over the subject matter of the statute, regulation, or executive order, and bills relating to that subject matter would have been heard.

GC §17556: Criteria for not Finding Costs Mandated by the State

The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds any one of the following: (a) The claim is submitted by a local agency or school district that requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or school district that requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this subdivision. (b) The statute or executive order affirmed for the state a mandate that had been declared existing law or regulation by action of the courts. (c) The statute or executive order imposes a requirement that is mandated by a federal law or regulation and results in costs mandated by the federal government, unless the statute or executive order mandates costs that exceed the mandate in that federal law or regulation. This subdivision applies regardless of whether the federal law or regulation was enacted or adopted prior to or after the date on which the state statute or executive order was enacted or issued. (d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service. (e) The statute, executive order, or an appropriation in a Budget Act or other bill provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate. (f) The statute or executive order imposes duties that are necessary to implement, reasonably within the scope of, or expressly included in, a ballot measure approved by the votes in a statewide or local election. This subdivision applies regardless of whether the statute or executive order was enacted or adopted before or after the date on which the ballot measure was approved by the voters. (g) The statute created a new crime or infraction, eliminated a

crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

**GC §17557: Determination of Amount to be Subvened for Reimbursement:
Parameters and Guidelines**

(a) If the commission determines there are costs mandated by the state pursuant to Section 17551, it shall determine the amount to be subvened to local agencies and school districts for reimbursement. In so doing it shall adopt parameters and guidelines for reimbursement of any claims relating to the statute or executive order. The successful test claimants shall submit proposed parameters and guidelines within 30 days of adoption of a statement of decision on a test claim. At the request of a successful test claimant, the commission may provide for one or more extensions of this 30-day period at any time prior to its adoption of the parameters and guidelines. If proposed parameters and guidelines are not submitted within the 30-day period and the commission has not granted an extension, then the commission shall notify the test claimant that the amount of reimbursement the test claimant is entitled to for the first 12 months of incurred costs will be reduced by 20 percent, unless the test claimant can demonstrate to the commission why an extension of the 30-day period is justified. (b) In adopting parameters and guidelines, the commission may adopt a reasonable reimbursement methodology. (c) The parameters and guidelines adopted by the commission shall specify the fiscal years for which local agencies and school districts shall be reimbursed for costs incurred. However, the commission may not specify in the parameters and guidelines any fiscal year for which payment could be provided in the annual Budget Act. (d) A local agency, school district, or the state may file a written request with the commission to amend, modify, or supplement the parameters or guidelines. The commission may, after public notice and hearing, amend, modify, or supplement the parameters and guidelines. A parameters and guidelines amendment submitted within 90 days of the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, shall apply to all years eligible for reimbursement as defined in the original parameters and guidelines. A parameters and guidelines amendment filed more than 90 days after the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, and on or before the claiming deadline following a fiscal year, shall establish reimbursement eligibility for that fiscal year. (e) A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. The claimant may thereafter amend the test claim at any time, but before the test claim is set for a hearing, without affecting the original filing date as long as the amendment substantially relates to the original test claim. (f) In adopting parameters and guidelines, the commission shall consult with the Department of Finance, the affected state agency, the Controller, the fiscal and policy committees of the Assembly and Senate, the Legislative Analyst, and the claimants to consider a reasonable reimbursement methodology that balances accuracy with simplicity.

GC §17557.1: Statement of Decision on Test Claim

(a) Notwithstanding any other provision of this part within 30 days of the commission's adoption of a statement of decision on a test claim, the test claimant and the Department of Finance may notify the executive director of the commission in writing of their intent to follow the process described in this section to develop a reasonable reimbursement methodology and statewide estimate of costs for the initial claiming period and budget year for reimbursement of costs mandated by the state in accordance with the statement of decision. The letter of intent shall include the date on which the test claimant and the Department of Finance will submit a plan to ensure that costs from a representative sample of eligible local agency or school district claimants are considered in the development of a reasonable reimbursement methodology. (b) This plan shall also include all of the following information: (1) The date on which the test claimant and Department of Finance will provide to the executive director an informational update regarding their progress in developing the reasonable reimbursement methodology. (2) The date on which the test claimant and Department of Finance will submit to the executive director the draft reasonable reimbursement methodology and proposed statewide estimate of costs for the initial claiming period and budget year. This date shall be no later than 180 days after the date the letter of intent is sent by the test claimant and Department of Finance to the executive

director. (c) At the request of the test claimant and Department of Finance, the executive director may provide for up to four extensions of this 180-day period. (d) The test claimant or Department of Finance may notify the executive director at any time that the claimant or Department of Finance no longer intends to develop a reasonable reimbursement methodology pursuant to this section. In this case, paragraph (2) of subdivision (a) of Section 17553 and Section 17557 shall apply to the test claim. Upon receipt of this notification, the executive director shall notify the test claimant of the duty to submit proposed parameters and guidelines within 30 days under subdivision (a) of Section 17557.

GC §17557.2: Broad Support Required; Joint Proposal Prior to Commission Hearing

(a) A reasonable reimbursement methodology developed pursuant to Section 17557.1 or a joint request for early termination of a reasonable reimbursement methodology shall have broad support from a wide range of local agencies or school districts. The test claimant and Department of Finance may demonstrate broad support from a wide range of local agencies or school districts in different ways including, but not limited to, obtaining endorsement by one or more statewide associations of local agencies or school districts and securing letters of approval from local agencies or school districts. (b) No later than 60 days before a commission hearing, the test claimant and Department of Finance shall submit to the commission joint proposal that shall include all of the following: (1) The draft reasonable reimbursement methodology. (2) The proposed statewide estimate of costs for the initial claiming period and budget year. (3) A description of the steps the test claimant and the Department of Finance undertook to determine the level of support by local agencies or school districts for the draft reasonable reimbursement methodology. (4) An agreement that the reasonable reimbursement methodology developed and approved under this section shall be in effect for a period of five years unless a different term is approved by the commission, or upon submission to the commission of a letter indicating the Department of Finance and test claimant's joint interest in early termination of the reasonable reimbursement methodology. (5) An agreement that, at the conclusion of the period established in paragraph (4), the Department of Finance and the test claimant will consider jointly whether amendments to the methodology are necessary. (c) The commission shall approve the draft reasonable reimbursement methodology if review of the information submitted pursuant to Section 17557.1 and subdivision (b) of this section demonstrates that the draft reasonable reimbursement methodology and statewide estimate of costs for the initial claiming period and budget year have been developed in accordance with Section 17557.1 and meet the requirements of subdivision (a). The commission thereafter shall adopt the proposed statewide estimate of costs for the initial claiming period and budget year. Statewide cost estimates adopted under this section shall be included in the report to the Legislature required under Section 17600 and shall be reported by the commission to the appropriate Senate and Assembly policy and fiscal committees, the Legislative Analyst, and the Department of Finance not later than 30 days after adoption. (d) Unless amendments are proposed pursuant to this subdivision, the reasonable reimbursement methodology approved by the commission pursuant to this section shall expire after either five years, any other term approved by the commission, or upon submission to the commission of a letter indicating the Department of Finance's and test claimant's joint interest in early termination of the reasonable reimbursement methodology. (e) The commission shall approved a joint request for early termination of a reasonable reimbursement methodology if the request meets the requirements of subdivision (a). If the commission approves a joint request for early termination, the commission shall notify the test claimant of the duty to submit proposed parameters and guidelines to the commission pursuant to subdivision (a) of Section 17557. (f) At least one year before the expiration of a reasonable reimbursement methodology, the commission shall notify the Department of Finance and the test claimant that they may do one of the following: (1) Jointly propose amendments to the reasonable reimbursement methodology by submitting the information described in paragraphs (1), (3), and (4) of subdivision (b), and providing an estimate of the mandate's annual cost for the subsequent budget year. (2) Jointly propose that the reasonable reimbursement methodology remain in effect. (3) Allow the reasonable reimbursement methodology to expire and notify the commission that the test claimant will submit proposed parameters and guidelines to the commission pursuant to subdivision (a) of Section 17557 to replace the reasonable reimbursement methodology. (g) The commission shall either approve the continuation of the reasonable reimbursement methodology or approve the jointly proposed amendments to the reasonable reimbursement methodology if the

information submitted in accordance with paragraph (1) of subdivision (d) demonstrates that the proposed amendments were developed in accordance with Section 17557.1 and meet the requirements of subdivision (a) of this section.

GC §17558: Submission of Parameters and Guidelines to Controller: Transfer of Claims; Claiming Instructions

(a) The commission shall submit the adopted parameters and guidelines or a reasonable reimbursement methodology approved pursuant to Section 17557.2 to the Controller. As used in this chapter, a "reasonable reimbursement methodology" approved pursuant to Section 17557.2 includes all amendments to the reasonable reimbursement methodology. When the Legislature declares a legislatively determined mandate in accordance with Section 17573 in which claiming instructions are necessary, the Department of Finance shall notify the Controller. (b) Not later than 60 days after receiving the adopted parameters and guidelines, a reasonable reimbursement methodology from the commission, or notification from the Department of Finance, the Controller shall issue claiming instructions for each mandate that requires state reimbursement, to assist local agencies and school districts in claiming costs to be reimbursed. In preparing claiming instructions, the Controller shall request assistance from the Department of Finance and may request the assistance of other state agencies. The claiming instructions shall be derived from the test claim decision and the adopted parameters and guidelines, reasonable reimbursement methodology, or statute declaring a legislatively determined mandate. (c) The Controller shall, within 60 days after receiving adopted parameters and guidelines, an amended reasonable reimbursement methodology from the commission or other information necessitating a revision of the claiming instructions, prepare and issue revised claiming instructions for mandates that require state reimbursement that have been established by commission action pursuant to Section 17557, Section 17557.2 or after any decision or order of the commission pursuant to Section 17557.2, or after any action by the Legislature pursuant to Section 17573. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies.

GC §17558.5: Reimbursement Claim: Audit; Remittance Advice and Other Notices of Payment

(a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. (b) The Controller may conduct a field review of any claim after the claim has been submitted, prior to the reimbursement of the claim. (c) The Controller shall notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review. The notification shall specify the claim components adjusted, the amounts adjusted, interest charges on claims adjusted to reduce the overall reimbursement to the local agency or school district, and the reason for the adjustment. Remittance advices and other notices of payment action shall not constitute notice of adjustment from an audit or review. (d) The interest rate charged by the Controller on reduced claims shall be set at the Pooled Money Investment Account rate and shall be imposed on the dollar amount of the overpaid claim from the time the claim was paid until overpayment is satisfied. (e) Nothing in this section shall be construed to limit the adjustment of payments when inaccuracies are determined to be the result of the intent to defraud, or when a delay in the completion of an audit is the result of willful acts by the claimant or inability to reach agreement on terms of final settlement.

GC §17558.6: Legislative Intent

It is the intent of the Legislature that the Commission on State Mandates review its process by which local agencies may appeal the reduction of reimbursement claims on the basis that the reduction is incorrect in order to provide for a more expeditious and less costly process.

GC §17559: Judicial Review

(a) The commission may order a reconsideration of all or part of a test claim or incorrect reduction claim on petition of any party. The power to order a reconsideration or amend a test claim decision shall expire 30 days after the statement of decision is delivered or mailed to the claimant. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of the 30-day period, the commission may grant a stay of that expiration for no more than 30 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied. (b) A claimant or the state may commence a proceeding in accordance with the provisions of Section 1094.5 of the Code of Civil Procedure to set aside a decision of the commission on the ground that the commission's decision is not supported by substantial evidence. The court may order the commission to hold another hearing regarding the claim and may direct the commission on what basis the claim is to receive a rehearing.

GC §17560: Deadlines for Filing Reimbursement Claims

Reimbursement for state-mandated costs may be claimed as follows: (a) A local agency or school district may, by February 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year. (b) In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of Section 17558 between November 15 and February 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

GC §17561: Reimbursement of Costs for State Mandated Programs

(a) The state shall reimburse each local agency and school district for all "costs mandated by the state," as defined in Section 17514 and for legislatively determined mandates in accordance with Section 17573. (b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows: (A) Any statute mandating these costs shall provide an appropriation therefor. (B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill that is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts. (2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor's Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor's Budget and in the accompanying Budget Bill. (c) The amount appropriated to reimburse local agencies and school districts for costs mandated by the state shall be appropriated to the Controller for disbursement. (d) The Controller shall pay any eligible claim pursuant to this section by August 15 or 45 days after the date of the appropriation for the claim is effective, whichever is later. The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies that would otherwise collect the costs of these mandates from local agencies or school districts in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows: (1) For initial reimbursement claims, the Controller shall issue claiming instructions to the relevant local agencies and school districts pursuant to Section 17558. Issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the commission, the

reasonable reimbursement methodology approved by the commission pursuant to Section 17557.2, or statutory declaration of a legislative determined and reimbursement methodology pursuant to Section 17573. (A) When claiming instructions are issued by the Controller pursuant to Section 17558 for each mandate determined pursuant to Section 17551 or 17573 that requires state reimbursement, each local agency or school district to which the mandate is applicable shall submit claims for initial fiscal year costs to the Controller within 120 days of the issuance date for the claiming instructions. (B) When the commission is requested to review the claiming instructions pursuant to Section 17571, each local agency or school district to which the mandate is applicable shall submit a claim for reimbursement within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller. (C) If the local agency or school district does not submit a claim for reimbursement within the 120-day period, or submits a claim pursuant to revised claiming instructions, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, provided that the Controller (i) may audit the records of any local agency or school district to verify the actual amount of the mandated costs, the application of a reasonable reimbursement methodology, or application of a legislatively enacted reimbursement methodology under Section 17573, and (ii) may reduce any claim that the Controller determines is excessive or unreasonable. (2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor, provided that the Controller (A) may audit (i) the records of any local agency or school district to verify the actual amount of the mandated costs, (ii) the application of a reasonable reimbursement methodology, or (iii) application of a legislatively enacted reimbursement methodology under Section 17573.(B) may reduce any claim that the Controller determines is excessive or unreasonable, and (C) shall adjust the payment to correct for any underpayments or overpayments which occurred in previous fiscal years. (3) When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates. (e) (1) Except as specified in paragraph (2), for the purposes of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIII B of the Constitution, a mandate that is "determined in a preceding fiscal year to be payable by the state" means any mandate for which the commission adopted a statewide cost estimate pursuant to this part during a previous fiscal year or that were identified as mandates by a predecessor agency to the commission, or that the Legislature declared by statute to be a legislatively determined mandate, unless the mandate has been repealed or otherwise eliminated. (2) If the commission adopts a statewide cost estimate for a mandate during the months of April, May, or June, the state's payment obligation under subdivision (b) of Section 6 of Article XIII B shall commence one year after the time specified in paragraph (1).

GC §17561.5: Payment of Claim with Interest

The payment of an initial reimbursement claim by the Controller shall include accrued interest at the Pooled Money Investment Account rate, if the payment is being made more than 365 days after adoption of the statewide cost estimate for an initial claim or, in the case of payment of a subsequent claim relating to that same statute or executive order, if payment is being made more than 60 days after the filing deadline for, or the actual date of receipt of, the subsequent claim, whichever is later. In those instances, interest shall begin to accrue as of the 366th day after adoption of the statewide cost estimate for an initial claim and as of the 61st day after the filing deadline for, or actual date of receipt of, the subsequent claim, whichever is later.

GC §17561.6: Payment

A budget act item or appropriation pursuant to this part for reimbursement of claims shall include an amount necessary to reimburse any interest due pursuant to Section 17561.5.

GC §17562: Review of Costs of State-Mandated Local Programs

(a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to increase information regarding state mandates and establish a method for regularly reviewing the costs and benefits of state-mandated local programs. (b) The Controller shall submit a report to the Joint Legislative Budget Committee and fiscal committees by October 31 of each fiscal year beginning with the 2007-08 fiscal year. This report shall summarize, by state mandate, the total amount of claims paid per fiscal year and the amount, if any, of mandate deficiencies or surpluses. This report shall be made available in an electronic spreadsheet format. The report shall compare the annual cost of each mandate. In the preceding fiscal year to the amount determined to be payable by the state for that fiscal year. (2) The Controller shall submit a report to the Joint Legislative Budget Committee, the applicable fiscal committees, and the Director of Finance by April 30 of each fiscal year. This report shall summarize, by state mandate, the total amount of unpaid claims by fiscal year that were submitted before April 1 of that fiscal year. The report shall also summarize any mandate deficiencies or surpluses. It shall be made available in an electronic spreadsheet, and shall be used for the purpose of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIIIB of the California Constitution. (c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified. (d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall report total annual state costs for mandated programs and, as appropriate, provide an analysis of specific mandates and make recommendations on whether the mandate should be repealed, funded, suspended, or modified. (e) (1) A statewide association of local agencies or school districts or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit a letter to the Chairs of the Assembly Committee on Education or the Assembly Committee on Local Government, as the case may be, and the Senate Committee on Education or the Senate Committee on Local Government, as the case may be, specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year. (2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst. (3) The Department of Finance shall review all statutes enacted each year that contain provisions making inoperative Section 17561 or Section 17565 that have resulted in costs or revenue losses mandated by the state that were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the statutes. The Department of Finance shall also review all statutes enacted each year that may result in cost savings authorized by the state. The Department of Finance shall submit an annual report of the review required by this subdivision, together with the recommendations as it may deem appropriate, by December 1 of each year. (f) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following: (1) The reports and recommendations submitted pursuant to subdivision (e). (2) The reports submitted pursuant to Sections

17570, 17600, and 17601. (3) Legislation to continue, eliminate, or modify any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment.

GC §17563: Use of Funds Received for Public Purpose

Any funds received by a local agency or school district pursuant to the provisions of this chapter may be used for any public purpose.

GC §17564: Filing of Claims: Threshold Amount

(a) No claim shall be made pursuant to Sections 17551, 17561, or 17573, nor shall any payment be made on claims submitted pursuant to Sections 17551 or 17561, or pursuant to a legislative determination under Section 17573, unless these claims exceed one thousand dollars (\$1,000), provided that a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds one thousand dollars (\$1,000) even if the individual school district's, direct service district's, or special district's claims do not each exceed one thousand dollars (\$1,000). The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim. (b) Claims for direct and indirect costs filed pursuant to Section 17561 shall be filed in the manner prescribed in the parameters and guidelines or reasonable reimbursement methodology and claiming instructions. (c) Claims for direct and indirect costs filed pursuant to a legislatively determined mandate pursuant to Section 17573 shall be filed and paid in the manner prescribed in the Budget Act or other bill, or claiming instructions, if applicable.

GC §17565: Reimbursement of Subsequently Mandated Costs

If a local agency or a school district, at its option, has been incurring costs which are subsequently mandated by the state, the state shall reimburse the local agency or school district for those costs incurred after the operative date of the mandate.

GC §17567: Insufficiency of Appropriation: Proration of Claims

In the event that the amount appropriated for reimbursement purposes pursuant to Section 17561 is not sufficient to pay all of the claims approved by the Controller, the Controller shall prorate claims in proportion to the dollar amount of approved claims timely filed and on hand at the time of proration. The Controller shall adjust prorated claims if supplementary funds are appropriated for this purpose. In the event that the Controller finds it necessary to prorate claims as provided by this section, the Controller shall immediately report this action to the Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the Budget Act.

GC §17568: Payment of Claims Submitted After Deadline

If a local agency or school district submits an otherwise valid reimbursement claim to the Controller after the deadline specified in Section 17560, the Controller shall reduce the reimbursement claim in an amount equal to 10 percent of the amount which would have been allowed had the reimbursement claim been timely filed, provided that the amount of this reduction shall not exceed ten thousand dollars (\$10,000). In no case shall a reimbursement claim be paid which is submitted more than one year after

the deadline specified in Section 17560. Estimated claims which were filed by the deadline specified in that section shall be paid in full before payments are made on estimated claims filed after the deadline. In the event the amount appropriated to the Controller for reimbursement purposes is not sufficient to pay the estimated claims approved by the Controller, the Controller shall prorate those claims in proportion to the dollar amount of approved claims filed after the deadline and shall report to the commission or the Legislature in the same manner as described in Section 17566 in order to assure appropriation of funds sufficient to pay those claims.

GC §17570: Annual Report to Legislature

The Legislative Analyst shall review each unfunded statutory or regulatory mandate for which claims have been approved by the Legislature pursuant to a claims bill during the preceding fiscal year. Any recommendations by the Legislative Analyst to eliminate or modify the mandates shall be contained in the annual analysis of the Budget Bill prepared by the Legislative Analyst.

GC §17571: Review and Modification of Claiming Instructions

The commission, upon request of a local agency or school district, shall review the claiming instructions issued by the Controller or any other authorized state agency for reimbursement of mandated costs. If the commission determines that the claiming instructions do not conform to the parameters and guidelines, the commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the commission.

GC §17575: Review of Bills

When a bill is introduced in the Legislature, and each time a bill is amended, on and after January 1, 1985, the Legislative Counsel shall determine whether the bill mandates a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution. The Legislative Counsel shall make this determination known in the digest of the bill and shall describe in the digest the basis for this determination. The determination by the Legislative Counsel shall not be binding on the commission in making its determination pursuant to Section 17555.

GC §17576: Determination of Bills by the Legislative Counsel

Whenever the Legislative Counsel determines that a bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Department of Finance shall prepare an estimate of the amount of reimbursement which will be required. This estimate shall be prepared for the respective committees of each house of the Legislature which consider taxation measures and appropriation measures and shall be prepared prior to any hearing on the bill by any such committee.

GC §17577: Amount of Estimates

The estimate required by Section 17576 shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local agencies and school districts for costs mandated by the state by the bill.

GC §17578: Amendment of Bills on Floor: Notification by Legislative Counsel

In the event that a bill is amended on the floor of either house, whether by adoption of the report of a conference committee or otherwise, in such a manner as to mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Legislative Counsel shall immediately inform, respectively, the Speaker of the Assembly and the President of the Senate of that fact. Notification from the Legislative Counsel shall be published in the journal of the respective houses of the Legislature.

GC §17579: Requirement for New Mandates to Specify Reimbursement Requirements: Appropriations

Any bill introduced or amended for which the Legislative Counsel has determined the bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution shall contain a section specifying that reimbursement shall be made pursuant to this chapter or that the mandate is being disclaimed and the reason therefor.

GC §17581: Conditions for Exemption from Implementation of Statute or Executive Order

(a) No local agency shall be required to implement or give effect to any statute or executive order, or portion thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply: (1) The statute or executive order, or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution. (2) The statute or executive order, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements. (b) Within 30 days after enactment of the Budget Act, the Department of Finance shall notify local agencies of any statute or executive order, or portion thereof, for which operation of the mandate is suspended because reimbursement is not provided for that fiscal year pursuant to this section and Section 6 of Article XIII B of the California Constitution. (c) Notwithstanding any other provision of law, if a local agency elects to implement or give effect to a statute or executive order described in subdivision (a), the local agency may assess fees to persons or entities which benefit from the statute or executive order. Any fee assessed pursuant to this subdivision shall not exceed the costs reasonably borne by the local agency. (c) This section shall not apply to any state-mandated local program for the trial courts, as specified in Section 77203. (d) This section shall not apply to any state-mandated local program for which the reimbursement funding counts toward the minimum General Fund requirements of Section 8 of Article XVI of the Constitution.

GC §17581.5 Exemption from Provisions of School Bus Safety II Mandate and School Crimes Reporting II Mandate

(a) A school district may not be required to implement or give effect to the statutes, or portion thereof, identified in subdivision (b) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply: (1) The statute or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts pursuant to Section 6 of Article XIII B of the California Constitution. (2) The statute, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements. (b) This section applies only to the following mandates: (1) The School Bus Safety I (CSM-4433) and II (97-TC-22) mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997). (2) The School Crimes Reporting II mandate (97-TC-03; and Chapter 759 of the Statutes of 1992 and Chapter 410 of the Statutes of 1995). (3) Investment reports (96-358-02; and Chapter 783 of the Statutes of 1995 and Chapters 156 and 749 of the Statutes of 1996). (4) County treasury oversight committees (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

GC §17600: Report on Number of Mandates and Their Costs

At least twice each calendar year the commission shall report to the Legislature on the number of mandates it has found pursuant to Article 1 (commencing with Section 17550) and the estimated statewide costs of these mandates. This report shall identify the statewide costs estimated for each mandate and the reasons for recommending reimbursement.

GC §17601: Report on Claims Denied

The commission shall report to the Legislature on January 15, 1986, and each January 15 thereafter, on the number of claims it denied during the preceding calendar year and the basis on which the particular claims were denied.

GC §17612: Local Government Claims Bills: Judicial Review of Funding Deletions

(a) Upon receipt of the report submitted by the commission pursuant to Section 17600, funding shall be provided in the subsequent Budget Act for costs incurred in prior years. No funding shall be provided for years in which a mandate is suspended. (b) The Legislature may amend, modify, or supplement the parameters and guidelines for mandates contained in the local government claims bill. If the Legislature amends, modifies, or supplements the parameters and guidelines, reasonable reimbursement methodology, and adopted statewide estimate of costs for the initial claiming period and budget year for mandates contained in the annual Budget Act. If the Legislature amends, modifies, or supplements the parameters and guidelines, reasonable reimbursement methodology, and adopted statewide estimate of costs for the initial claiming period and budget year, it shall make a declaration in a separate legislation specifying the basis for the amendment, modification, or supplement. (c) If the Legislature deletes from a local government claims bill funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement.

GC §17613: Authorization of Augmentation for Mandated Costs

(a) The Director of Finance may, upon receipt of any report submitted pursuant to Section 17567, authorize the augmentation of the amount available for expenditure to reimburse costs mandated by the state, as defined in Section 17514, as follows: (1) For augmentation of (A) any schedule in any item to reimburse costs mandated by the state in any budget act, or (B) the amount appropriated in a local government claims bill for reimbursement of the claims of local agencies, as defined by Section 17518, from the unencumbered balance of any other item to reimburse costs mandated by the state in that budget act or another budget act or in an appropriation for reimbursement of the claims of local agencies in another local government claims bill. (2) For augmentation of (A) any schedule in any budget act item, or (B) any amount appropriated in a local government claims bill, when either of these augmentations is for reimbursement of mandated claims of school districts, as defined in Section 17519, when the source of this augmentation is (A) the unencumbered balance of any other scheduled amount in that budget act or another budget act, or (B) an appropriation in another local government claims bill, when either of these appropriations is for reimbursement of mandate claims of school districts. This paragraph applies only to appropriations that are made for the purpose of meeting the minimum funding guarantee for educational programs pursuant to Section 8 of Article XVI of the California Constitution. (b) No authorization for an augmentation pursuant to this section may be made sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

GC §17615: Legislative Findings and Intent

The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for actual costs mandated by the state on an annual claim basis is time consuming,

cumbersome, and expensive at both the local and state levels. The Controller must process voluminous claims with all claims subject to a desk audit and selected claims also subject to a field audit. Local agencies are required to maintain extensive documentation of all claims in anticipation of such an audit. The volume of these records is substantial and will continue to grow with no relief in sight as new programs are mandated. The cost to local agencies and school districts for filing claims, and for maintaining documentation and responding to the Controller's audits is substantial. The current administrative cost to both state and local governments represents a significant expenditure of public funds with no apparent benefit to the taxpayers. It is the intent of the Legislature to streamline the reimbursement process for costs mandated by the state by creating a system of state mandate apportionments to fund the costs of certain programs mandated by the state.

GC §17615.1: Review of Programs for Inclusion in System

The commission shall establish a procedure for reviewing, upon request, mandated cost programs for which appropriations have been made by the Legislature for the 1982-83, 1983-84, and 1984-85 fiscal years, or any three consecutive fiscal years thereafter. At the request of the Department of Finance, the Controller, or any local agency or school district receiving reimbursement for the mandated program, the commission shall review the mandated cost program to determine whether the program should be included in the State Mandates Apportionment System. If the commission determines that the State Mandates Apportionment System would accurately reflect the costs of the state-mandated program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System.

GC §17615.2: Calculation of Disbursement Amounts

(a) Notwithstanding Section 17561, after November 30, 1985, for those programs included in the State Mandates Apportionment System, after approval by the commission, there shall be disbursed by the Controller to each local agency and school district which has submitted a reimbursement claim for costs mandated by the state in the 1982-83, 1983-84, and the 1984-85 fiscal years, or any three consecutive fiscal years thereafter, an amount computed by averaging the approved reimbursement claims for this three-year period. The amount shall first be adjusted according to any changes in the deflator. The deflator shall be applied separately to each year's costs for the three years which comprise the base period. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1985 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "base period" means the three fiscal years immediately succeeding the commission's approval. (b) When the Controller has made payment on claims prior to commission approval of the program for inclusion in the State Mandates Apportionment System, the payment shall be adjusted in the next apportionment to the amount which would have been subvented to the local agency or school district for that fiscal year had the State Mandates Apportionment System been in effect at the time of the initial payment.

GC §17615.3: Annual Recalculation of Allocation

Notwithstanding Section 17561, by November 30, 1986, and by November 30 of each year thereafter, for those programs included in the State Mandates Apportionment System, the Controller shall recalculate each allocation for each local agency and school district for the 1985-86 fiscal year, by using the actual change in the deflator for that year. That recalculated allocation shall then be adjusted by the estimated change in the deflator for the 1986 -87 fiscal year, and each fiscal year thereafter, to establish the allocation amount for the 1986-87 fiscal year, and each fiscal year thereafter. Additionally, for programs approved by the commission for inclusion in the State Mandates Apportionment System on or after January 1, 1988, the allocation for each year succeeding the three-year base period shall be adjusted according to any changes in both the deflator and workload. The Controller shall then subvene that amount after adjusting it by any amount of overpayment or underpayment in the 1985-86 fiscal year, and each fiscal year thereafter, due to a discrepancy between the actual change and the estimated change in the deflator or workload. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1986 and the Budget Act for any subsequent fiscal year thereafter. For purposes of this article, "workload" means, for school districts and county offices of

education, changes in the average daily attendance; for community colleges, changes in the number of full-time equivalent students; for cities and counties, changes in the population within their boundaries; and for special districts, changes in the population of the county in which the largest percentage of the district's population is located.

GC §17615.4: Procedure for Newly Mandated Program

(a) When a new mandate imposes costs that are funded either by legislation or in local government claims bills, local agencies and school districts may file reimbursement claims as required by Section 17561, for a minimum of three years after the initial funding of the new mandate. (b) After actual cost claims are submitted for three fiscal years against such a new mandate, the commission shall determine, upon request of the Controller or a local entity or school district receiving reimbursement for the program, whether the amount of the base year entitlement adjusted by changes in the deflator and workload accurately reflects the costs incurred by the local agency or school district. If the commission determines that the base year entitlement, as adjusted, does accurately reflect the costs of the program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System. (c) The Controller shall make recommendations to the commission and the commission shall consider the Controller's recommendations for each new mandate submitted for inclusion in the State Mandates Apportionment System. All claims included in the State Mandates Apportionment System pursuant to this section are also subject to the audit provisions of Section 17616.

GC §17615.5: Procedure Where No Base Year Entitlement Has Been Established

(a) If any local agency or school district has an established base year entitlement which does not include costs for a particular mandate, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, adjusted pursuant to Section 17615.3 by changes in the deflator and workload, or entitlement claims covering a minimum of three consecutive years, after which time its base year entitlement may be adjusted by an amount necessary to fund the costs of that mandate. (b) If any local agency or school district has no base year entitlement, but wishes to begin claiming costs of one or more of the mandates included in the State Mandates Apportionment System, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, or entitlement claims covering the preceding three consecutive years, which shall be adjusted pursuant to Sections 17615.2 and 17615.3 by changes in the deflator and workload, after which time a base year entitlement may be established in an amount necessary to fund the costs of the mandate or mandates.

GC §17615.6: Procedure Where Program is No Longer Mandatory

If a local agency or school district realizes a decrease in the amount of costs incurred because a mandate is discontinued, or made permissive, the Controller shall determine the amount of the entitlement attributable to that mandate by determining the base year amount for that mandate for the local agency or school district plus the annual adjustments. This amount shall be subtracted from the annual subvention which would otherwise have been allocated to the local agency or school district.

GC §17615.7: Procedure Where Program is Modified

If a mandated program included in the State Mandates Apportionment System is modified or amended by the Legislature or by executive order, and the modification or amendment significantly affects the costs of the program, as determined by the commission, the program shall be removed from the State Mandate Apportionment System, and the payments reduced accordingly. Local entities or school districts may submit actual costs claims for a period of three years, after which the program may be considered for inclusion in the State Mandates Apportionment System, pursuant to the provisions of Section 17615.4.

GC §17615.8: Review of Base Year Entitlement

(a) The commission shall establish a procedure for reviewing, upon request, any apportionment or base year entitlement of a local agency or school district. (b) Local agencies and school districts which request such a review shall maintain and provide those records and documentation as the commission or its designee determines are necessary for the commission or its designee to make the required determinations. With the exception of records required to verify base year entitlements, the records may not be used to adjust current or prior apportionments, but may be used to adjust future apportionments. (c) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state does not accurately reflect the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission shall direct the Controller to adjust the apportionment accordingly. For the purposes of this section, an apportionment or a base year entitlement does not accurately reflect the costs incurred by a local agency or school district if it falls short of reimbursing, or overreimburses, that local agency's or school district's actual costs by 20 percent or by one thousand dollars (\$1,000), whichever is less. (d) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state accurately reflects the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission may, in its discretion, direct the Controller to withhold, and, if so directed, the Controller shall withhold the costs of the commission's review from the next apportionment to the local agency or school district, if the commission review was requested by the local agency or school district.

GC §17615.9: Review of Programs Under SMAS

The commission shall periodically review programs funded under the State Mandate Apportionments System to evaluate the effectiveness or continued statewide need for each such mandate.

GC §17616: Audits and Verification by Controller

The Controller shall have the authority to do either or both of the following: (a) Audit the fiscal years comprising the base year entitlement no later than three years after the year in which the base year entitlement is established. The results of such audits shall be used to adjust the base year entitlements and any subsequent apportionments based on that entitlement, in addition to adjusting actual cost payments made for the base years audited. (b) Verify that any local agency or school district receiving funds pursuant to this article is providing the reimbursed activities.

GC §17617: Local Agency Payment

The total amount due to each city, county, city and county, and special district, for which the state has determined, as of June 30, 2005, that reimbursement is required under Section 6 of Article XIII B of the California Constitution, shall be appropriated for payment to these entities over a period of not more than five years, commencing with the Budget Act for the 2006-07 fiscal year and concluding with the Budget Act for the 2011-12 fiscal year.

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OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2006-11
ANIMAL ADOPTION 2005

April 3, 2006

Revised January 30, 2009

In accordance with Government Code (GC) section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for filing claims for the Animal Adoption (AA) program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (CSM).

On January 25, 2001, the CSM determined that Chapter 752, Statutes of 1998, established costs mandated by the State according to the provisions listed in the P's & G's. For your reference, the P's & G's are included as an integral part of the claiming instructions.

Eligible Claimants

Any city, county, or city and county, which incurs increased costs, as a direct result of this mandate is eligible to claim reimbursement of these costs.

Filing Deadlines

A. Reimbursement Claims

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

An actual claim may be filed by February 15 following the fiscal year in which costs were incurred. If the filing deadline falls on a weekend or holiday, the filing deadline will be the next business day. Since the 15th falls on a weekend in 2009 claims for fiscal year 2007-08 will be accepted without penalty if postmarked or delivered on or before February 17, 2009. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. A claim filed more than one year after the deadline cannot be accepted for reimbursement.

In order for a claim to be considered properly filed, it must include the Indirect Cost Rate Proposal (ICRP) if the indirect cost rate exceeds 10%. A more detailed discussion of the ICRP may be found in Section 8 of the instructions.

Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO upon request as explained in Section 17 of the instructions.

B. Estimated Claims

Pursuant to AB 8, Chapter 6, Statutes of 2008, the option to file estimated claims has been eliminated. Therefore, estimated claims filed on or after February 16, 2008, will not be accepted for reimbursement.

Minimum Claim Cost

GC section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000), provided that a county may submit a combined claim on behalf of direct service districts or special districts within their county if the combined claim exceeds \$1,000, even if the individual direct service district's or special district's claim does not each exceed \$1,000. The county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each direct service district or special district. These combined claims may be filed only when the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a direct service district or special district provides a written notice of its intent to file a separate claim to the county and to the SCO, at least 180 days prior to the deadline for filing the claim.

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities.

A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, notices of order of suspension or revocation, sworn reports, arrest reports, notices to appear, employee time records, or time logs, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations.

Declarations must include a certification or declaration stating, "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of the Code of Civil Procedure section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

Certification of Claim

In accordance with the provisions of GC section 17561, an authorized representative of the claimant shall be required to provide a certification of claim stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of the Code of Civil Procedure section 2015.5, for those costs mandated by the State and contained herein.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within 30 days after payment of the claim.

Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the SCO no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents shall be made available to the SCO on request.

Retention of Claiming Instructions

The claiming instructions and forms in this package should be retained permanently in your Mandated Cost Manual for future reference and use in filing claims. These forms should be duplicated to meet your filing requirements. You will be notified of updated forms or changes to claiming instructions as necessary.

Questions or requests for hard copies of these instructions should be faxed to Angie Teng at (916) 323-6527, or e-mailed to **LRSDAR@sco.ca.gov**. Or, if you wish, you may call the Local Reimbursements Section at (916) 324-5729.

For your reference, these and future mandated costs claiming instructions and forms can be found on the Internet at <http://www.sco.ca.gov/ard/local/locreim/index.shtml>.

Address for Filing Claims

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **(To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)** Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Amended: January 26, 2006
Adopted: February 28, 2002
j:mandates/2004/pga/04pga01 and 02/draftpga

PARAMETERS AND GUIDELINES AMENDMENT

Civil Code Sections 1834 and 1846;
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
As Added or Amended by Statutes of 1998, Chapter 752

AND

Amended Pursuant to Statutes 2004, Chapter 313 (AB 2224) and
Request of the State Controller's Office

Animal Adoption

I. Summary of the Mandate

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive "necessary and prompt veterinary care."

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
 - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or

(b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing “necessary and prompt veterinary care” for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

II. Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. Period of Reimbursement

The period of reimbursement for the activities in this parameters and guidelines amendment begins on July 1, 2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A local agency may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
2. A local agency may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years’ costs shall be submitted within

120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. Reimbursable Activities

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One Time Activities

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) (8) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the

pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

B. Ongoing Activities

1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Formula for Proportionate Share of Actual Costs:

Where:

(A) = Shelter square footage, 1998

(B) = Total animal average daily census (ADC), 1998

(C) = Square footage per ADC, 1998 (=A/B)

(D) = Total dog/cat ADC, 1998

(E) = Shelter square footage, claim year

(F) = Total dog/cat ADC, claim year

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(I) = Eligible dog/cat square footage, claim year

For shelters that meet the conditions of to Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:¹

$$(I) = 2/5 \times C \times F$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(I) = 4/7 \times C \times F$$

(J) = Reduction in eligible square footage due to decline in total dog/cat population (cannot exceed 0)

For shelters that meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:²

$$(J) = [(F/5 - D/3 \times C \times D) / (D/3)]$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(J) = [(F/7 - D/3) \times C \times D] / (D/3)$$

(K) = Net eligible dog/cat square footage (cannot be less than 0)

$$(K = I+J)$$

(L) = Percentage of eligible dog/cat ADC, claim year ($L = G/F$)

(M) = Allowable dog/cat square footage ($M = K \times L$)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 ($N = C \times H$)

(P) = Eligible percentage of acquisition/construction costs (cannot exceed 100%) [$P = (M+N) / ((E-A))$]

Statutes 2004, chapter 313 specifies that costs incurred to address preexisting shelter overcrowding or animal population growth are not reimbursable. The mandate reimburses for costs required due to the

¹ In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

² In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

increased holding period required by Statutes 1998, chapter 752. In calculating net eligible dog/cat square footage, the formula recognizes that a decline in the number of animals sheltered may offset the effect of the increased holding period. For example, if the dog/cat average daily census does not change between the 1998 base year and the claim year, there is no additional square footage required.

The mandate reimburses only for costs attributable to eligible animals. Prior to Statutes 1998, chapter 752, shelters were required to hold dogs and cats for three days, whereas there was no required holding period for other animals. Therefore, the mandate reimbursable percentage formula separately calculates allowable square footage for dogs and cats, and allowable square footage for other animals specified by Food and Agricultural Code section 31753.

Acquisition/construction costs that are less than or equal to the cost of contract services for eligible animals are reimbursable.

Claimants may recalculate the eligible percentage of acquisition/construction costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.1, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the

holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;

- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holding period required by Statutes 1998, chapter 752; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes 1998, chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holder period required by Statutes 1998, chapter 752. This finding should include the cost to contract with existing shelters..

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire

holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Since the remodeling/renovation will not increase square footage to address existing overcrowding or future growth issues, the mandate reimbursable percentage formula for remodeling/renovation would exclude the eligible percentage of square footage factor.

Formula for proportionate share of actual remodeling/renovation costs:

(A) = Shelter square footage

(B) = Total animal average daily census (ADC), claim year

(C) = Square footage per ADC, claim year ($C = A/B$)

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(M) = Eligible dog/cat square footage, claim year

For shelters that meet the requirements of Food and Agricultural Code section 31108 (a)(1) or (2) for dogs, and section 31752 (a)(1) or (2) for cats, $M = 2/5 \times C \times G$.

For shelters that do not meet the requirements of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats, $M = 4/7 \times C \times G$.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year ($N = C \times H$)

(P) = Eligible percentage of remodeling/renovation costs

$[P = (M + N) / A]$

Claimants may recalculate the eligible percentage of remodeling/renovation costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The

determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.2, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities to comply with the increased holding period required by Statutes 1998, chapter 752.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished dogs and cats; and
- Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of all dogs and cats impounded at a facility. For purposes of claiming reimbursement under IV.B.3, average daily census is defined as the average number of all dogs and cats at a facility housed on any given day, in a 365-day period..
 - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
 - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die

during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
 - b) Account for the total activity for which each employee is compensated;
 - c) Account for the total labor hours of the month;
 - d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
 - e) Document, by signature or initials and date, supervisor approval.
3. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method –Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
 - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
 - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by

each reimbursable day (four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

4. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

5. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

6. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on “lost and found” lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

7. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and

- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

8. “Necessary and Prompt Veterinary Care” (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);

- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));
- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

V. Claim Preparation and Submission

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates

attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the Office of Management and Budget (OMB) Circular A-87. Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in OMB Circular A-87 Attachments A and B) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in OMB Circular A-87 Attachments A and B). However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or
2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections,

and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter³ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of

³ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section 31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decision and the revised parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ANIMAL ADOPTION			For State Controller Use Only (19) Program Number 00213 (20) Date Filed (21) LRS Input		PROGRAM <div style="font-size: 2em; font-weight: bold; margin-top: 10px;">213</div>	
(01) Claimant Identification Number			Reimbursement Claim Data			
(02) Claimant Name			(22) FORM-1, (04)(A)(1)(g)			
Address			(23) FORM-1, (04)(A)(2)(g)			
			(24) FORM-1, (04)(A)(3)(g)			
			(25) FORM-1, (04)(B)(1)(g)			
Type of Claim	Estimated Claim	Reimbursement Claim	(26) FORM-1, (04)(B)(2)(g)			
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(27) FORM-1, (04)(B)(3)(g)			
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28) FORM-1, (04)(B)(4)(g)			
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29) FORM-1, (04)(B)(5)(g)			
Fiscal Year of Cost	(06)	(12)	(30) FORM-1, (04)(B)(6)(g)			
Total Claimed Amount	(07)	(13)	(31) FORM-1, (04)(B)(7)(g)			
Less: 10% Late Penalty (refer to claiming instructions)		(14)	(32) FORM-1, (04)(B)(8)(g)			
Less: Prior Claim Payment Received		(15)	(33) FORM-1, (04)(B)(9)(g)			
Net Claimed Amount		(16)	(34) FORM-1, (04)(B)(10)(g)			
Due from State	(08)	(17)	(35) FORM-1, (06)			
Due to State		(18)	(36)			
(37) CERTIFICATION OF CLAIM <p>In accordance with the provisions of Government Code § 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.</p> <p>I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amounts for the Reimbursement Claim are hereby claimed from the State for payment of actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> Signature of Authorized Officer <hr style="border: 0; border-top: 1px solid black; margin-top: 10px;"/> </div> <div style="width: 45%;"> Date <hr style="border: 0; border-top: 1px solid black; margin-top: 10px;"/> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> Type or Print Name (38) Name of Contact Person for Claim <hr style="border: 0; border-top: 1px solid black; margin-top: 10px;"/> </div> <div style="width: 45%;"> Title <hr style="border: 0; border-top: 1px solid black; margin-top: 10px;"/> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> Telephone Number <hr style="border: 0; border-top: 1px solid black; margin-top: 10px;"/> </div> <div style="width: 45%;"> E-mail Address <hr style="border: 0; border-top: 1px solid black; margin-top: 10px;"/> </div> </div>						

Program 213	ANIMAL ADOPTION Certification Claim Form Instructions	FORM FAM-27
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- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) Leave blank.
- (04) Leave blank.
- (05) Leave blank.
- (06) Leave blank.
- (07) Leave blank.
- (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim from Form-1.1, line (11). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims will be reduced by a late penalty. Enter zero if the claim was timely filed, otherwise, enter the product of multiplying line (13) by the factor 0.10 (10% penalty), not to exceed \$10,000.
- (15) If filing a reimbursement claim or a claim was previously filed for the same fiscal year, enter the amount received for the claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (28) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (28) for the reimbursement claim, e.g., Form-1, (04)(A)(1)(g), means the information is located on Form-1, block (04)(A)(1), column (g). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the payment process.**
- (37) Read the statement "Certification of Claim." If it is true, the claim must be dated, signed by the agency's authorized officer, and must include the person's name and title, typed or printed. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the person to contact if additional information is required.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

Address, if delivered by U.S. Postal Service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 P.O. Box 942850
 Sacramento, CA 94250**

Address, if delivered by other delivery service:

**OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursements Section
 Division of Accounting and Reporting
 3301 C Street, Suite 500
 Sacramento, CA 95816**

Program 213	MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY						FORM 1	
(01) Claimant					(02) Fiscal Year			
					20__ / 20__			
(03) Department								
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Salaries	Benefits	Materials & Supplies	Contract Services	Travel & Training	Fixed Assets	Total
A. One-Time Activities								
1. Policies and Procedures								
2. Training								
3. Computer Software								
B. Ongoing Activities								
1. Acquiring Space/Facilities								
2. Renovating Facilities								
3. Care of Dogs & Cats								
4. Care of Other Animals								
5. Holding Period								
6. Feral Cats								
7. Lost and Found Lists								
8. Non-Medical Records								
9. Veterinary Care								
10. Procuring Equipment								
(05) Total Direct Costs								
Indirect Costs								
(06) Indirect Cost Rate						[From ICRP]		%
(07) Total Indirect Costs						[See claim instructions]		
(08) Total Direct and Indirect Costs						[Line (05)(g) + line (07)]		
Cost Reduction								
(09) Less: Offsetting Savings								
(10) Less: Other Reimbursements								
(11) Total Claimed Amount						[Line (08) - {(line (09) + line (10))}]		

Program 213	ANIMAL ADOPTION CLAIM SUMMARY Instructions	FORM 1
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Department. If more than one department has incurred costs for this mandate, give the name of each department. A separate Form-1 should be completed for each department.
- (04) Reimbursable Activities. For each reimbursable activity, enter the total from Form-2, line (05), columns (d) through (i) to Form-1, block (05), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (g).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an ICRP. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim.
- (07) Total Indirect Costs. If the 10% flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by the Indirect Cost Rate, line (06). If an ICRP is submitted and both salaries and benefits were used in the distribution base for the computation of the indirect cost rate, then multiply the sum of Total Salaries, line (05)(a), and Total Benefits, line (05)(b), by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(g), and Total Indirect Costs line (07).
- (09) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements. Reimbursement received from any source shall be identified and deducted from this claim. Sources shall include, but are not limited to, rewards received under authority of Civil Code section 1845, licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f, and other state funds, and federal funds. Fees and fines received pursuant to Food & Agriculture Code section 30652 shall be deducted according to the priority specified on page 15 of the P's and G's.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

Program 213	MANDATED COSTS ANIMAL ADOPTION ACTIVITY COST DETAIL	FORM 2
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Activities: Check only **one box per form to identify the activity being claimed.**

One-Time	<input type="checkbox"/> Policies and Procedures	<input type="checkbox"/> Training	<input type="checkbox"/> Computer Software
Ongoing	<input type="checkbox"/> Acquiring Space/Facilities	<input type="checkbox"/> Renovating Facilities	<input type="checkbox"/> Care of Dogs & Cats
	<input type="checkbox"/> Care of Other Animals	<input type="checkbox"/> Holding Period	<input type="checkbox"/> Feral Cats
	<input type="checkbox"/> Lost and Found Lists	<input type="checkbox"/> Non-Medical Records	<input type="checkbox"/> Veterinary Care
	<input type="checkbox"/> Procuring Equipment		

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel and Training
(05) Total <input type="text"/> Subtotal <input type="text"/> Page: ____ of ____								

Program 213	ANIMAL ADOPTION ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2
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- (01) Claimant. Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A separate Form-2 should be completed for each department.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Activities. Check the box which indicates the cost activity being claimed. Check only one box per form. A separate Form -2 shall be prepared for each applicable activity.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box "checked" in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit shall be from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
Benefits	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service			Cost = Hourly Rate x Hours Worked			Copy of Contract
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage				Cost = Unit Cost x Usage		Supporting Documentation
Travel and Training	Purpose of Trip Name and Title	Per Diem Rate	Days					Cost = Rate x Days or Miles	
	Departure and Return Date	Mileage Rate Travel Cost	Miles Travel Mode					or Total Travel Cost	
Training	Employee Name/Title Name of Class		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (i) to Form-1, block (04), columns (a) through (f) in the appropriate row.

RECEIVED
July 29, 2015
*Commission on
State Mandates*

FILING A CLAIM

1. Introduction

The law in the State of California (Government Code Sections 17500 through 17616) provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. These are costs that local agencies are required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. An actual claim for the 2008-09 fiscal year, may be filed by February 16, 2010, without a late penalty. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims filed more than one year after the deadline will not be accepted by the SCO.

In order for a claim to be considered properly filed, it must include documentation to support the indirect cost rate. A full discussion of the indirect cost methods available to local agencies may be found in Section 8 of these instructions.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement are not required to file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

These claiming instructions are issued to help claimants prepare paper, and electronic mandated cost claims, for submission to SCO. These instructions are based upon the State of California statutes, regulations, and parameters and guidelines (P's & G's) adopted by the Commission. Since each mandate is administered separately, it is important to refer to the specific program for information relating to established policies on eligible reimbursable costs.

2. Local Government Electronic Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and also provides a web service so claims can be uploaded in batch files. LGeC also incorporates an attachment feature so claimants can electronically attach supporting documentation if required. In order for a claim to be considered properly filed it must include a copy of the Indirect Cost Rate Proposal (ICRP) if the indirect cost rate exceeds ten percent.

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by the locals and the receiving, processing, key entry, verification, and storage of paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the state with an electronic workflow process, and

stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred by local entities for handling, postage, and storage of claims filed using the LGeC system.

In order to use the LGeC system you will need to obtain a user ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided on the form. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claim receipts, payments, test claims, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information disseminated by other state agencies.

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently ask questions (FAQ's) and additional help files. Questions may be directed to LRS DAR@sco.ca.gov, or you may call Local Reimbursements Section, Local Government e-Claims at (916) 324-5729.

3. Types of Claims

Claimant may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program would receive an automatic annual payment, which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due 120 days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2008-09 will be accepted without late penalty if postmarked or delivered on before February 16th, 2010. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed \$10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

In order for a claim to be considered properly filed, it must include the Indirect Cost Rate Proposal (ICRP) to support the indirect cost rate if the indirect cost rate exceeds ten percent. A more detailed discussion of the indirect cost methods available to local agencies may be found in Section 2, Filing a Claim, Page 11 of these instructions.

B. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a Local Agency with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by February 15, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is determined, the claimant will receive an apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the IPD of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by CSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three year in base period is adjusted according to any changes by both the IPD and average daily attendance (ADA).

SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim, form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

4. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30, 2002, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by GC Section 17564. Combined claims may be filed only when the county is the fiscal agent for the special districts. The county shall determine if the submission of a combined claim is economically feasible and shall be responsible for disbursing the funds to each special district. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a special district provides to the county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

GC Section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000), provided that a county may submit a combined claim on behalf of direct service districts or special districts within their county if the combined claim exceeds \$1,000, even if the individual direct service district's or special district's claim does not each exceed \$1,000. The county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each direct service district or special district. These combined claims may be filed only when the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a special district provides a written notice of its intent to file a separate claim to the county and to the SCO at least 180 days prior to the deadline for filing the claim.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within 120 days from the date SCO issues the claiming instructions for the program.

When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs.

All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty.

Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid.

In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. Claims for fiscal 2008-09 will be accepted without penalty if postmarked or delivered on or before February 16, 2010.

If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed \$10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed \$10,000 for the total claim. Claims filed more than one year after the deadline cannot be accepted for reimbursement.

Entitlement claims do not have a filing deadline. However, entitlement claims should be filed by February 15th to permit orderly processing of the claims.

6. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon id and password of the authorized officer is used for the signature and is applied by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate. SCO may withhold up to twenty percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs.

SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, who consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the Commission which will include these amounts in its report to assure that an appropriation is sufficient to pay the claims that was included in the next local government claims bill or other appropriation bills. When the supplementary funds become available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the Commission. The

determination of allowable reimbursable mandated costs for unfunded mandates is made by the Commission. SCO determines allowable reimbursable costs, subject to amendment by the Commission, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that, should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

7. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the Commission.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each local agency that has submitted reimbursement claims, (or entitlement claims), for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims, (or entitlement claims), for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the Commission's approval.

Each local agency with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and workload.

For cities and counties, workload means a change in population within their boundaries; for special districts, a change in population of the county in which the largest percentage of the district's population is located.

In the event a local agency has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the local agency may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a local agency with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement shall not include any non-recurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30th. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the local agency determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the Commission.

The following programs are placed in SMAS:

Program Name	Chapter/Statute	Program Number
Conservatorship: Developmentally Disabled Adults	Ch. 1304/80	67
Coroners	Ch. 498/77	88
Mentally Retarded Defendants: Diversion	Ch. 1253/80	66
Senior Citizens Property Tax Postponement	Ch. 1242/77	18

Listed are state mandated local programs and counties that are entitled to receive automatic apportionments in those fiscal years in which the program is funded.

Counties of:	Ch. 498/77 Coroners	Ch. 1242/77 Senior Citizens Property Tax Postponement	Ch. 1253/80 Mentally Retarded Defendants: Diversion	Ch. 1304/80 Developmentally Disabled Adults: Conservatorship
Alameda		x	x	x
Butte		x	x	x
Calaveras		x	x	x
Contra Costa		x	x	x
El Dorado		x	x	x
Fresno		x	x	x
Humboldt		x	x	x
Kern		x	x	x
Lake		x	x	x
Los Angeles	x	x	x	x
Marin		x	x	x
Mendocino		x	x	x
Monterey		x	x	x
Napa	x	x	x	x
Nevada		x	x	x
Orange	x	x	x	x
Placer		x	x	x
Plumas		x	x	x
Riverside		x	x	x
Sacramento		x	x	x
San Bernardino	x	x	x	x
San Diego		x	x	x
San Francisco		x	x	x
San Joaquin	x	x		
San Luis Obispo	x	x	x	x
San Mateo		x	x	x
Santa Barbara		x	x	x

Santa Clara	x	x	x	x
Santa Cruz		x	x	x
Shasta		x	x	x
Solano		x	x	x
Sonoma	x	x	x	x
Stanislaus		x	x	x
Tulare	x	x	x	x
Tuolumne		x		
Ventura	x	x	x	x
Yolo		x	x	x
Yuba		x		

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Costs that are typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A local agency may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

- Paid holidays
- Vacation earned
- Sick leave taken
- Informal time off
- Jury duty
- Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
$[(EAS + \text{Benefits}) \div APH] = PHR$	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
$[(\$26,000 + \$8,099) \div 1,800 \text{ hrs}] = 18.94$	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was \$26,000 and \$8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be \$18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.
2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:		
Step 1: <i>Fringe Benefits as a Percent of Salary</i>		Step 2: <i>Productive Hourly Rate</i>
Retirement	15.00 %	Formula: $[(EAS \times (1 + FBR)) \div APH] = PHR$ $[(\$26,000 \times (1.3115)) \div 1,800] = \18.94
Social Security & Medicare	7.65	
Health & Dental Insurance	5.25	
Workers Compensation	3.25	
Total	31.15 %	
Description:		
EAS = Employee's Annual Salary		APH = Annual Productive Hours
FBR = Fringe Benefit Rate		PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.
- Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, worker's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:
- The amount of compensation is reasonable for the service rendered.
 - The compensation paid and benefits received are appropriately authorized by the governing board.
 - Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
 - The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at the higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	<u>Time Spent</u>	<u>Productive Hourly Rate</u>	<u>Total Cost by Employee</u>
Employee A	1.25 hrs	\$6.00	\$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		\$45.88
Average Productive Hourly Rate is $\$45.88 \div 5.50 \text{ hrs.} = \8.34			

(d) Employer's Fringe Benefits Contribution

A local agency has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them. For example:

<u>Employer's Contribution</u>	<u>% to Salary</u>
Retirement	15.00%
Social Security	7.65%
Health and Dental	5.25%
Insurance	
Worker's Compensation	0.75%
Total	<u>28.65%</u>

(e) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the

number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases shall be claimed at the actual price after deducting discounts, rebates and allowances received by local agencies.

(f) Calculating a Unit Cost for Materials and Supplies

In those instances where the claiming instructions suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Cost Per Unit</u>	<u>Amount of Supplies Used Per Activity</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper	0.02	4	\$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	<u>0.40</u>
			<u>\$0.64</u>

Table 2: Calculating a Unit Cost for Materials and Supplies

<u>Supplies</u>	<u>Supplies Used</u>	<u>Unit Cost of Supplies Per Activity</u>
Paper (\$10.00 for 500 sheet ream)	250 Sheets	\$5.00
Files (\$2.50 for box of 25)	10 Folders	1.00
Envelopes (\$3.00 for box of 100)	50 Envelopes	1.50
Photocopies (\$0.05 per copy)	40 Copies	<u>2.00</u>
		<u>\$9.50</u>
If the number of reimbursable instances are 25, then the unit cost of supplies is \$0.38 per reimbursable instance (\$9.50 ÷ 25).		

(g) Contract Services

The cost of contract services is allowable if the local agency lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor; explain the reason for having to hire a contractor; describe the mandated activities performed; give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the claiming instructions for the mandated program. The

contractor's invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

(h) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the claiming instructions for the particular mandate. Equipment rentals used solely for the mandate, are reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the prorata portion of the rental costs can be claimed.

(i) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the claiming instructions specify them as allowable. If they are allowable, the claiming instructions for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the prorata portion of the purchase price used to implement the reimbursable activities can be claimed.

(j) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the claiming instructions may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto mileage traveled, and the cost of tolls and parking with receipts required for charges over \$10.00.

(k) Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

9. Indirect Costs

GC Section 17564(b) provides that claims for indirect costs shall be filed in the manner prescribed by the SCO. Indirect costs (or overhead) are those costs incurred for a common or joint purpose, benefiting more than one program and are not directly assignable to a particular program without efforts disproportionate to the result achieved. Indirect costs may include both (1) the overhead costs for the unit performing the mandate and (2) the costs of central government services distributed through the central service cost allocation plan and not otherwise treated as a direct cost.

Previously, the costs of elected officials were considered expenses related to general government and, thus, were unallowable for reimbursement purposes. Recent interpretation has moved in the opposite direction, except for those items of cost, which are unallowable in the cost principles set forth in Office of Management and Budget Circular (OMB) Circular A-87 (Title 2 CFR Part 225). A

cost that is necessary for proper and efficient administration of a program and is identifiable to that program is eligible for consideration as allocable indirect costs. Allocable costs for time spent on programs, must be supported by time record.

Local agencies have the option of using 10% of direct labor as indirect costs or claiming indirect costs through a department's Indirect Cost Rate Proposal (ICRP) for the program prepared in accordance with the provisions of Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225.) (Refer to the Appendix-Costs Computation: Indirect Costs). An ICRP must be prepared if the claim for indirect costs is in excess of 10% of direct salaries; the ICRP must be submitted with the claim.

A. Fixed 10% Rate Method

Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. The use of the 10% rate may benefit small agencies where it is inefficient to prepare an ICRP.

Direct Costs Incurred By	On Behalf of	
	Welfare Administration	Health Department
<u>Auditor</u>		
<u>Warrant Writing:</u>		
A. Salary of employee working	\$5,000	\$1,000
B. Benefits of above	800	200
C. Cost of paper	350	100
D. First-line supervision (salaries)	3,000	500
E. Indirect cost 10% of A + D	800	150
Total amount charged to benefited departments for warrant writing services	<u>\$9,950</u>	<u>\$1,950</u>
Direct Costs Incurred By	On Behalf of	
	Welfare Administration	Health Department
<u>Building & Grounds Department</u>		
<u>Maintenance of Buildings:</u>		
A. Salary of employees performing maintenance	\$1,000	\$500
B. Benefits of above	200	100
C. Cleaning supplies	250	150
D. First-line supervision (salaries)	500	200
E. Indirect cost 10% of A + D	150	70
Total amount charged to benefited departments for building maintenance services	<u>\$2,100</u>	<u>\$1,020</u>

Any local agency using this method for claiming costs must submit a statement similar to the example above and with supporting data. The cost data required for desk audit purposes are described in the claiming instructions for that mandated program under Salaries and Employee

Benefits, Materials and Supplies, Contract Services, Travel Expenses, etc.

B. Indirect Cost Rate Proposal Method

If a local agency elects not to utilize the 10% fixed rate method but wants to claim indirect costs, it must prepare an ICRP for the program. The proposal must follow the provisions of the Office of Management and Budget (OMB) Circular A-87 (Title 2 CFR Part 225), *Cost Principles for State, Local, and Indian Tribal Governments*. The development of the indirect cost rate proposal requires that the indirect cost pool include only those costs which are incurred for a common or joint purpose that benefit more than one cost objective. The indirect cost pool may only include costs that can be shown to provide benefits to the program. In addition, total allocable indirect costs may only include costs, which cannot be directly charged to an identifiable cost center (i.e., program).

A method for preparing a departmental indirect cost rate proposal for programs is presented as Exhibit 1. Only this format is acceptable under the SCO reimbursement requirements. If more than one department is involved in the reimbursement program, each department must have their own indirect cost rate proposal for the program.

**INDIRECT COST RATE PROPOSAL
PUBLIC DEFENDER'S OFFICE
INVESTIGATION PROGRAM
FISCAL YEAR 20__-20__**

Exhibit 1

(A) Description of Costs		Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs	
						Investigation PC 987.9	All Others
Salaries & Benefits							
Salaries & Wages		\$ 1,150,000	\$ 50,000 (F)	\$ 150,000	\$ 950,000 (F)	\$ 100,000	\$ 850,000
Overtime		20,000	0	20,000	0	0	0
Benefits		230,000	10,000	30,000	190,000	20,000	170,000
Total		<u>\$ 1,400,000</u>	<u>\$ 60,000</u>	<u>\$ 200,000</u>	<u>\$ 1,140,000</u>	<u>\$ 120,000</u>	<u>\$ 1,020,000</u>
Services & Supplies							
Office Expense		\$ 200,000	\$ 10,000	\$ 20,000	\$ 170,000	\$ 10,000	\$ 160,000
Communications		100,000	2,000	10,000	88,000	1,000	87,000
Transportation		120,000	5,000	0	115,000	5,000	110,000
Special Dept Expense (Contracts)		250,000	0	0	250,000	0	250,000
Other, Pass Through Program		800,000	800,000	0	0	0	0
Total		<u>\$ 1,470,000</u>	<u>\$ 817,000</u>	<u>\$ 30,000</u>	<u>\$ 623,000</u>	<u>\$ 16,000</u>	<u>\$ 607,000</u>
Capital Expenditures		<u>\$ 100,000</u>	<u>\$ 100,000</u>				
Total Budgetary Expenditures		<u>\$ 2,970,000</u>	<u>\$ 977,000</u>	<u>\$ 230,000</u>	<u>\$ 1,763,000</u>	<u>\$ 136,000</u>	<u>\$ 1,627,000</u>
Cost Plan Costs							
	<u>Distribution Base</u>						
Building Use	(Each line item should be reviewed to see if it benefits the mandate to insure a fair and equitable distribution.)	\$ 50,000	\$ 2,000	\$ 6,000	\$ 42,000	\$ 2,000	\$ 40,000
Equipment Use		30,000	1,000	3,000	26,000	1,000	25,000
Data Processing		50,000	5,000	30,000	15,000	0	15,000
Auditor		20,000	0	20,000	0	0	0
Personnel		10,000	1,000	1,000	8,000	1,000	7,000
Roll Forward		10,000	0	10,000	0	0	0
Total		<u>\$ 170,000 (E)</u>	<u>\$ 9,000</u>	<u>\$ 70,000</u>	<u>\$ 91,000</u>	<u>\$ 4,000</u>	<u>\$ 87,000</u>
Total Allocable Indirect Costs				\$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			<u>\$ 15,000</u>	<u>\$ (300,000)</u>	<u>\$ 285,000</u>	<u>\$ 30,000</u>	<u>\$ 255,000</u>
Totals		<u>\$ 3,140,000</u>	<u>\$ 1,001,000</u>	<u>\$ 0</u>	<u>\$ 2,139,000</u>	<u>\$ 170,000</u>	<u>\$ 1,969,000</u>

(1) Notes to Exhibit 1

- (a) The department's ICRP plan for the distribution of costs to programs must follow the same format as shown on Exhibit 1. Specifically, there must be columns as follows: Description of Costs, Total Cost, Excludable and Unallowable Costs (may be combined or separated), Allowable Indirect Costs, and Allowable Direct Costs (which are further allocated to identifiable programs and other). No other format will be accepted.
- (b) Excluded costs are all costs that are unallowable and unallocable according to specific guidelines (OMB 2 CFR Part 225 and state laws).

Examples:

Contributions and donations: Cost of amusement; social activities and related incidental costs such as meals, beverages, lodging, rentals, transportation and gratuities; and pass through revenues to another unit or organization.

- (c) Allocable indirect costs are costs that are not identifiable to a specific program or cost pool and indirectly benefit all cost pools.
- (d) Direct costs are costs that benefit a specific program or cost pool.
- (e) Overhead costs are distributed to the department in the cost allocation plan, which was prepared in accordance with the OMB 2 CFR Part 225. Use the same year's cost allocation plan for developing the ICRP as the year for which the ICRP is being prepared. Do not include a roll forward adjustment when the program is in its initial year.
- (f) Distribution base for the computation of the indirect cost rate is total salaries and wages.

Total Allocable Direct Costs (direct S&W)	\$950,000
Excluded and Unallowable Costs (direct S&W)	50,000
Distribution Base	<u>\$1,000,000</u>

Therefore, the Indirect Cost Rate for Penal Code 987.9 Program is:

$$\text{ICRP} = \frac{\text{Allowable Indirect Costs}}{\text{Total Salaries and Wages}} = \frac{\$300,000}{\$1,000,000} = 30.00\%$$

10. Time Study Guidelines

Background

For costs incurred on or after January 1, 2005, a reasonable reimbursement methodology can be used as a formula for reimbursing local agency and school district costs mandated by the state that meets certain conditions specified in GC Section 17518.5(a). These costs can only be substituted for continuous records of actual time spend for a specific fiscal year if the program's P's & G's allow for the use of time studies.

Two methods are acceptable for documenting employee time charged to mandated cost programs: Actual Time Reporting and Time Study, which are described below. Application of time study results is restricted. As explained in Time Study Results below, the results may be projected toward to a maximum of two years provided the claimant meets certain criteria.

Actual Time Reporting

P's & G's define reimbursable activities for each mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

Time Study Plan

A time study plan is necessary before conducting the time study. The claimant must retain the time study plan for audit purposes. The plan needs to identify the following:

- Time period(s) to be studied – The plan must show that all time periods selected are representative of the fiscal year, and the results can be reasonably projected to approximate actual costs;
- Activities and/or programs to be studied – For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's parameters and guidelines, which are derived from the program's Statement of Decision. If a reimbursable activity in the parameters and guidelines identifies separate and distinct sub-activities, these sub-activities must also be treated as individual activities;

For example, sub-activities (a), (b), and (c) under Reimbursable Activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity – Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity;
- Employee universe – The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology – The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;

- Time increments to be recorded – The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence, which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained

Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims – Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004, through December 31, 2004, unless (1) the program's P's & G's specifically allows time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.
- Initial Claims –When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's P's & G's specifically allows time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping

requirements for those claims.

11. Offset Against State Mandated Claims

When part or all the costs of a mandated program are specifically reimbursable from non-local agency sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from local agency funds is eligible for reimbursement under the provisions of Government Code Section 17561.

A. Example 1

This example shows how the offset against state mandated claim is determined for local agencies receiving block grant revenues not based on a formula allocation. Listed below are six situations, which may occur at a local agency level. For hypothetical program costs of \$100,000: (1) through (4) show intended funding at 100% from non-local agency sources and (5) through (6) show cost sharing on a 50/50 basis with the local agency. Of the \$100,000 program cost, \$2,500 is the cost of state mandated activity. Offset against state mandated claims is the amount of actual non-local agency funding which exceeds the difference between program costs and state mandated costs. The offset against state mandated claims can not exceed the amount of state mandated costs. In (4), non-local revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is \$2,500. In (1), non-local revenues were less than expected. Non-local agency funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and \$2,500 is claimable as mandated costs. In (5), the local agency is sharing 50% of the program cost. Since non-local revenues of \$50,000 were fully realized, the offset against state mandated claims is \$1,250.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
A.	Block Grants (funding not based on a formula allocation)				
1.	\$100,000	\$95,000	\$2,500	\$-0-	\$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	If in (5) the non-local matching share is less than the amount expected, for example \$49,000, the offset against state mandated claims is \$250. Therefore, the claimable mandated costs are \$2,250.				

* Local agency share is \$50,000 of the program costs.

B. Example 2

This example shows how the offset against state mandated claims are determined for local agencies receiving special project funds based on approved actual costs. Non-local revenues for special projects must be applied proportionately to approve costs. In (2), the entire program cost was approved. Since the non-local agency source covers 75% of the program cost, it also proportionately covered 75% of the \$2,500 state mandated costs, or \$1,875.

	<u>Program Costs</u>	<u>Actual Non-Local Agency Funding</u>	<u>State Mandated Costs</u>	<u>Offset Against State Mandated Claims</u>	<u>Claimable Mandated Costs</u>
B.	Special Projects (funding based on approved actual costs)				
1.	\$100,000	\$100,000	\$2,500	\$2,500	\$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	If in (2) the non-local matching share is less than the amount expected, because only \$60,000 of the program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to \$1,500. The offset against state mandated claim is \$1,125. Therefore, the claimable mandated costs are \$375.				

** Local agency share is \$25,000 of the program costs.

With respect to local agencies, the offset against state mandated claims for applicable federal and state local assistance programs includes, but is not limited to, the following funding sources:

Federal and State Funding Sources

Governing Authority

Federal Programs

CETA, PL 93-203

Federal-Health – Administration

Federal Aid for Construction

Federal-Public Assistance – Administration

Federal Aid for Disaster

State Programs

State Aid for Agriculture

State-Health – Administration

State Aid for Construction

State-Public Assistance - Administration

State Aid for Corrections

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustments* detailing adjustments made by the SCO.

13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted, prior to the reimbursement of the claim to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

14. Source Documents

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

For costs incurred on or after January 1, 2005, an RRM can be used for reimbursing local agency that meets certain conditions specified in 17518.5(a).

15. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2 provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file a reimbursement claim. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Component/Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant and copies of supporting documentation, as specified in the claiming instructions, must be submitted with the claims.

B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the entity. All applicable information from Form-1 must be carried forward onto this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Claims should be rounded to the nearest dollar. Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

16. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the Local Mandated Cost Manual and the old forms they replace should be removed. The instructions should then be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the year will be placed on the SCO's web site at www.sco.ca.gov/ard_mancost.html.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, send e-mail to lrsdar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claim Records and Supporting Documentation

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by local agency pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents shall be made available to SCO on request.

A. STATE OF CALIFORNIA TRAVEL EXPENSE GUIDELINES

Travel Program Effective January 31, 2002

The travel reimbursement program continues to be subject to the Internal Revenue Service (IRS) requirements for an accountable plan. There are no flat rate reimbursements. All items are to be claimed for the actual amount of expense, up to the maximum allowed. If the provisions below do not require submission of a receipt for a given item of expense, it is the employee's responsibility to retain receipts and other records of the expense and have them available for audit.

Lodging and meals that are provided by the State, including hotel expenses, conference fees, or transportation costs such as airline tickets; or otherwise provided shall not be claimed for reimbursement.

Employees may be reimbursed for actual expenses for breakfast, lunch, dinner, and incidentals for each 24 hours of travel, as follows:

Breakfast	up to	\$ 6.00
Lunch	up to	10.00
Dinner	up to	18.00
Incidentals	up to	6.00

Incidental expenses include, but are not limited to, expenses for laundering and pressing of clothing and tips for services such as porters and baggage handlers. Incidentals do not include taxicab fares, lodging taxes, or the cost of telegrams or telephone calls.

Lodging

All lodging reimbursements require a receipt from a commercial lodging establishment such as a hotel, motel, bed and breakfast inn, or campground that caters to the general public. No lodging will be reimbursed without a valid receipt. Employees who stay with friends or relatives are not eligible for lodging reimbursement, but may claim their actual expenses for meals and incidentals.

Short-Term Travel

A. For continuous short-term travel of more than 24 hours but less than 31 days, the employee will be reimbursed for actual costs up to the maximum for each meal, incidental, and lodging expense for each completed 24 hours of travel, beginning with the traveler's time of departure and return as follows:

1. On the first day of travel at the beginning of a trip of more than 24 hours:

Trip begins at or before 6 a.m. - Breakfast may be claimed

Trip begins at or before 11 a.m. - Lunch may be claimed

Trip begins at or before 5 p.m. - Dinner may be claimed

2. On the fractional day of travel at the end of a trip of more than 24 hours:

Trip ends at or after 8 a.m. - Breakfast may be claimed

Trip ends at or after 2 p.m. - Lunch may be claimed

Trip ends at or after 7 p.m. - Dinner may be claimed

If the fractional day includes an overnight stay, receipted lodging may be claimed. No meal or lodging expenses may be claimed or reimbursed more than once on any given date or during any 24-hour period.

- B.** For continuous travel of less than 24 hours, the employee will be reimbursed for actual expenses, up to a maximum as follows:

Travel begins at or before 6 a.m. and ends at or after 9 a.m. - Breakfast may be claimed
Travel begins at or before 4 p.m. and ends at or after 7 p.m. - Dinner may be claimed

If the trip extends overnight, receipted lodging may be claimed. No lunch or incidentals may be claimed on a trip of less than 24 hours.

Short-Term Travel Maximum Lodging Reimbursement Rate

- A.** Statewide except as in (B) and (C) below, actual receipted lodging up to \$84 plus tax.
- B.** When required to conduct state business and obtain lodging in the counties of Los Angeles and San Diego, reimbursement will be for actual receipted lodging, to a maximum of \$110 plus tax.
- C.** When required to conduct state business and obtain lodging in the counties of Alameda, San Francisco, San Mateo, and Santa Clara, reimbursement will be for actual receipted lodging, to a maximum of \$140 plus tax.

Long-Term Travel

Actual expenses for long-term meals and receipted lodging will be reimbursed when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

A. Full Long-Term Travel

To qualify for full long-term travel reimbursement, the employee on a long-term field assignment must meet the following criteria:

- a) The employee continues to maintain a permanent residence at the primary headquarters, and either,
- b) The permanent residence is occupied by the employee's dependents, or
- c) The permanent residence is maintained at a net expense to the employee exceeding \$200 per month.

The employee who is living at the long-term location may claim either:

- 1. Reimbursement for actual individual expense, substantiated by receipts for lodging, water, sewer, gas, and electricity, up to a maximum of \$1,130 per calendar month while on the long-term assignment, and actual expenses up to \$10 for meals and incidentals, for each period of 12 to 24 hours and up to \$5 for actual meals and incidentals for each period of less than 12 hours at the long-term location, or
- 2. Long-term subsistence rates of \$24 for actual meals and incidentals, \$24 for receipted lodging for travel of 12 hours up to 24 hours, and either \$24 for actual meals or \$24 for receipted lodging for travel less than 12 hours when the employee incurs expenses in one location comparable to those arising from the use of establishments catering to long-term visitors.

B. Partial Long-Term Travel

An employee on long-term field assignment who does not maintain a separate residence in the headquarters area may claim long-term subsistence rates of up to \$12 for actual meals and incidentals and \$12 for receipted lodging for travel of 12 hours up to 24 hours at the long-term location, and either \$12 for actual meals or \$12 for receipted lodging for travel less than 12 hours at the long-term location.

Receipts

Receipts or vouchers shall be submitted for every item of expense of \$25 or more.

- a) Receipts are required for every item of transportation and business expense incurred as a result of conducting state business except for actual expenses as follows:
 - 1. Railroad and bus fares of less than \$25, when travel is wholly within the State of California.
 - 2. Street car, ferry fares, bridge and road tolls, local rapid transit system, taxi, shuttle, or hotel bus fares, and parking fees of \$10 or less for each continuous period of parking or each separate transportation expense noted in this item.
 - 3. Telephone, telegraph, tax, or other business charges related to state business of \$5 or less.
 - 4. In the absence of a receipt, reimbursement will be limited to the non-receipted amount above.
- b) Reimbursement will be claimed only for the actual and necessary expenses noted above. Regardless of the above exceptions, the approving officer may require additional certification and/or explanation in order to determine that an expense was actually and reasonably incurred. In the absence of a satisfactory explanation, the expense shall not be allowed.

Mileage

When an employee is authorized by his/her appointing authority or designee to operate a privately owned vehicle on state business, effective January 1, 2009, the employee will be allowed to claim and be reimbursed 55 cents per mile.

B. GOVERNMENT CODE SECTIONS 17500-17617

17500. The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for the costs of state mandated local programs has not provided for the effective determination of the state's responsibilities under Section 6 of Article XIII B of the California Constitution. The Legislature finds and declares that the failure of the existing process to adequately and consistently resolve the complex legal questions involved in the determination of state-mandated costs has led to an increasing reliance by local agencies and school districts on the judiciary and, therefore, in order to relieve unnecessary congestion of the judicial system, it is necessary to create a mechanism which is capable of rendering sound quasi-judicial decisions and providing an effective means of resolving disputes over the existence of state-mandated local programs. It is the intent of the Legislature in enacting this part to provide for the implementation of Section 6 of Article XIII B of the California Constitution. Further, the Legislature intends that the Commission on State Mandates, as a quasi-judicial body, will act in a deliberative manner in accordance with the requirements of Section 6 of Article XIII B of the California Constitution.

Government Code Sections 17510-17524

17510. Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this part. The definition of a word applies to any variants thereof and the singular tense of a word includes the plural.

17511. "City" means any city whether general law or charter, except a city and county.

17512. "Commission" means the Commission on State Mandates.

17513. "Costs mandated by the federal government" means any increased costs incurred by a local agency or school district after January 1, 1973, in order to comply with the requirements of a federal statute or regulation. "Costs mandated by the federal government" includes costs resulting from enactment of a state law or regulation where failure to enact that law or regulation to meet specific federal program or service requirements imposed upon the state would result in substantial monetary penalties or loss of funds to public or private persons in the state whether the federal law was enacted before or after the enactment of the state law, regulation, or executive order. "Costs mandated by the federal government" does not include costs which are specifically reimbursed or funded by the federal or state government or programs or services which may be implemented at the option of the state, local agency, or school district.

17514. "Costs mandated by the state" means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution.

17515. "County" means any chartered or general law county. "County" includes a city and county.

17516. "Executive order" means any order, plan, requirement, rule, or regulation issued by any of the following:

(a) The Governor.

(b) Any officer or official serving at the pleasure of the Governor.

(c) Any agency, department, board, or commission of state government.

"Executive order" does not include any order, plan, requirement, rule, or regulation issued by the State Water Resources Control Board or by any regional water quality control board pursuant to Division 7 (commencing with Section 13000) of the Water Code. It is the intent of the Legislature that the State Water Resources Control Board and regional water quality control boards will not adopt enforcement orders against publicly owned dischargers which mandate major waste water treatment facility construction costs

unless federal financial assistance and state financial assistance pursuant to the Clean Water Bond Act of 1970 and 1974, is simultaneously made available. "Major" means either a new treatment facility or an addition to an existing facility, the cost of which is in excess of 20 percent of the cost of replacing the facility.

17517.5. "Cost savings authorized by the state" means any decreased costs that a local agency or school district realizes as a result of any statute enacted or any executive order adopted that permits or requires the discontinuance of or a reduction in the level of service of an existing program that was mandated before January 1, 1975.

17518. "Local agency" means any city, county, special district, authority, or other political subdivision of the state.

17518.5. (a) "Reasonable reimbursement methodology" means a formula for reimbursing local agencies and school districts for costs mandated by the state, as defined in Section 17514.

(b) A reasonable reimbursement methodology shall be based on cost information from a 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 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, and other approximations of local costs mandated by the state, rather than detailed 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.

17519. "School district" means any school district, community college district, or county superintendent of schools.

17520. "Special district" means any agency of the state that performs governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area. "Special district" does not include a city, a county, a school district, or a community college district.

County free libraries established pursuant to Chapter 6 (commencing with Section 19100 of Part 11 of the Education Code, areas receiving county fire protection services pursuant to Section 25643 of the Government Code, and county road districts established pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code shall be considered "special districts" for all purposes of this part.

17521. "Test claim" means the first claim filed with the commission alleging that a particular statute or executive order imposes costs mandated by the state, and includes a claim filed pursuant to Section 17574.

17521.5. "Legislatively determined mandate" means the provisions of a statute or executive order that the Legislature, pursuant to Article 1.5, has declared by statute to be a mandate for which reimbursement is required by Section 6 of Article XIII B of the California Constitution.

17522. (a) "Initial reimbursement claim" means a claim filed with the Controller by a local agency or school district for costs to be reimbursed for the fiscal years specified in the first claiming instructions issued by the Controller pursuant to subdivision (b) of Section 17558.

(b) "Annual reimbursement claim" means a claim for actual costs incurred in a prior fiscal year filed with the Controller by a local agency or school district for which appropriations are made to the Controller for this purpose.

(c) "Entitlement claim" means a claim filed by a local agency or school district with the Controller for the purpose of establishing or adjusting a base year entitlement. All entitlement claims are subject to Section 17616.

17523. "Deflator" means the Implicit Price Deflator for the Costs of Goods and Services to Governmental Agencies, as determined by the Department of Finance.

17524. "Base year entitlement" means that amount determined to be the average for the approved reimbursement claims of each local agency or school district for the three preceding fiscal years adjusted by the change in the deflator. A base year entitlement shall not include any nonrecurring or initial startup costs incurred by a local agency or school district in any of those three fiscal years. For those mandates which become operative on January 1 of any year, the amount of the "approved reimbursement claim" for the first of the three years may be computed by annualizing the amount claimed for the six-month period of January through June in that first year, excluding nonrecurring or startup costs.

Government Code Sections 17525-17533

17525. (a) There is hereby created the Commission on State Mandates, which shall consist of seven members as follows:

(1) The Controller.

(2) The Treasurer.

(3) The Director of Finance.

(4) The Director of the Office of Planning and Research.

(5) A public member with experience in public finance, appointed by the Governor and approved by the Senate.

(6) Two members from the following three categories appointed by the Governor and approved by the Senate, provided that no more than one member shall come from the same category:

(A) A city council member.

(B) A member of a county or city and county board of supervisors.

(C) A governing board member of a school district as defined in Section 17519.

(b) Each member appointed pursuant to paragraph (5) or (6) of subdivision (a) shall be subject to both of the following:

(1) The member shall serve for a term of four years subject to renewal.

(2) The member shall receive per diem of one hundred dollars (\$100) for each day actually spent in the discharge of official duties and shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of duties as a member of the commission.

17526. (a) All meetings of the commission shall be open to the public, except that the commission may meet in executive session to consider the appointment or dismissal of officers or employees of the commission or to hear complaints or charges brought against a member, officer, or employee of the commission.

(b) The commission shall meet at least once every two months.

(c) The time and place of meetings may be set by resolution of the commission, by written petition of a majority of the members, or by written call of the chairperson. The chairperson may, for good cause, change the starting time or place, reschedule, or cancel any meeting.

17527. In carrying out its duties and responsibilities, the commission shall have the following powers:

(a) To examine any document, report, or data, including computer programs and data files, held by any local agency or school district.

- (b) To meet at times and places as it may deem proper.
- (c) As a body or, on the authorization of the commission, as a committee composed of one or more members, to hold hearings at any time and place it may deem proper.
- (d) Upon a majority vote of the commission, to issue subpoenas to compel the attendance of witnesses and the production of books, records, papers, accounts, reports, and documents.
- (e) To administer oaths.
- (f) To contract with other agencies or individuals, public or private, as it deems necessary, to provide or prepare services, facilities, studies, and reports to the commission as will assist it in carrying out its duties and responsibilities.
- (g) To adopt, promulgate, amend, and rescind rules and regulations, which shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.
- (h) To do any and all other actions necessary or convenient to enable it fully and adequately to perform its duties and to exercise the powers expressly granted to it.

17528. The members of the commission shall elect a chairperson and a vice chairperson of the commission.

17529. The commission may appoint as attorney to the commission an attorney at law of this state, who shall hold office at the pleasure of the commission. The attorney shall represent and appear for the commission in all actions and proceedings involving any question under this part or under any order or act of the commission.

The attorney shall advise the commission and each member of the commission, when so requested, in regard to all matters in connection with the powers and duties of the commission and the members thereof. The attorney shall generally perform all duties and services as attorney to the commission which the commission may require.

17530. The commission shall appoint an executive director, who shall be exempt from civil service and shall hold office at the pleasure of the commission. The executive director shall be responsible for the executive and administrative duties of the commission and shall organize, coordinate, supervise, and direct the operations and affairs of the commission and expedite all matters within the jurisdiction of the commission. The executive director shall keep a full and true record of all proceedings of the commission, issue all necessary process, writs, warrants, and notices, and perform other duties as the commission prescribes.

17531. The executive director may employ those officers, examiners, experts, statisticians, accountants, inspectors, clerks, and employees as the executive director deems necessary to carry out the provisions of this part or to perform the duties and exercise the powers conferred upon the commission by law.

17532. A majority of the commissioners shall constitute a quorum for the transaction of any business, for the performance of any duty, or for the exercise of any power of the commission. Any investigation, inquiry, or hearing which the commission has power to undertake or to hold may be undertaken or held by or before any commissioner or commissioners designated for the purpose by the commission. The evidence in any investigation, inquiry, or hearing may be taken by the commissioner or commissioners to whom the investigation, inquiry, or hearing has been assigned or, in his or her or their behalf, by an examiner designated for that purpose. Every finding, opinion, and order made by the commissioner or commissioners so designated, pursuant to the investigation, inquiry, or hearing, when approved or confirmed by the commission and ordered filed in its office, shall be deemed to be the finding, opinion, and order of the commission.

17533. Notwithstanding Section 11425.10, Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 does not apply to a hearing by the commission under this part. 17550-17571 17550. Reimbursement of local agencies and school districts for costs mandated by the state shall be provided pursuant to this chapter.

17551. (a) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district that the local agency or school district is entitled to be reimbursed by the state for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution.

(b) Except as provided in Sections 17573 and 17574, commission review of claims may be had pursuant to subdivision (a) only if the test claim is filed within the time limits specified in this section.

(c) Local agency and school district test claims shall be filed not later than 12 months following the effective date of a statute or executive order, or within 12 months of incurring increased costs as a result of a statute or executive order, whichever is later.

(d) The commission, pursuant to the provisions of this chapter, shall hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561.

17552. This chapter shall provide the sole and exclusive procedure by which a local agency or school district may claim reimbursement for costs mandated by the state as required by Section 6 of Article XIII B of the California Constitution.

17553. (a) The commission shall adopt procedures for receiving claims filed pursuant to this article and Section 17574 and for providing a hearing on those claims. The procedures shall do all of the following:

(1) Provide for presentation of evidence by the claimant, the Department of Finance, and any other affected department or agency, and any other interested person.

(2) Ensure that a statewide cost estimate is adopted within 12 months after receipt of a test claim, when a determination is made by the commission that a mandate exists. This deadline may be extended for up to six months upon the request of either the claimant or the commission.

(3) Permit the hearing of a claim to be postponed at the request of the claimant, without prejudice, until the next scheduled hearing.

(b) All test claims shall be filed on a form prescribed by the commission and shall contain at least the following elements and documents:

(1) A written narrative that identifies the specific sections of statutes or executive orders and the effective date and register number of regulations alleged to contain a mandate and shall include all of the following:

(A) A detailed description of the new activities and costs that arise from the mandate.

(B) A detailed description of existing activities and costs that are modified by the mandate.

(C) The actual increased costs incurred by the claimant during the fiscal year for which the claim was filed to implement the alleged mandate.

(D) The actual or estimated annual costs that will be incurred by the claimant to implement the alleged mandate during the fiscal year immediately following the fiscal year for which the claim was filed.

(E) A statewide cost estimate of increased costs that all local agencies or school districts will incur to implement the alleged mandate during the fiscal year immediately following the fiscal year for which the claim was filed.

(F) Identification of all of the following:

(i) Dedicated state funds appropriated for this program.

(ii) Dedicated federal funds appropriated for this program.

(iii) Other nonlocal agency funds dedicated for this program.

(iv) The local agency's general purpose funds for this program.

(v) Fee authority to offset the costs of this program.

(G) Identification of prior mandate determinations made by the Commission on State Mandates or a predecessor agency that may be related to the alleged mandate.

(H) Identification of a legislatively determined mandate pursuant to Section 17573 that is on the same statute or executive order.

(2) The written narrative shall be supported with declarations under penalty of perjury, based on the declarant's personal knowledge, information, or belief, and signed by persons who are authorized and competent to do so, as follows:

(A) Declarations of actual or estimated increased costs that will be incurred by the claimant to implement the alleged mandate.

(B) Declarations identifying all local, state, or federal funds, or fee authority that may be used to offset the increased costs that will be incurred by the claimant to implement the alleged mandate, including direct and indirect costs.

(C) Declarations describing new activities performed to implement specified provisions of the new statute or executive order alleged to impose a reimbursable state-mandated program. Specific references shall be made to chapters, articles, sections, or page numbers alleged to impose a reimbursable state-mandated program.

(D) If applicable, declarations describing the period of reimbursement and payments received for full reimbursement of costs for a legislatively determined mandate pursuant to Section 17573, and the authority to file a test claim pursuant to paragraph (1) of subdivision (c) of Section 17574.

(3) (A) The written narrative shall be supported with copies of all of the following:

(i) The test claim statute that includes the bill number or executive order, alleged to impose or impact a mandate.

(ii) Relevant portions of state constitutional provisions, federal statutes, and executive orders that may impact the alleged mandate.

(iii) Administrative decisions and court decisions cited in the narrative.

(B) State mandate determinations made by the Commission on State Mandates or a predecessor agency and published court decisions on state mandate determinations made by the Commission on State Mandates are exempt from this requirement.

(4) A test claim shall be signed at the end of the document, under penalty of perjury by the claimant or its authorized representative, with the declaration that the test claim is true and complete to the best of the declarant's personal knowledge, information, or belief. The date of signing, the declarant's title, address, telephone number, facsimile machine telephone number, and electronic mail address shall be included.

(c) If a completed test claim is not received by the commission within 30 calendar days from the date that an incomplete test claim was returned by the commission, the original test claim filing date may be disallowed, and a new test claim may be accepted on the same statute or executive order.

(d) In addition, the commission shall determine whether an incorrect reduction claim is complete within 10 days after the date that the incorrect reduction claim is filed. If the commission determines that an incorrect reduction claim is not complete, the commission shall notify the local agency and school district that filed the claim stating the reasons that the claim is not complete. The local agency or school district shall have 30 days to complete the claim. The commission shall serve a copy of the complete incorrect reduction claim on the Controller. The Controller shall have no more than 90 days after the date the claim is delivered or mailed to file any rebuttal to an incorrect reduction claim. The failure of the Controller to file a rebuttal to an incorrect reduction claim shall not serve to delay the consideration of the claim by the commission.

17554. With the agreement of all parties to the claim, the commission may waive the application of any procedural requirement imposed by this chapter or pursuant to Section 17553. The authority granted by this section includes the consolidation of claims and the shortening of time periods.

17555. (a) Not later than 30 days after hearing and deciding upon a test claim pursuant to subdivision (a) of Section 17551, and determining the amount to be subvented to local agencies and school districts for reimbursement pursuant to subdivision (a) of Section 17557, the commission shall notify the appropriate Senate and Assembly policy and fiscal committees, the Legislative Analyst, the Department of Finance, and the Controller of that decision. (b) For purposes of this section, the "appropriate policy committee" means the policy committee that has jurisdiction over the subject matter of the statute, regulation, or executive order, and in which bills relating to that subject matter would have been heard.

17556. The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds any one of the following:

(a) The claim is submitted by a local agency or school district that requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or

school district that requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this subdivision.

(b) The statute or executive order affirmed for the state a mandate that had been declared existing law or regulation by action of the courts.

(c) The statute or executive order imposes a requirement that is mandated by a federal law or regulation and results in costs mandated by the federal government, unless the statute or executive order mandates costs that exceed the mandate in that federal law or regulation. This subdivision applies regardless of whether the federal law or regulation was enacted or adopted prior to or after the date on which the state statute or executive order was enacted or issued.

(d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service.

(e) The statute, executive order, or an appropriation in a Budget Act or other bill provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate.

(f) The statute or executive order imposes duties that are necessary to implement, reasonably within the scope of, or expressly included in, a ballot measure approved by the voters in a statewide or local election. This subdivision applies regardless of whether the statute or executive order was enacted or adopted before or after the date on which the ballot measure was approved by the voters.

(g) The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

17557. (a) If the commission determines there are costs mandated by the state pursuant to Section 17551, it shall determine the amount to be subvented to local agencies and school districts for reimbursement. In so doing it shall adopt parameters and guidelines for reimbursement of any claims relating to the statute or executive order. The successful test claimants shall submit proposed parameters and guidelines within 30 days of adoption of a statement of decision on a test claim. At the request of a successful test claimant, the commission may provide for one or more extensions of this 30-day period at any time prior to its adoption of the parameters and guidelines. If proposed parameters and guidelines are not submitted within the 30-day period and the commission has not granted an extension, then the commission shall notify the test claimant that the amount of reimbursement the test claimant is entitled to for the first 12 months of incurred costs will be reduced by 20 percent, unless the test claimant can demonstrate to the commission why an extension of the 30-day period is justified.

(b) In adopting parameters and guidelines, the commission may adopt a reasonable reimbursement methodology.

(c) The parameters and guidelines adopted by the commission shall specify the fiscal years for which local agencies and school districts shall be reimbursed for costs incurred. However, the commission may not specify in the parameters and guidelines any fiscal year for which payment could be provided in the annual Budget Act.

(d) A local agency, school district, or the state may file a written request with the commission to amend, modify, or supplement the parameters or guidelines. The commission may, after public notice and hearing, amend, modify, or supplement the parameters and guidelines. A parameters and guidelines amendment submitted within 90 days of the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, shall apply to all years eligible for reimbursement as defined in the original parameters and guidelines. A parameters and guidelines amendment filed more than 90 days after the claiming deadline for initial claims, as specified in the claiming instructions pursuant to Section 17561, and on or before the claiming deadline following a fiscal year, shall establish reimbursement eligibility for that fiscal year.

(e) A test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. The claimant may thereafter amend the test claim at any time, but before the test claim is set for a hearing, without affecting the original filing date as long as the amendment substantially relates to the original test claim.

(f) In adopting parameters and guidelines, the commission shall consult with the Department of Finance, the affected state agency, the Controller, the fiscal and policy committees of the Assembly and Senate, the

Legislative Analyst, and the claimants to consider a reasonable reimbursement methodology that balances accuracy with simplicity.

17557.1. (a) Notwithstanding any other provision of this part, within 30 days of the commission's adoption of a statement of decision on a test claim, the test claimant and the Department of Finance may notify the executive director of the commission in writing of their intent to follow the process described in this section to develop a reasonable reimbursement methodology and statewide estimate of costs for the initial claiming period and budget year for reimbursement of costs mandated by the state in accordance with the statement of decision. The letter of intent shall include the date on which the test claimant and the Department of Finance will submit a plan to ensure that costs from a representative sample of eligible local agency or school district claimants are considered in the development of a reasonable reimbursement methodology.

(b) This plan shall also include all of the following information:

(1) The date on which the test claimant and Department of Finance will provide to the executive director an informational update regarding their progress in developing the reasonable reimbursement methodology.

(2) The date on which the test claimant and Department of Finance will submit to the executive director the draft reasonable reimbursement methodology and proposed statewide estimate of costs for the initial claiming period and budget year. This date shall be no later than 180 days after the date the letter of intent is sent by the test claimant and Department of Finance to the executive director.

(c) At the request of the test claimant and Department of Finance, the executive director may provide for up to four extensions of this 180-day period.

(d) The test claimant or Department of Finance may notify the executive director at any time that the claimant or Department of Finance no longer intends to develop a reasonable reimbursement methodology pursuant to this section. In this case, paragraph (2) of subdivision (a) of Section 17553 and Section 17557 shall apply to the test claim. Upon receipt of this notification, the executive director shall notify the test claimant of the duty to submit proposed parameters and guidelines within 30 days under subdivision (a) of Section 17557.

17557.2. (a) A reasonable reimbursement methodology developed pursuant to Section 17557.1 or a joint request for early termination of a reasonable reimbursement methodology shall have broad support from a wide range of local agencies or school districts. The test claimant and Department of Finance may demonstrate broad support from a wide range of local agencies or school districts in different ways, including, but not limited to, obtaining endorsement by one or more statewide associations of local agencies or school districts and securing letters of approval from local agencies or school districts.

(b) No later than 60 days before a commission hearing, the test claimant and Department of Finance shall submit to the commission a joint proposal that shall include all of the following:

(1) The draft reasonable reimbursement methodology.

(2) The proposed statewide estimate of costs for the initial claiming period and budget year.

(3) A description of the steps the test claimant and the Department of Finance undertook to determine the level of support by local agencies or school districts for the draft reasonable reimbursement methodology.

(4) An agreement that the reasonable reimbursement methodology developed and approved under this section shall be in effect for a period of five years unless a different term is approved by the commission, or upon submission to the commission of a letter indicating the Department of Finance and test claimant's joint interest in early termination of the reasonable reimbursement methodology.

(5) An agreement that, at the conclusion of the period established in paragraph (4), the Department of Finance and the test claimant will consider jointly whether amendments to the methodology are necessary.

(c) The commission shall approve the draft reasonable reimbursement methodology if review of the information submitted pursuant to Section 17557.1 and subdivision (b) of this section demonstrates that the draft reasonable reimbursement methodology and statewide estimate of costs for the initial claiming period and budget year have been developed in accordance with Section 17557.1 and meet the requirements of subdivision (a). The commission thereafter shall adopt the proposed statewide estimate of costs for the initial claiming period and budget year. Statewide cost estimates adopted under this section shall be included in the report to the Legislature required under Section 17600 and shall be reported by the commission to the appropriate Senate and Assembly policy and fiscal committees, the Legislative Analyst, and the Department of Finance not later than 30 days after adoption.

(d) Unless amendments are proposed pursuant to this subdivision, the reasonable reimbursement methodology approved by the commission pursuant to this section shall expire after either five years, any other term approved by the commission, or upon submission to the commission of a letter indicating the Department of Finance's and test claimant's joint interest in early termination of the reasonable reimbursement methodology.

(e) The commission shall approve a joint request for early termination of a reasonable reimbursement methodology if the request meets the requirements of subdivision (a). If the commission approves a joint request for early termination, the commission shall notify the test claimant of the duty to submit proposed parameters and guidelines to the commission pursuant to subdivision (a) of Section 17557.

(f) At least one year before the expiration of a reasonable reimbursement methodology, the commission shall notify the Department of Finance and the test claimant that they may do one of the following:

(1) Jointly propose amendments to the reasonable reimbursement methodology by submitting the information described in paragraphs (1), (3), and (4) of subdivision (b), and providing an estimate of the mandate's annual cost for the subsequent budget year.

(2) Jointly propose that the reasonable reimbursement methodology remain in effect.

(3) Allow the reasonable reimbursement methodology to expire and notify the commission that the test claimant will submit proposed parameters and guidelines to the commission pursuant to subdivision (a) of Section 17557 to replace the reasonable reimbursement methodology.

(g) The commission shall either approve the continuation of the reasonable reimbursement methodology or approve the jointly proposed amendments to the reasonable reimbursement methodology if the information submitted in accordance with paragraph (1) of subdivision (d) demonstrates that the proposed amendments were developed in accordance with Section 17557.1 and meet the requirements of subdivision (a) of this section.

17558. (a) The commission shall submit the adopted parameters and guidelines or a reasonable reimbursement methodology approved pursuant to Section 17557.2 to the Controller. As used in this chapter, a "reasonable reimbursement methodology" approved pursuant to Section 17557.2 includes all amendments to the reasonable reimbursement methodology. When the Legislature declares a legislatively determined mandate in accordance with Section 17573 in which claiming instructions are necessary, the Department of Finance shall notify the Controller.

(b) Not later than 60 days after receiving the adopted parameters and guidelines, a reasonable reimbursement methodology from the commission, or notification from the Department of Finance, the Controller shall issue claiming instructions for each mandate that requires state reimbursement, to assist local agencies and school districts in claiming costs to be reimbursed. In preparing claiming instructions, the Controller shall request assistance from the Department of Finance and may request the assistance of other state agencies. The claiming instructions shall be derived from the test claim decision and the adopted parameters and guidelines, reasonable reimbursement methodology, or statute declaring a legislatively determined mandate.

(c) The Controller shall, within 60 days after receiving amended parameters and guidelines, an amended reasonable reimbursement methodology from the commission or other information necessitating a revision of the claiming instructions, prepare and issue revised claiming instructions for mandates that require state reimbursement that have been established by commission action pursuant to Section 17557, Section 17557.2, or after any decision or order of the commission pursuant to Section 17559, or after any action by the Legislature pursuant to Section 17573. In preparing revised claiming instructions, the Controller may request the assistance of other state agencies.

17558.5. (a) A reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced.

(b) The Controller may conduct a field review of any claim after the claim has been submitted, prior to the reimbursement of the claim.

(c) The Controller shall notify the claimant in writing within 30 days after issuance of a remittance advice of any adjustment to a claim for reimbursement that results from an audit or review. The notification shall specify the claim components adjusted, the amounts adjusted, interest charges on claims adjusted to reduce the overall reimbursement to the local agency or school district, and the reason for the adjustment. Remittance advices and other notices of payment action shall not constitute notice of adjustment from an audit or review.

(d) The interest rate charged by the Controller on reduced claims shall be set at the Pooled Money Investment Account rate and shall be imposed on the dollar amount of the overpaid claim from the time the claim was paid until overpayment is satisfied.

(e) Nothing in this section shall be construed to limit the adjustment of payments when inaccuracies are determined to be the result of the intent to defraud, or when a delay in the completion of an audit is the result of willful acts by the claimant or inability to reach agreement on terms of final settlement.

17558.6. It is the intent of the Legislature that the Commission on State Mandates review its process by which local agencies may appeal the reduction of reimbursement claims on the basis that the reduction is incorrect in order to provide for a more expeditious and less costly process.

17558.7. (a) If the Controller reduces a claim approved by the commission, the claimant may file with the commission an incorrect reduction claim pursuant to regulations adopted by the commission.

(b) A claimant eligible to file an incorrect reduction claim may file a consolidated incorrect reduction claim on behalf of other claimants whose claims for reimbursement under the same mandate are alleged to have been incorrectly reduced if all of the following apply:

(1) The method, act, or practice that the claimant alleges led to the reduction has led to similar reductions of other parties' claims, and all of the claims involve common questions of law or fact.

(2) The common questions of law or fact among the claims predominate over any matter affecting only an individual claim.

(3) The consolidation of similar claims by individual claimants would result in consistent decision making by the commission.

(4) The claimant filing the consolidated claim would fairly and adequately protect the interests of the other claimants.

(c) A claimant that seeks to file a consolidated incorrect reduction claim shall, at the time it files an incorrect reduction claim, on a form provided by the commission, notify the commission of its intent to file a consolidated incorrect reduction claim.

(d) Within 10 days after receipt of an incorrect reduction claim and notice of intent to consolidate, the commission shall request that the Controller provide the commission and the claimant with a list of claimants for whom the Controller has reduced similar claims under the same mandate. Upon receipt of this list from the Controller, the claimant may notify the claimants on the list and other interested parties of its intent to file a consolidated incorrect reduction claim.

(e) Within 30 days of receipt of the notice of intent to consolidate from the original claimant, on a form provided by the commission, any other eligible claimant shall file with the commission its notice of intent to join the consolidated incorrect reduction claim, which shall include a copy of the remittance advice or other notice from the Controller of the claim reduction, and one copy of the reimbursement claims for which an incorrect reduction is alleged.

(f) The commission shall notify each claimant that files an intent to join the consolidated incorrect reduction claim that it may opt out of the consolidated claim and not be bound by any determination made on that consolidated claim. A claimant may opt out of a consolidated claim no later than 15 days after the state agency files comments on the consolidated claim. A claimant that opts out of the consolidated claim, in order to preserve its right to challenge a reduction made by the Controller on that same mandate, shall file an individual incorrect reduction claim pursuant to commission requirements, no later than one year after opting out or within the statute of limitations under the commission's regulations.

(g) The commission shall adopt regulations establishing procedures for receiving a consolidated incorrect reduction claim pursuant to this section and for providing a hearing on a consolidated claim.

17558.8. (a) The commission may, on its own initiative, consolidate incorrect reduction claims filed with the commission by different claimants under the same mandate if all of the following apply:

(1) The same method, act, or practice is alleged to have led to the reduction in each claim, and all of the claims involve common questions of law or fact.

(2) The common questions of law or fact among the claims predominate over any matter affecting only an individual claim.

(3) The consolidation of similar claims by individual claimants would result in consistent decision making by the commission.

(b) The commission shall adopt regulations establishing procedures for consolidation of incorrect reduction claims pursuant to this section and for providing a hearing on a consolidated claim.

17559. (a) The commission may order a reconsideration of all or part of a test claim or incorrect reduction claim on petition of any party. The power to order a reconsideration or amend a test claim decision shall expire 30 days after the statement of decision is delivered or mailed to the claimant. If additional time is needed to evaluate a petition for reconsideration filed prior to the expiration of the 30-day period, the commission may grant a stay of that expiration for no more than 30 days, solely for the purpose of considering the petition. If no action is taken on a petition within the time allowed for ordering reconsideration, the petition shall be deemed denied.

(b) A claimant or the state may commence a proceeding in accordance with the provisions of Section 1094.5 of the Code of Civil Procedure to set aside a decision of the commission on the ground that the commission's decision is not supported by substantial evidence. The court may order the commission to hold another hearing regarding the claim and may direct the commission on what basis the claim is to receive a rehearing.

17560. Reimbursement for state-mandated costs may be claimed as follows:

(a) A local agency or school district may, by February 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.

(b) In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of Section 17558 between November 15 and February 15, a local agency or school district filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

17561. (a) The state shall reimburse each local agency and school district for all "costs mandated by the state," as defined in Section 17514 and for legislatively determined mandates in accordance with Section 17573.

(b) (1) For the initial fiscal year during which these costs are incurred, reimbursement funds shall be provided as follows:

(A) Any statute mandating these costs shall provide an appropriation therefor.

(B) Any executive order mandating these costs shall be accompanied by a bill appropriating the funds therefor, or alternatively, an appropriation for these costs shall be included in the Budget Bill for the next succeeding fiscal year. The executive order shall cite that item of appropriation in the Budget Bill or that appropriation in any other bill that is intended to serve as the source from which the Controller may pay the claims of local agencies and school districts.

(2) In subsequent fiscal years appropriations for these costs shall be included in the annual Governor's Budget and in the accompanying Budget Bill. In addition, appropriations to reimburse local agencies and school districts for continuing costs resulting from chaptered bills or executive orders for which claims have been awarded pursuant to subdivision (a) of Section 17551 shall be included in the annual Governor's Budget and in the accompanying Budget Bill.

(c) The amount appropriated to reimburse local agencies and school districts for costs mandated by the state shall be appropriated to the Controller for disbursement.

(d) The Controller shall pay any eligible claim pursuant to this section by October 15 or 60 days after the date the appropriation for the claim is effective, whichever is later. The Controller shall disburse reimbursement funds to local agencies or school districts if the costs of these mandates are not payable to state agencies, or to state agencies that would otherwise collect the costs of these mandates from local agencies or school districts in the form of fees, premiums, or payments. When disbursing reimbursement funds to local agencies or school districts, the Controller shall disburse them as follows:

(1) For initial reimbursement claims, the Controller shall issue claiming instructions to the relevant local agencies and school districts pursuant to Section 17558. Issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the commission, the reasonable reimbursement methodology approved by the commission pursuant to Section 17557.2, or statutory declaration of a legislatively determined mandate and reimbursement methodology pursuant to Section 17573.

(A) When claiming instructions are issued by the Controller pursuant to Section 17558 for each mandate determined pursuant to Section 17551 or 17573 that requires state reimbursement, each local agency or school district to which the mandate is applicable shall submit claims for initial fiscal year costs to the Controller within 120 days of the issuance date for the claiming instructions.

(B) When the commission is requested to review the claiming instructions pursuant to Section 17571, each local agency or school district to which the mandate is applicable shall submit a claim for reimbursement within 120 days after the commission reviews the claiming instructions for reimbursement issued by the Controller.

(C) If the local agency or school district does not submit a claim for reimbursement within the 120-day period, or submits a claim pursuant to revised claiming instructions, it may submit its claim for reimbursement as specified in Section 17560. The Controller shall pay these claims from the funds appropriated therefor, except the Controller may take either of the following actions:

(i) Audit the records of any local agency or school district to verify the actual amount of the mandated costs, the application of a reasonable reimbursement methodology, or application of a legislatively enacted reimbursement methodology under Section 17573.

(ii) Reduce any claim that the Controller determines is excessive or unreasonable.

(2) In subsequent fiscal years each local agency or school district shall submit its claims as specified in Section 17560. The Controller shall pay these claims from funds appropriated therefor except as follows:

(A) The Controller may audit any of the following:

(i) Records of any local agency or school district to verify the actual amount of the mandated costs.

(ii) The application of a reasonable reimbursement methodology.

(iii) The application of a legislatively enacted reimbursement methodology under Section 17573.

(B) The Controller may reduce any claim that the Controller determines is excessive or unreasonable.

(C) The Controller shall adjust the payment to correct for any underpayments or overpayments that occurred in previous fiscal years.

(3) When paying a timely filed claim for initial reimbursement, the Controller shall withhold 20 percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a state-mandated local program shall be considered as one claim for the purpose of computing any late claim penalty. Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed. The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. In no case may a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

(e) (1) Except as specified in paragraph (2), for the purposes of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIII B of the Constitution, a mandate that is "determined in a preceding fiscal year to be payable by the state" means any mandate for which the commission adopted a statewide cost estimate pursuant to this part during a previous fiscal year or that were identified as mandates by a predecessor agency to the commission, or that the Legislature declared by statute to be a legislatively determined mandate, unless the mandate has been repealed or otherwise eliminated.

(2) If the commission adopts a statewide cost estimate for a mandate during the months of April, May, or June, the state's payment obligation under subdivision (b) of Section 6 of Article XIII B shall commence one year after the time specified in paragraph (1).

17561.5. The payment of an initial reimbursement claim by the Controller shall include accrued interest at the Pooled Money Investment Account rate, if the payment is being made more than 365 days after adoption of the statewide cost estimate for an initial claim. Interest shall begin to accrue as of the 366th

day after adoption of the statewide cost estimate for the initial claim. Payment of a subsequent claim that was reported to the Legislature pursuant to paragraph (2) of subdivision (b) of Section 17562 shall include accrued interest at the Pooled Money Investment Account rate for any unpaid amount remaining on August 15 following the filing deadline. Interest shall begin to accrue on August 16 following the filing deadline.

17561.6. A budget act item or appropriation pursuant to this part for reimbursement of claims shall include an amount necessary to reimburse any interest due pursuant to Section 17561.5.

17562. (a) The Legislature hereby finds and declares that the increasing revenue constraints on state and local government and the increasing costs of financing state-mandated local programs make evaluation of state-mandated local programs imperative. Accordingly, it is the intent of the Legislature to increase information regarding state mandates and establish a method for regularly reviewing the costs and benefits of state-mandated local programs.

(b) (1) The Controller shall submit a report to the Joint Legislative Budget Committee and fiscal committees by October 31 of each fiscal year beginning with the 2007-08 fiscal year. This report shall summarize, by state mandate, the total amount of claims paid per fiscal year and the amount, if any, of mandate deficiencies or surpluses. This report shall be made available in an electronic spreadsheet format. The report shall compare the estimated annual cost of each mandate in the preceding fiscal year to the amount determined to be payable by the state for that fiscal year.

(2) The Controller shall submit a report to the Joint Legislative Budget Committee, the applicable fiscal committees, and the Director of Finance by April 30 of each fiscal year. This report shall summarize, by state mandate, the total amount of unpaid claims by fiscal year that were submitted before April 1 of that fiscal year. The report shall also summarize any mandate deficiencies or surpluses. It shall be made available in an electronic spreadsheet, and shall be used for the purpose of determining the state's payment obligation under paragraph (1) of subdivision (b) of Section 6 of Article XIII B of the California Constitution.

(c) After the commission submits its second semiannual report to the Legislature pursuant to Section 17600, the Legislative Analyst shall submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the commission's reports. The report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified.

(d) In its annual analysis of the Budget Bill and based on information provided pursuant to subdivision (b), the Legislative Analyst shall report total annual state costs for mandated programs and, as appropriate, provide an analysis of specific mandates and make recommendations on whether the mandate should be repealed, funded, suspended, or modified.

(e) (1) A statewide association of local agencies or school districts or a Member of the Legislature may submit a proposal to the Legislature recommending the elimination or modification of a state-mandated local program. To make such a proposal, the association or member shall submit a letter to the Chairs of the Assembly Committee on Education or the Assembly Committee on Local Government, as the case may be, and the Senate Committee on Education or the Senate Committee on Local Government, as the case may be, specifying the mandate and the concerns and recommendations regarding the mandate. The association or member shall include in the proposal all information relevant to the conclusions. If the chairs of the committees desire additional analysis of the submitted proposal, the chairs may refer the proposal to the Legislative Analyst for review and comment. The chairs of the committees may refer up to a total of 10 of these proposals to the Legislative Analyst for review in any year. Referrals shall be submitted to the Legislative Analyst by December 1 of each year.

(2) The Legislative Analyst shall review and report to the Legislature with regard to each proposal that is referred to the office pursuant to paragraph (1). The Legislative Analyst shall recommend that the Legislature adopt, reject, or modify the proposal. The report and recommendations shall be submitted annually to the Legislature by March 1 of the year subsequent to the year in which referrals are submitted to the Legislative Analyst.

(3) The Department of Finance shall review all statutes enacted each year that contain provisions making inoperative Section 17561 or Section 17565 that have resulted in costs or revenue losses mandated by the state that were not identified when the statute was enacted. The review shall identify the costs or revenue losses involved in complying with the statutes. The Department of Finance shall also review all statutes

enacted each year that may result in cost savings authorized by the state. The Department of Finance shall submit an annual report of the review required by this subdivision, together with the recommendations as it may deem appropriate, by December 1 of each year.

(f) It is the intent of the Legislature that the Assembly Committee on Local Government and the Senate Committee on Local Government hold a joint hearing each year regarding the following:

(1) The reports and recommendations submitted pursuant to subdivision (e).

(2) The reports submitted pursuant to Sections 17570, 17600, and 17601.

(3) Legislation to continue, eliminate, or modify any provision of law reviewed pursuant to this subdivision. The legislation may be by subject area or by year or years of enactment.

17563. Any funds received by a local agency or school district pursuant to the provisions of this chapter may be used for any public purpose.

17564. (a) No claim shall be made pursuant to Sections 17551, 17561, or 17573, nor shall any payment be made on claims submitted pursuant to Sections 17551 or 17561, or pursuant to a legislative determination under Section 17573, unless these claims exceed one thousand dollars (\$1,000). However, a county superintendent of schools or county may submit a combined claim on behalf of school districts, direct service districts, or special districts within their county if the combined claim exceeds one thousand dollars (\$1,000) even if the individual school district's, direct service district's, or special district's claims do not each exceed one thousand dollars (\$1,000). The county superintendent of schools or the county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each school, direct service, or special district. These combined claims may be filed only when the county superintendent of schools or the county is the fiscal agent for the districts. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a school district, direct service district, or special district provides to the county superintendent of schools or county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

(b) Claims for direct and indirect costs filed pursuant to Section 17561 shall be filed in the manner prescribed in the parameters and guidelines or reasonable reimbursement methodology and claiming instructions.

(c) Claims for direct and indirect costs filed pursuant to a legislatively determined mandate pursuant to Section 17573 shall be filed and paid in the manner prescribed in the Budget Act or other bill, or claiming instructions, if applicable.

17565. If a local agency or a school district, at its option, has been incurring costs which are subsequently mandated by the state, the state shall reimburse the local agency or school district for those costs incurred after the operative date of the mandate.

17567. In the event that the amount appropriated for reimbursement purposes pursuant to Section 17561 is not sufficient to pay all of the claims approved by the Controller, the Controller shall prorate claims in proportion to the dollar amount of approved claims timely filed and on hand at the time of proration. The Controller shall adjust prorated claims if supplementary funds are appropriated for this purpose.

In the event that the Controller finds it necessary to prorate claims as provided by this section, the Controller shall immediately report this action to the Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each house of the Legislature which considers appropriations in order to assure appropriation of these funds in the Budget Act.

17568. If a local agency or school district submits an otherwise valid reimbursement claim to the Controller after the deadline specified in Section 17560, the Controller shall reduce the reimbursement claim in an amount equal to 10 percent of the amount that would have been allowed had the reimbursement claim been timely filed, provided that the amount of this reduction shall not exceed ten thousand dollars (\$10,000). In no case shall a reimbursement claim be paid that is submitted more than one year after the deadline specified in Section 17560.

17571. The commission, upon request of a local agency or school district, shall review the claiming instructions issued by the Controller or any other authorized state agency for reimbursement of mandated costs. If the commission determines that the claiming instructions do not conform to the parameters and guidelines, the commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the commission.

17575-17581.5 17575. When a bill is introduced in the Legislature, and each time a bill is amended, on and after January 1, 1985, the Legislative Counsel shall determine whether the bill mandates a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution. The Legislative Counsel shall make this determination known in the digest of the bill and shall describe in the digest the basis for this determination. The determination by the Legislative Counsel shall not be binding on the commission in making its determination pursuant to Section 17555.

17576. Whenever the Legislative Counsel determines that a bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Department of Finance shall prepare an estimate of the amount of reimbursement which will be required. This estimate shall be prepared for the respective committees of each house of the Legislature which consider taxation measures and appropriation measures and shall be prepared prior to any hearing on the bill by any such committee.

17577. The estimate required by Section 17576 shall be the amount estimated to be required during the first fiscal year of a bill's operation in order to reimburse local agencies and school districts for costs mandated by the state by the bill.

17578. In the event that a bill is amended on the floor of either house, whether by adoption of the report of a conference committee or otherwise, in such a manner as to mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution, the Legislative Counsel shall immediately inform, respectively, the Speaker of the Assembly and the President of the Senate of that fact. Notification from the Legislative Counsel shall be published in the journal of the respective houses of the Legislature.

17579. Any bill introduced or amended for which the Legislative Counsel has determined the bill will mandate a new program or higher level of service pursuant to Section 6 of Article XIII B of the California Constitution shall contain a section specifying that reimbursement shall be made pursuant to this chapter or that the mandate is being disclaimed and the reason therefor.

17581. (a) No local agency shall be required to implement or give effect to any statute or executive order, or portion thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or executive order, or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute or executive order, or portion thereof, or the commission's test claim number, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) Within 30 days after enactment of the Budget Act, the Department of Finance shall notify local agencies of any statute or executive order, or portion thereof, for which operation of the mandate is suspended because reimbursement is not provided for that fiscal year pursuant to this section and Section 6 of Article XIII B of the California Constitution.

(c) Notwithstanding any other provision of law, if a local agency elects to implement or give effect to a statute or executive order described in subdivision (a), the local agency may assess fees to persons or

entities which benefit from the statute or executive order. Any fee assessed pursuant to this subdivision shall not exceed the costs reasonably borne by the local agency.

(d) This section shall not apply to any state-mandated local program for the trial courts, as specified in Section 77203.

(e) This section shall not apply to any state-mandated local program for which the reimbursement funding counts toward the minimum General Fund requirements of Section 8 of Article XVI of the Constitution.

17581.5. (a) A school district shall not be required to implement or give effect to the statutes, or a portion of the statutes, identified in subdivision (c) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or a portion of the statute, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute, or a portion of the statute, or the test claim number utilized by the commission, specifically has been identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered specifically to have been identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it specifically is identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) Within 30 days after enactment of the Budget Act, the Department of Finance shall notify school districts of any statute or executive order, or portion thereof, for which reimbursement is not provided for the fiscal year pursuant to this section.

(c) This section applies only to the following mandates:

(1) The School Bus Safety I (CSM-4433) and II (97-TC-22) mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997).

(2) The School Crimes Reporting II mandate (97-TC-03; and Chapter 759 of the Statutes of 1992 and Chapter 410 of the Statutes of 1995).

(3) Investment reports (96-358-02; and Chapter 783 of the Statutes of 1995 and Chapters 156 and 749 of the Statutes of 1996).

(4) County treasury oversight committees (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

(5) Grand jury proceedings mandate (98-TC-27; and Chapter 1170 of the Statutes of 1996, Chapter 443 of the Statutes of 1997, and Chapter 230 of the Statutes of 1998).

(6) Sexual Harassment Training in the Law Enforcement Workplace (97-TC-07; and Chapter 126 of the Statutes of 1993).

Government Code Sections 17600-17602

17600. At least twice each calendar year the commission shall report to the Legislature on the number of mandates it has found pursuant to Article 1 (commencing with Section 17550) and the estimated statewide costs of these mandates. This report shall identify the statewide costs estimated for each mandate and the reasons for recommending reimbursement.

17601. The commission shall report to the Legislature on January 15, 1986, and each January 15 thereafter, on the number of claims it denied during the preceding calendar year and the basis on which the particular claims were denied.

17602. On or before January 15, 2007, and on or before each January 15 thereafter, the commission shall report to the Legislature the number of individual and consolidated incorrect reduction claims decided during the preceding calendar year and whether and why the reduction was upheld or overturned.

Government Code Sections 17612-17613

17612. (a) Upon receipt of the report submitted by the commission pursuant to Section 17600, funding shall be provided in the subsequent Budget Act for costs incurred in prior years. No funding shall be provided for years in which a mandate is suspended.

(b) The Legislature may amend, modify, or supplement the parameters and guidelines, reasonable reimbursement methodology, and adopted statewide estimate of costs for the initial claiming period and budget year for mandates contained in the annual Budget Act. If the Legislature amends, modifies, or supplements the parameters and guidelines, reasonable reimbursement methodology, and adopted statewide estimate of costs for the initial claiming period and budget year, it shall make a declaration in separate legislation specifying the basis for the amendment, modification, or supplement.

(c) If the Legislature deletes from the annual Budget Act funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement for that fiscal year.

17613. (a) The Director of Finance may, upon receipt of any report submitted pursuant to Section 17567, authorize the augmentation of the amount available for expenditure to reimburse costs mandated by the state, as defined in Section 17514, as follows:

(1) For augmentation of (A) any schedule in any item to reimburse costs mandated by the state in any budget act, or (B) the amount appropriated in a local government claims bill for reimbursement of the claims of local agencies, as defined by Section 17518, from the unencumbered balance of any other item to reimburse costs mandated by the state in that budget act or another budget act or in an appropriation for reimbursement of the claims of local agencies in another local government claims bill.

(2) For augmentation of (A) any schedule in any budget act item, or (B) any amount appropriated in a local government claims bill, when either of these augmentations is for reimbursement of mandated claims of school districts, as defined in Section 17519, when the source of this augmentation is (A) the unencumbered balance of any other scheduled amount in that budget act or another budget act, or (B) an appropriation in another local government claims bill, when either of these appropriations is for reimbursement of mandate claims of school districts. This paragraph applies only to appropriations that are made for the purpose of meeting the minimum funding guarantee for educational programs pursuant to Section 8 of Article XVI of the California Constitution.

(b) No authorization for an augmentation pursuant to this section may be made sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine.

Government Code Sections 17615-17617

17615. The Legislature finds and declares that the existing system for reimbursing local agencies and school districts for actual costs mandated by the state on an annual claim basis is time consuming, cumbersome, and expensive at both the local and state levels. The Controller must process voluminous claims with all claims subject to a desk audit and selected claims also subject to a field audit. Local agencies are required to maintain extensive documentation of all claims in anticipation of such an audit. The volume of these records is substantial and will continue to grow with no relief in sight as new programs are mandated. The cost to local agencies and school districts for filing claims, and for maintaining documentation and responding to the Controller's audits is substantial. The current administrative cost to both state and local governments represents a significant expenditure of public funds with no apparent benefit to the taxpayers.

It is the intent of the Legislature to streamline the reimbursement process for costs mandated by the state by creating a system of state mandate apportionments to fund the costs of certain programs mandated by the state.

17615.1. The commission shall establish a procedure for reviewing, upon request, mandated cost programs for which appropriations have been made by the Legislature for the 1982-83, 1983-84, and

1984-85 fiscal years, or any three consecutive fiscal years thereafter. At the request of the Department of Finance, the Controller, or any local agency or school district receiving reimbursement for the mandated program, the commission shall review the mandated cost program to determine whether the program should be included in the State Mandates Apportionment System. If the commission determines that the State Mandates Apportionment System would accurately reflect the costs of the state-mandated program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System.

17615.2. (a) Notwithstanding Section 17561, after November 30, 1985, for those programs included in the State Mandates Apportionment System, after approval by the commission, there shall be disbursed by the Controller to each local agency and school district which has submitted a reimbursement claim for costs mandated by the state in the 1982-83, 1983-84, and the 1984-85 fiscal years, or any three consecutive fiscal years thereafter, an amount computed by averaging the approved reimbursement claims for this three-year period. The amount shall first be adjusted according to any changes in the deflator. The deflator shall be applied separately to each year's costs for the three years which comprise the base period. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1985 and the Budget Act for any subsequent fiscal year thereafter.

For purposes of this article, "base period" means the three fiscal years immediately succeeding the commission's approval.

(b) When the Controller has made payment on claims prior to commission approval of the program for inclusion in the State Mandates Apportionment System, the payment shall be adjusted in the next apportionment to the amount which would have been subvended to the local agency or school district for that fiscal year had the State Mandates Apportionment System been in effect at the time of the initial payment.

17615.3. Notwithstanding Section 17561, by November 30, 1986, and by November 30 of each year thereafter, for those programs included in the State Mandates Apportionment System, the Controller shall recalculate each allocation for each local agency and school district for the 1985-86 fiscal year, by using the actual change in the deflator for that year. That recalculated allocation shall then be adjusted by the estimated change in the deflator for the 1986-87 fiscal year, and each fiscal year thereafter, to establish the allocation amount for the 1986-87 fiscal year, and each fiscal year thereafter. Additionally, for programs approved by the commission for inclusion in the State Mandates Apportionment System on or after January 1, 1988, the allocation for each year succeeding the three-year base period shall be adjusted according to any changes in both the deflator and workload. The Controller shall then subvene that amount after adjusting it by any amount of overpayment or underpayment in the 1985-86 fiscal year, and each fiscal year thereafter, due to a discrepancy between the actual change and the estimated change in the deflator or workload. Funds for these purposes shall be available to the extent they are provided for in the Budget Act of 1986 and the Budget Act for any subsequent fiscal year thereafter.

For purposes of this article, "workload" means, for school districts and county offices of education, changes in the average daily attendance; for community colleges, changes in the number of full-time equivalent students; for cities and counties, changes in the population within their boundaries; and for special districts, changes in the population of the county in which the largest percentage of the district's population is located.

17615.4. (a) When a new mandate imposes costs that are funded either by legislation or in local government claims bills, local agencies and school districts may file reimbursement claims as required by Section 17561, for a minimum of three years after the initial funding of the new mandate.

(b) After actual cost claims are submitted for three fiscal years against such a new mandate, the commission shall determine, upon request of the Controller or a local entity or school district receiving reimbursement for the program, whether the amount of the base year entitlement adjusted by changes in the deflator and workload accurately reflects the costs incurred by the local agency or school district. If the commission determines that the base year entitlement, as adjusted, does accurately reflect the costs of the program, the commission shall direct the Controller to include the program in the State Mandates Apportionment System.

(c) The Controller shall make recommendations to the commission and the commission shall consider the Controller's recommendations for each new mandate submitted for inclusion in the State Mandates Apportionment System. All claims included in the State Mandates Apportionment System pursuant to this section are also subject to the audit provisions of Section 17616.

17615.5. (a) If any local agency or school district has an established base year entitlement which does not include costs for a particular mandate, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, adjusted pursuant to Section 17615.3 by changes in the deflator and workload, or entitlement claims covering a minimum of three consecutive years, after which time its base year entitlement may be adjusted by an amount necessary to fund the costs of that mandate.

(b) If any local agency or school district has no base year entitlement, but wishes to begin claiming costs of one or more of the mandates included in the State Mandates Apportionment System, that local agency or school district may submit reimbursement claims for a minimum of three consecutive years, or entitlement claims covering the preceding three consecutive years, which shall be adjusted pursuant to Sections 17615.2 and 17615.3 by changes in the deflator and workload, after which time a base year entitlement may be established in an amount necessary to fund the costs of the mandate or mandates.

17615.6. If a local agency or school district realizes a decrease in the amount of costs incurred because a mandate is discontinued, or made permissive, the Controller shall determine the amount of the entitlement attributable to that mandate by determining the base year amount for that mandate for the local agency or school district plus the annual adjustments. This amount shall be subtracted from the annual subvention which would otherwise have been allocated to the local agency or school district.

17615.7. If a mandated program included in the State Mandates Apportionment System is modified or amended by the Legislature or by executive order, and the modification or amendment significantly affects the costs of the program, as determined by the commission, the program shall be removed from the State Mandate Apportionment System, and the payments reduced accordingly. Local entities or school districts may submit actual costs claims for a period of three years, after which the program may be considered for inclusion in the State Mandates Apportionment System, pursuant to the provisions of Section 17615.4.

17615.8. (a) The commission shall establish a procedure for reviewing, upon request, any apportionment or base year entitlement of a local agency or school district.

(b) Local agencies and school districts which request such a review shall maintain and provide those records and documentation as the commission or its designee determines are necessary for the commission or its designee to make the required determinations. With the exception of records required to verify base year entitlements, the records may not be used to adjust current or prior apportionments, but may be used to adjust future apportionments.

(c) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state does not accurately reflect the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission shall direct the Controller to adjust the apportionment accordingly. For the purposes of this section, an apportionment or a base year entitlement does not accurately reflect the costs incurred by a local agency or school district if it falls short of reimbursing, or overreimburses, that local agency's or school district's actual costs by 20 percent or by one thousand dollars (\$1,000), whichever is less.

(d) If the commission determines that an apportionment or base year entitlement for funding costs mandated by the state accurately reflects the costs incurred by the local agency or school district for all mandates upon which that apportionment is based, the commission may, in its discretion, direct the Controller to withhold, and, if so directed, the Controller shall withhold the costs of the commission's review from the next apportionment to the local agency or school district, if the commission review was requested by the local agency or school district.

17615.9. The commission shall periodically review programs funded under the State Mandate Apportionments System to evaluate the effectiveness or continued statewide need for each such mandate.

17616. The Controller shall have the authority to do either or both of the following:

(a) Audit the fiscal years comprising the base year entitlement no later than three years after the year in which the base year entitlement is established. The results of such audits shall be used to adjust the base year entitlements and any subsequent apportionments based on that entitlement, in addition to adjusting actual cost payments made for the base years audited.

(b) Verify that any local agency or school district receiving funds pursuant to this article is providing the reimbursed activities.

17617. The total amount due to each city, county, city and county, and special district, for which the state has determined that reimbursement is required under paragraph (2) of subdivision (b) of Section 6 of Article XIII B of the California Constitution, shall be appropriated for payment to these entities over a period of not more than 15 years, commencing with the Budget Act for the 2006-07 fiscal year and concluding with the Budget Act for the 2020-21 fiscal year.

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2006-11
ANIMAL ADOPTION

April 3, 2006

Revised October 26, 2009

In accordance with Government Code (GC) Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for filing claims for the Animal Adoption (AA) program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (Commission).

On January 25, 2001, the Commission determined that Chapter 752, Statutes of 1998, established costs mandated by the State according to the provisions listed in the P's & G's which are included as an integral part of the claiming instructions.

Eligible Claimants

Any city or county, that incurs increased costs, as a direct result of this mandate is eligible to claim reimbursement of these costs.

A.Filing Deadlines for Reimbursement Claims

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

An actual claim may be filed by February 15 following the fiscal year in which costs were incurred. Claims for fiscal year 2008-09 will be accepted without penalty if postmarked or delivered on or before **February 16, 2010. A claim filed more than one year after the deadline cannot be accepted for reimbursement.**

This program was suspended by the Legislature for the 2009-2010 fiscal year pursuant to Budget Item 8885-295-0001, Schedule (3)(c). **Consequently, no claims may be filed with the SCO for fiscal year 2009-2010.**

B. Late Penalty

1. Initial Claims

Late initial claims are assessed a late penalty of 10% of the total amount of the initial claims without limitation.

2. Annual Reimbursement Claims

Late annual reimbursement claims are assessed a late penalty of 10% of the claim amount; \$10,000 maximum penalty.

Minimum Claim Cost

GC Section 17564(a) provides that no claim may be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**), provided that a county may submit a combined claim on behalf of direct service districts or special districts within their county if the combined claim exceeds **\$1,000**, even if the individual direct service district's or special district's claim does not each exceed **\$1,000**. The county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each direct service district or special district. These combined claims may be filed only when the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a direct service district or special district provides a written notice of its intent to file a separate claim to the county and to the SCO, at least one hundred and eighty days prior to the deadline for filing the claim.

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, notices of order of suspension or revocation, sworn reports, arrest reports, notices to appear, employee time records, or time logs, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of the Code of Civil Procedure Section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, Subdivision (a), a reimbursement claim for actual costs filed by a claimant is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit will be completed no later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

Retention of Claiming Instructions

All documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or last amended regardless of the year of costs incurred. When no funds were appropriated for initial claims at the time the claim was filed, supporting documents must be retained for three years from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

Questions, or requests for hard copies of these instructions, should be faxed to LRSDAR at (916) 323-6527 or e-mailed to **LRSDAR@sco.ca.gov** or you may call the Local Reimbursements Section at (916) 324-5729. Future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard_mancost.html.

Address for Filing Claims

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms. **To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

Amended: January 26, 2006
Adopted: February 28, 2002
j:mandates/2004/pga/04pga01 and 02/draftpga

PARAMETERS AND GUIDELINES AMENDMENT

Civil Code Sections 1834 and 1846;
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
As Added or Amended by Statutes of 1998, Chapter 752

AND

Amended Pursuant to Statutes 2004, Chapter 313 (AB 2224) and
Request of the State Controller's Office

Animal Adoption

I. Summary of the Mandate

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive "necessary and prompt veterinary care."

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
 - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or

(b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing “necessary and prompt veterinary care” for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

II. Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. Period of Reimbursement

The period of reimbursement for the activities in this parameters and guidelines amendment begins on July 1, 2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A local agency may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
2. A local agency may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years’ costs shall be submitted within

120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. Reimbursable Activities

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One Time Activities

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) (8) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the

pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

B. Ongoing Activities

1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Formula for Proportionate Share of Actual Costs:

Where:

(A) = Shelter square footage, 1998

(B) = Total animal average daily census (ADC), 1998

(C) = Square footage per ADC, 1998 (=A/B)

(D) = Total dog/cat ADC, 1998

(E) = Shelter square footage, claim year

(F) = Total dog/cat ADC, claim year

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(I) = Eligible dog/cat square footage, claim year

For shelters that meet the conditions of to Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:¹

$$(I) = 2/5 \times C \times F$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(I) = 4/7 \times C \times F$$

(J) = Reduction in eligible square footage due to decline in total dog/cat population (cannot exceed 0)

For shelters that meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:²

$$(J) = [(F/5 - D/3 \times C \times D) / (D/3)]$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(J) = [(F/7 - D/3) \times C \times D] / (D/3)$$

(K) = Net eligible dog/cat square footage (cannot be less than 0)

$$(K = I+J)$$

(L) = Percentage of eligible dog/cat ADC, claim year ($L = G/F$)

(M) = Allowable dog/cat square footage ($M = K \times L$)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 ($N = C \times H$)

(P) = Eligible percentage of acquisition/construction costs (cannot exceed 100%) [$P = (M+N) / ((E-A))$]

Statutes 2004, chapter 313 specifies that costs incurred to address preexisting shelter overcrowding or animal population growth are not reimbursable. The mandate reimburses for costs required due to the

¹ In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

² In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

increased holding period required by Statutes 1998, chapter 752. In calculating net eligible dog/cat square footage, the formula recognizes that a decline in the number of animals sheltered may offset the effect of the increased holding period. For example, if the dog/cat average daily census does not change between the 1998 base year and the claim year, there is no additional square footage required.

The mandate reimburses only for costs attributable to eligible animals. Prior to Statutes 1998, chapter 752, shelters were required to hold dogs and cats for three days, whereas there was no required holding period for other animals. Therefore, the mandate reimbursable percentage formula separately calculates allowable square footage for dogs and cats, and allowable square footage for other animals specified by Food and Agricultural Code section 31753.

Acquisition/construction costs that are less than or equal to the cost of contract services for eligible animals are reimbursable.

Claimants may recalculate the eligible percentage of acquisition/construction costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.1, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the

holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;

- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holding period required by Statutes 1998, chapter 752; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes 1998, chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holder period required by Statutes 1998, chapter 752. This finding should include the cost to contract with existing shelters..

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire

holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Since the remodeling/renovation will not increase square footage to address existing overcrowding or future growth issues, the mandate reimbursable percentage formula for remodeling/renovation would exclude the eligible percentage of square footage factor.

Formula for proportionate share of actual remodeling/renovation costs:

(A) = Shelter square footage

(B) = Total animal average daily census (ADC), claim year

(C) = Square footage per ADC, claim year ($C = A/B$)

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(M) = Eligible dog/cat square footage, claim year

For shelters that meet the requirements of Food and Agricultural Code section 31108 (a)(1) or (2) for dogs, and section 31752 (a)(1) or (2) for cats, $M = 2/5 \times C \times G$.

For shelters that do not meet the requirements of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats, $M = 4/7 \times C \times G$.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year ($N = C \times H$)

(P) = Eligible percentage of remodeling/renovation costs

$[P = (M + N) / A]$

Claimants may recalculate the eligible percentage of remodeling/renovation costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The

determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.2, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities to comply with the increased holding period required by Statutes 1998, chapter 752.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished dogs and cats; and
- Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of all dogs and cats impounded at a facility. For purposes of claiming reimbursement under IV.B.3, average daily census is defined as the average number of all dogs and cats at a facility housed on any given day, in a 365-day period..
 - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
 - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die

during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
 - b) Account for the total activity for which each employee is compensated;
 - c) Account for the total labor hours of the month;
 - d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
 - e) Document, by signature or initials and date, supervisor approval.
3. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method –Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
 - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
 - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by

each reimbursable day (four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

4. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

5. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

6. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on “lost and found” lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

7. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and

- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

8. “Necessary and Prompt Veterinary Care” (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);

- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));
- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

V. Claim Preparation and Submission

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates

attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the Office of Management and Budget (OMB) Circular A-87. Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in OMB Circular A-87 Attachments A and B) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in OMB Circular A-87 Attachments A and B). However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or
2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections,

and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter³ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of

³ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section 31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decision and the revised parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ANIMAL ADOPTION			For State Controller Use Only		PROGRAM 213		
(19) Program Number 00213 (20) Date Filed (21) LRS Input							
(01) Claimant Identification Number			Reimbursement Claim Data				
(02) Claimant Name			(22) FORM-1, (04)(A)(1)(g)				
County of Location			(23) FORM-1, (04)(A)(2)(g)				
Street Address of P.O. Box		Suite	(24) FORM-1, (04)(A)(3)(g)				
City	State	Zip Code	(25) FORM-1, (04)(B)(1)(g)				
		Type of Claim	(26) FORM-1, (04)(B)(2)(g)				
		(03)	(09) Reimbursement <input type="checkbox"/>	(27) FORM-1, (04)(B)(3)(g)			
		(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (04)(B)(4)(g)			
		(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (04)(B)(5)(g)			
Fiscal Year of Cost		(06)	(12)	(30) FORM-1, (04)(B)(6)(g)			
Total Claimed Amount		(07)	(13)	(31) FORM-1, (04)(B)(7)(g)			
Less: 10% Late Penalty (refer to attached Instructions)			(14)	(32) FORM-1, (04)(B)(8)(g)			
Less: Prior Claim Payment Received			(15)	(33) FORM-1, (04)(B)(9)(g)			
Net Claimed Amount			(16)	(34) FORM-1, (04)(B)(10)(g)			
Due from State		(08)	(17)	(35) FORM-1, (06)			
Due to State			(18)	(36) FORM-1, (07)			
(37) CERTIFICATION OF CLAIM							
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>							
Signature of Authorized Officer							
			Date Signed _____				
			Telephone Number _____				
			E-Mail Address _____				
Type or Print Name and Title of Authorized Signatory							
(38) Name of Agency Contact Person for Claim			Telephone Number _____				
			E-mail Address _____				
Name of Consulting Firm / Claim Preparer			Telephone Number _____				
			E-mail Address _____				

PROGRAM
213

ANIMAL ADOPTION
Certification Claim Form
Instructions for Form FAM-27

FORM
FAM-27

- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown in the attached Form-1 line (11). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim was timely filed. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Claims: FAM-27 line(13) multiplied by 10%, without limitation; or
 - Late Annual Reimbursement Claims: FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form-1, (04)(A)(1)(g), means the information is located on form Form-1, line (04)(A)(1), column (g). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the payment process.**
- (37) Read the statement of Certification of Claim. The claim must be dated, signed by the agency's authorized officer, and must type or print name, title, telephone number and email address. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the agency contact person for the claim. If claim is prepared by external consultant, type or print the name of the consulting firm, telephone number, and e-mail address.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS TO:

Address, if delivered by U.S. Postal Service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

Address, if delivered by other delivery service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

Program 213	MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY						FORM 1	
(01) Claimant				(02)		Fiscal Year		
						20__/20__		
(03) Department								
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. One-Time Activities								
1. Policies and Procedures								
2. Training								
3. Computer Software								
B. Ongoing Activities								
1. Acquiring Space/Facilities								
2. Renovating Facilities								
3. Care of Dogs & Cats								
4. Care of Other Animals								
5. Holding Period								
6. Feral Cats								
7. Lost and Found Lists								
8. Non-Medical Records								
9. Veterinary Care								
10. Procuring Equipment								
(05) Total Direct Costs								
Indirect Costs								
(06) Indirect Cost Rate						[From ICRP]	%	
(07) Total Indirect Costs						[Refer to claiming instructions]		
(08) Total Direct and Indirect Costs						[Line (05)(g) + line (07)]		
Cost Reduction								
(09) Less: Offsetting Savings								
(10) Less: Other Reimbursements/Offsetting Revenue								
(11) Total Claimed Amount						[Line (08) - {(line (09) + line (10))}]		

Program 213	ANIMAL ADOPTION CLAIM SUMMARY Instructions	FORM 1
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Department. If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 must be completed for each department.
- (04) Reimbursable Activities. For each reimbursable activity, enter the total from Form-2, line (05) columns (d) through (i) to Form-1, block (05), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (g).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an ICRP. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim.
- (07) Local agencies have the option of using the flat rate of 10% of direct labor costs or using a department's indirect cost rate proposal (ICRP) in accordance with the Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225). If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by 10%. If an ICRP is submitted, multiply applicable costs used in the distribution base for the computation of the indirect cost rate, by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(g), and Total Indirect Costs, line (07).
- (09) Less: Offsetting Savings. If applicable, enter the total savings realized by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements/Offsetting Revenue. Reimbursement received from any source must be identified and deducted from this claim. Sources may include, but are not limited to offsetting revenues from Form 3, lines (04) and (05), rewards received under authority of Civil Code Section 1845, licensing fees and fines received and applied pursuant to Food and Agriculture Code Section 30652, Government Code Section 28502, and Penal Code Section 597f, and other state funds, and federal funds. Fees and fines received pursuant to Food & Agriculture Code Section 30652 must be deducted according to the priority specified on page 15 of the P's and G's.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

Program 213	MANDATED COSTS ANIMAL ADOPTION ACTIVITY COST DETAIL	FORM 2
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(01) Claimant	(02) Fiscal Year
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(03) Reimbursable Activities: Check only **one box per form to identify the activity being claimed.**

One-Time	<input type="checkbox"/> Policies and Procedures	<input type="checkbox"/> Training	<input type="checkbox"/> Computer Software
Ongoing	<input type="checkbox"/> Acquiring Space/Facilities	<input type="checkbox"/> Renovating Facilities	<input type="checkbox"/> Care of Dogs & Cats
	<input type="checkbox"/> Care of Other Animals	<input type="checkbox"/> Holding Period	<input type="checkbox"/> Feral Cats
	<input type="checkbox"/> Lost and Found Lists	<input type="checkbox"/> Non-Medical Records	<input type="checkbox"/> Veterinary Care
	<input type="checkbox"/> Procuring Equipment		

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel and Training
(05) Total <input type="text"/> Subtotal <input type="text"/> Page: ____ of ____								

Program 213	ANIMAL ADOPTION ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2
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- (01) Claimant. Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A separate Form-2 must be completed for each department.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Activities. Check the box which indicates the cost activity being claimed. Check only one box per form. A separate Form -2 must be prepared for each applicable activity.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box checked in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns									Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked						
Benefits	Activities Performed	Benefit Rate			Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service				Cost = Hourly Rate x Hours Worked			Copy of Contract
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage					Cost = Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode						Total Travel Cost = Rate x Days or Miles	
Training	Employee Name/Title Name of Class		Dates Attended						Registration Fee	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (i) to Form-1, block (04), columns (a) through (f) in the appropriate row.

Program 213	MANDATED COSTS ANIMAL ADOPTION SUMMARY OF SERVICES PROVIDED UNDER CONTRACT		FORM 3
(01) Claimant		(02)	Fiscal Year 20__/20__
(03) Is your agency providing animal shelter services under contract with another entity?			Yes <input type="checkbox"/> No <input type="checkbox"/>
(04) If yes, list each entity, the amount received, and any mandate-related offsetting revenue below:			
Name of Entity	(a) Amount Received	(b) Offsetting Revenue	
Total (Include column (b) total on Form 1, line 10)			
(05) The amount reported as offsetting revenue should also be reported by the contracting entity as reimbursable mandated costs. List other mandated-related offsetting revenue not identified above.			
Type of Revenue			Offsetting Revenue
Total (Include column (b) total on Form 1, line 10)			
(06) Is another entity providing animal shelter services under contract for your agency?			Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, identify the entity and list the amount paid to the other entity.			
Name of Entity			Amount Paid
Total			

Program 213	ANIMAL ADOPTION Instructions for SUMMARY OF SERVICES PROVIDED UNDER CONTRACT	FORM 3
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Indicate whether or not your agency is providing contracted animal shelter services for another agency.
- (04) (a) If the answer to line (03) is "Yes" – List the names of the contracting agencies for whom you are providing services. Record the full amount of the contract in column (a), Amount Received.
- (b) Record in column (b) the amount of the contract, if any, that is used to fund mandate-related activities. The total amount shown for line (04)(b) should be reported on Form 1, line (10), as offsetting revenue.
- Note: Any amount shown as mandate-related offsetting revenue in column (b) can be claimed by the identified agencies on a mandated cost claim.**
- (05) List any other mandate-related offsetting revenue not already identified on line (04) above.
- (06) Indicate whether or not your agency is contracting with another agency for animal control services.
- (07) If the answer to line (06) is "Yes", list the name of the agency and the contract amount.

OFFICE OF THE STATE CONTROLLER
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2006-11

ANIMAL ADOPTION

April 3, 2006

Revised October 26, 2009

In accordance with Government Code (GC) Section 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state mandated cost programs. The following are claiming instructions and forms that eligible claimants will use for filing claims for the Animal Adoption (AA) program. These claiming instructions are issued subsequent to adoption of the program's Parameters and Guidelines (P's & G's) by the Commission on State Mandates (Commission).

On January 25, 2001, the Commission determined that Chapter 752, Statutes of 1998, established costs mandated by the State according to the provisions listed in the P's & G's which are included as an integral part of the claiming instructions.

Eligible Claimants

Any city or county, that incurs increased costs, as a direct result of this mandate is eligible to claim reimbursement of these costs.

A. Filing Deadlines for Reimbursement Claims

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

An actual claim may be filed by February 15 following the fiscal year in which costs were incurred. Claims for fiscal year 2008-09 will be accepted without penalty if postmarked or delivered on or before **February 16, 2010. A claim filed more than one year after the deadline cannot be accepted for reimbursement.**

This program was suspended by the Legislature for the 2009-2010 fiscal year pursuant to Budget Item 8885-295-0001, Schedule (3)(c). **Consequently, no claims may be filed with the SCO for fiscal year 2009-2010.**

B. Late Penalty

1. Initial Claims

Late initial claims are assessed a late penalty of 10% of the total amount of the initial claims without limitation.

2. Annual Reimbursement Claims

Late annual reimbursement claims are assessed a late penalty of 10% of the claim amount; \$10,000 maximum penalty.

Minimum Claim Cost

GC Section 17564(a) provides that no claim may be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**), provided that a county may submit a combined claim on behalf of direct service districts or special districts within their county if the combined claim exceeds **\$1,000**, even if the individual direct service district's or special district's claim does not each exceed **\$1,000**. The county shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each direct service district or special district. These combined claims may be filed only when the county is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a direct service district or special district provides a written notice of its intent to file a separate claim to the county and to the SCO, at least one hundred and eighty days prior to the deadline for filing the claim.

Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, notices of order of suspension or revocation, sworn reports, arrest reports, notices to appear, employee time records, or time logs, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, and declarations. Declarations must include a certification or declaration stating: "I certify, (or declare), under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of the Code of Civil Procedure Section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

Audit of Costs

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC Section 17558.5, Subdivision (a), a reimbursement claim for actual costs filed by a claimant is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit will be completed no later than two years after the date that the audit is commenced.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

Retention of Claiming Instructions

All documentation to support actual costs claimed must be retained for a period of three years after the end of the calendar year in which the reimbursement claim was filed or last amended regardless of the year of costs incurred. When no funds were appropriated for initial claims at the time the claim was filed, supporting documents must be retained for three years from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

Questions, or requests for hard copies of these instructions, should be faxed to LRSDAR at (916) 323-6527 or e-mailed to LRSDAR@sco.ca.gov or you may call the Local Reimbursements Section at (916) 324-5729. Future mandated costs claiming instructions and forms can be found on the Internet at www.sco.ca.gov/ard_mancost.html.

Address for Filing Claims

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms. **To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

Amended: January 26, 2006
Adopted: February 28, 2002
j:mandates/2004/pga/04pga01 and 02/draftpga

PARAMETERS AND GUIDELINES AMENDMENT

Civil Code Sections 1834 and 1846;
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
As Added or Amended by Statutes of 1998, Chapter 752

AND

Amended Pursuant to Statutes 2004, Chapter 313 (AB 2224) and
Request of the State Controller's Office

Animal Adoption

I. Summary of the Mandate

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive "necessary and prompt veterinary care."

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
 - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or

(b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing "necessary and prompt veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

II. Eligible Claimants

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

III. Period of Reimbursement

The period of reimbursement for the activities in this parameters and guidelines amendment begins on July 1, 2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A local agency may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
2. A local agency may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years' costs shall be submitted within

120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. Reimbursable Activities

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

A. One Time Activities

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) (8) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the

pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

B. Ongoing Activities

1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Formula for Proportionate Share of Actual Costs:

Where:

(A) = Shelter square footage, 1998

(B) = Total animal average daily census (ADC), 1998

(C) = Square footage per ADC, 1998 (=A/B)

(D) = Total dog/cat ADC, 1998

(E) = Shelter square footage, claim year

(F) = Total dog/cat ADC, claim year

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(I) = Eligible dog/cat square footage, claim year

For shelters that meet the conditions of to Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:¹

$$(I) = 2/5 \times C \times F$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(I) = 4/7 \times C \times F$$

(J) = Reduction in eligible square footage due to decline in total dog/cat population (cannot exceed 0)

For shelters that meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:²

$$(J) = [(F/5 - D/3 \times C \times D) / (D/3)]$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(10 or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(J) = [(F/7 - D/3) \times C \times D] / (D/3)$$

(K) = Net eligible dog/cat square footage (cannot be less than 0)

$$(K = I + J)$$

(L) = Percentage of eligible dog/cat ADC, claim year ($L = G/F$)

(M) = Allowable dog/cat square footage ($M = K \times L$)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 ($N = C \times H$)

(P) = Eligible percentage of acquisition/construction costs (cannot exceed 100%) [$P = (M + N) / ((E - A))$]

Statutes 2004, chapter 313 specifies that costs incurred to address preexisting shelter overcrowding or animal population growth are not reimbursable. The mandate reimburses for costs required due to the

¹ In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

² In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

increased holding period required by Statutes 1998, chapter 752. In calculating net eligible dog/cat square footage, the formula recognizes that a decline in the number of animals sheltered may offset the effect of the increased holding period. For example, if the dog/cat average daily census does not change between the 1998 base year and the claim year, there is no additional square footage required.

The mandate reimburses only for costs attributable to eligible animals. Prior to Statutes 1998, chapter 752, shelters were required to hold dogs and cats for three days, whereas there was no required holding period for other animals. Therefore, the mandate reimbursable percentage formula separately calculates allowable square footage for dogs and cats, and allowable square footage for other animals specified by Food and Agricultural Code section 31753.

Acquisition/construction costs that are less than or equal to the cost of contract services for eligible animals are reimbursable.

Claimants may recalculate the eligible percentage of acquisition/construction costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.1, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the

holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;

- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holding period required by Statutes 1998, chapter 752; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes 1998, chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holder period required by Statutes 1998, chapter 752. This finding should include the cost to contract with existing shelters..

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire

holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Since the remodeling/renovation will not increase square footage to address existing overcrowding or future growth issues, the mandate reimbursable percentage formula for remodeling/renovation would exclude the eligible percentage of square footage factor.

Formula for proportionate share of actual remodeling/renovation costs:

(A) = Shelter square footage

(B) = Total animal average daily census (ADC), claim year

(C) = Square footage per ADC, claim year ($C = A/B$)

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(M) = Eligible dog/cat square footage, claim year

For shelters that meet the requirements of Food and Agricultural Code section 31108 (a)(1) or (2) for dogs, and section 31752 (a)(1) or (2) for cats, $M = 2/5 \times C \times G$.

For shelters that do not meet the requirements of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats, $M = 4/7 \times C \times G$.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year ($N = C \times H$)

(P) = Eligible percentage of remodeling/renovation costs

$[P = (M + N) / A]$

Claimants may recalculate the eligible percentage of remodeling/renovation costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The

determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.2, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities to comply with the increased holding period required by Statutes 1998, chapter 752.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished dogs and cats; and
- Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of all dogs and cats impounded at a facility. For purposes of claiming reimbursement under IV.B.3, average daily census is defined as the average number of all dogs and cats at a facility housed on any given day, in a 365-day period..
 - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
 - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die

during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

3. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned animals that are irretrievably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method –Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
 - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
 - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
 - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
 - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
 - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by

each reimbursable day (four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
 - b) Account for the total activity for which each employee is compensated;
 - c) Account for the total labor hours of the month;
 - d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
 - e) Document, by signature or initials and date, supervisor approval.
4. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)
- Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:
- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
 - For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

5. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

6. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on "lost and found" lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

7. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and

- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

8. “Necessary and Prompt Veterinary Care” (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);

- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));
- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

V. Claim Preparation and Submission

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates

attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the Office of Management and Budget (OMB) Circular A-87. Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in OMB Circular A-87 Attachments A and B) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in OMB Circular A-87 Attachments A and B). However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or
2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections,

and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter³ is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of

³ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section 31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (c), the Controller shall issue revised claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the revised parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The revised claiming instructions shall be derived from the test claim decision and the revised parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 ANIMAL ADOPTION			For State Controller Use Only (19) Program Number 00213 (20) Date Filed (21) LRS Input		PROGRAM 213
(01) Claimant Identification Number			Reimbursement Claim Data		
(02) Claimant Name			(22) FORM-1, (04)(A)(1)(g)		
County of Location			(23) FORM-1, (04)(A)(2)(g)		
Street Address of P.O. Box		Suite	(24) FORM-1, (04)(A)(3)(g)		
City	State	Zip Code	(25) FORM-1, (04)(B)(1)(g)		
		Type of Claim	(26) FORM-1, (04)(B)(2)(g)		
	(03)	(09) Reimbursement <input type="checkbox"/>	(27) FORM-1, (04)(B)(3)(g)		
	(04)	(10) Combined <input type="checkbox"/>	(28) FORM-1, (04)(B)(4)(g)		
	(05)	(11) Amended <input type="checkbox"/>	(29) FORM-1, (04)(B)(5)(g)		
Fiscal Year of Cost		(06)	(12)	(30) FORM-1, (04)(B)(6)(g)	
Total Claimed Amount		(07)	(13)	(31) FORM-1, (04)(B)(7)(g)	
Less: 10% Late Penalty (refer to attached Instructions)			(14)	(32) FORM-1, (04)(B)(8)(g)	
Less: Prior Claim Payment Received			(15)	(33) FORM-1, (04)(B)(9)(g)	
Net Claimed Amount			(16)	(34) FORM-1, (04)(B)(10)(g)	
Due from State	(08)	(17)	(35) FORM-1, (06)		
Due to State		(18)	(36) FORM-1, (07)		
(37) CERTIFICATION OF CLAIM					
<p>In accordance with the provisions of Government Code Section 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grants or payments received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>					
Signature of Authorized Officer					
Date Signed _____					
Telephone Number _____					
E-Mail Address _____					
Type or Print Name and Title of Authorized Signatory					
(38) Name of Agency Contact Person for Claim					
Telephone Number _____					
E-mail Address _____					
Name of Consulting Firm / Claim Preparer					
Telephone Number _____					
E-mail Address _____					

PROGRAM
213

ANIMAL ADOPTION
Certification Claim Form
Instructions for Form FAM-27

FORM
FAM-27

- (01) Enter the payee number assigned by the State Controller's Office.
- (02) Enter your Official Name, County of Location, Street or P. O. Box address, City, State, and Zip Code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown in the attached Form-1 line (11). The total claimed amount must exceed \$1,000.
- (14) Reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim was timely filed. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Claims: FAM-27 line(13) multiplied by 10%, without limitation; or
 - Late Annual Reimbursement Claims: FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form-1, (04)(A)(1)(g), means the information is located on form Form-1, line (04)(A)(1), column (g). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the payment process.**
- (37) Read the statement of Certification of Claim. The claim must be dated, signed by the agency's authorized officer, and must type or print name, title, telephone number and email address. **Claims cannot be paid unless accompanied by an original signed certification. (To expedite the payment process, please sign the form FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)**
- (38) Enter the name, telephone number, and e-mail address of the agency contact person for the claim. If claim is prepared by external consultant, type or print the name of the consulting firm, telephone number, and e-mail address.

SUBMIT A SIGNED ORIGINAL, AND A COPY OF FORM FAM-27, WITH ALL OTHER FORMS TO:

Address, if delivered by U.S. Postal Service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

Address, if delivered by other delivery service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

Program 213	MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY						FORM 1	
(01) Claimant				(02)		Fiscal Year		
						20__/20__		
(03) Department								
Direct Costs		Object Accounts						
(04) Reimbursable Activities		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Salaries	Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel and Training	Total
A. One-Time Activities								
1. Policies and Procedures								
2. Training								
3. Computer Software								
B. Ongoing Activities								
1. Acquiring Space/Facilities								
2. Renovating Facilities								
3. Care of Dogs & Cats								
4. Care of Other Animals								
5. Holding Period								
6. Feral Cats								
7. Lost and Found Lists								
8. Non-Medical Records								
9. Veterinary Care								
10. Procuring Equipment								
(05) Total Direct Costs								
Indirect Costs								
(06) Indirect Cost Rate					[From ICRP]		%	
(07) Total Indirect Costs					[Refer to claiming instructions]			
(08) Total Direct and Indirect Costs					[Line (05)(g) + line (07)]			
Cost Reduction								
(09) Less: Offsetting Savings								
(10) Less: Other Reimbursements/Offsetting Revenue								
(11) Total Claimed Amount					[Line (08) - {line (09) + line (10)}]			

Program 213	ANIMAL ADOPTION CLAIM SUMMARY Instructions	FORM 1
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Department. If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 must be completed for each department.
- (04) Reimbursable Activities. For each reimbursable activity, enter the total from Form-2, line (05) columns (d) through (i) to Form-1, block (05), columns (a) through (f) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (g).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an ICRP. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim.
- (07) Local agencies have the option of using the flat rate of 10% of direct labor costs or using a department's indirect cost rate proposal (ICRP) in accordance with the Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225). If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by 10%. If an ICRP is submitted, multiply applicable costs used in the distribution base for the computation of the indirect cost rate, by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(g), and Total Indirect Costs, line (07).
- (09) Less: Offsetting Savings. If applicable, enter the total savings realized by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements/Offsetting Revenue. Reimbursement received from any source must be identified and deducted from this claim. Sources may include, but are not limited to offsetting revenues from Form 3, lines (04) and (05), rewards received under authority of Civil Code Section 1845, licensing fees and fines received and applied pursuant to Food and Agriculture Code Section 30652, Government Code Section 28502, and Penal Code Section 597f, and other state funds, and federal funds. Fees and fines received pursuant to Food & Agriculture Code Section 30652 must be deducted according to the priority specified on page 15 of the P's and G's.
- (11) Total Claimed Amount. From Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Savings, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

Program 213	MANDATED COSTS ANIMAL ADOPTION ACTIVITY COST DETAIL	FORM 2
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(01) Claimant

(02) Fiscal Year

(03) Reimbursable Activities: Check only **one** box per form to identify the activity being claimed.**One-Time**☐ Policies and Procedures☐ Training☐ Computer Software**Ongoing**☐ Acquiring Space/Facilities☐ Renovating Facilities☐ Care of Dogs & Cats☐ Care of Other Animals☐ Holding Period☐ Feral Cats☐ Lost and Found Lists☐ Non-Medical Records☐ Veterinary Care☐ Procuring Equipment**(04) Description of Expenses****Object Accounts**

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel and Training
(05) Total <input type="checkbox"/>	Subtotal <input type="checkbox"/>	Page: ____ of ____						

Program 213	ANIMAL ADOPTION ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2
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- (01) Claimant. Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A separate Form-2 must be completed for each department.
- (02) Fiscal Year. Enter the fiscal year for which costs were incurred.
- (03) Reimbursable Activities. Check the box which indicates the cost activity being claimed. Check only one box per form. A separate Form -2 must be prepared for each applicable activity.
- (04) Description of Expenses. The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box checked in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, travel and training expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated and no payment was made at the time the claim was filed, the time for the Controller to initiate an audit will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns									Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked						
Benefits	Activities Performed	Benefit Rate			Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service				Cost = Hourly Rate x Hours Worked			Copy of Contract
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage					Cost = Unit Cost x Usage		
Travel and Training	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode						Total Travel Cost = Rate x Days or Miles	
Training	Employee Name/Title Name of Class		Dates Attended						Registration Fee	

- (05) Total line (04), columns (d) through (i) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (i) to Form-1, block (04), columns (a) through (f) in the appropriate row.

Program 213	MANDATED COSTS ANIMAL ADOPTION SUMMARY OF SERVICES PROVIDED UNDER CONTRACT	FORM 3
(01) Claimant		(02) Fiscal Year <div style="text-align: right;">20__/20__</div>
(03) Is your agency providing animal shelter services under contract with another entity?		Yes <input type="checkbox"/> No <input type="checkbox"/>
(04) If yes, list each entity, the amount received, and any mandate-related offsetting revenue below:		
Name of Entity	(a) Amount Received	(b) Offsetting Revenue
Total (Include column (b) total on Form 1, line 10)		
(05) The amount reported as offsetting revenue should also be reported by the contracting entity as reimbursable mandated costs. List other mandated-related offsetting revenue not identified above.		
Type of Revenue	Offsetting Revenue	
Total (Include column (b) total on Form 1, line 10)		
(06) Is another entity providing animal shelter services under contract for your agency?		Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, identify the entity and list the amount paid to the other entity.		
Name of Entity	Amount Paid	
Total		

Program 213	ANIMAL ADOPTION Instructions for SUMMARY OF SERVICES PROVIDED UNDER CONTRACT	FORM 3
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Indicate whether or not your agency is providing contracted animal shelter services for another agency.
- (04) (a) If the answer to line (03) is "Yes" – List the names of the contracting agencies for whom you are providing services. Record the full amount of the contract in column (a), Amount Received.
- (b) Record in column (b) the amount of the contract, if any, that is used to fund mandate-related activities. The total amount shown for line (04)(b) should be reported on Form 1, line (10), as offsetting revenue.
- Note: Any amount shown as mandate-related offsetting revenue in column (b) can be claimed by the identified agencies on a mandated cost claim.**
- (05) List any other mandate-related offsetting revenue not already identified on line (04) above.
- (06) Indicate whether or not your agency is contracting with another agency for animal control services.
- (07) If the answer to line (06) is "Yes", list the name of the agency and the contract amount.

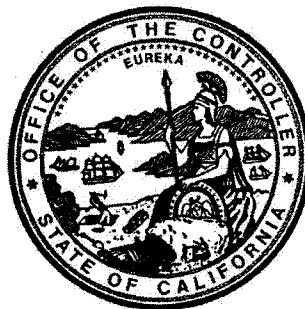
SOUTHEAST AREA ANIMAL CONTROL AGENCY

Audit Report

ANIMAL ADOPTION PROGRAM

Civil Code Sections 1834 and 1846 and Food and Agriculture Code
Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
(Chapter 752, Statutes of 1998, and Chapter 313, Statutes of 2004)

*July 1, 2001, through June 30, 2009,
excluding July 1, 2003, through June 30, 2006*



JOHN CHIANG
California State Controller

June 2012



JOHN CHIANG
California State Controller

June 15, 2012

Art Barajas, Chairperson
Southeast Area Animal Control Agency
9777 SEAACA Street
Downey, CA 90241

Dear Mr. Barajas:

The State Controller's Office audited the costs claimed by the Southeast Area Animal Control Agency for the legislatively mandated Animal Adoption Program (Civil Code sections 1834 and 1846 and Food and Agriculture Code sections 31108, 31752, 31752.5, 31753, 32001, and 32003 (Chapter 752, Statutes of 1998, and Chapter 313, Statutes of 2004)) for the period of July 1, 2001, through June 30, 2009, excluding July 1, 2003, through June 30, 2006.

The agency claimed \$2,316,724 for the mandated program. Our audit disclosed that \$760,091 is allowable and \$1,556,633 is unallowable. The costs are unallowable because the agency claimed unallowable costs and ineligible staff, misstated animal census data, overstated the number of eligible animals, understated the number of reimbursable days, did not claim allowable costs, and overstated offsetting revenues. The State paid the agency \$524,800. Allowable costs claimed exceed the amount paid by \$235,291.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCForm.pdf.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/wm

cc: Dan Morrison, Executive Director, Southeast Area Animal Control Agency
Randall Ward, Finance Staff Analyst, Mandates Unit, Department of Finance
Jay Lal, Manager, Division of Accounting and Reporting, State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the Southeast Area Animal Control Agency for the legislatively mandated Animal Adoption Program (Civil Code sections 1834 and 1846 and Food and Agriculture Code sections 31108, 31752, 31752.5, 31753, 32001, and 32003 [Chapter 752, Statutes of 1998, and Chapter 313, Statutes of 2004]) for the period of July 1, 2001, through June 30, 2009, excluding July 1, 2003, through June 30, 2006.

The agency claimed \$2,316,724 for the mandated program. Our audit disclosed that \$760,091 is allowable and \$1,556,633 is unallowable. The costs are unallowable because the agency claimed unallowable costs and ineligible staff, misstated animal census data, overstated the number of eligible animals, understated the number of reimbursable days, did not claim allowable costs, and overstated offsetting revenues. The State paid the agency \$524,800. Allowable costs claimed exceed the amount paid by \$235,291.

Background

Food and Agriculture Code sections 31108, 31752, 31753, 32001, and 32003 (added and amended by Chapter 752, Statutes of 1998) attempted to end the euthanasia of adoptable and treatable animals. It expressly identifies the state policy that no adoptable animal should be euthanized if it can be adopted into a suitable home, and that no treatable animal should be euthanized. The legislation also increases the holding period for stray and abandoned dogs, cats, and other specified animals. It also requires public or private shelters to:

- Verify the temperament of feral cats;
- Post lost-and-found lists;
- Maintain records for impounded animals; and
- Ensure that impounded animals receive necessary and prompt veterinary care.

On January 25, 1981, the Commission on State Mandates (CSM) determined that Chapter 752, Statutes of 1998, imposed a state mandate reimbursable under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on February 28, 2002, corrected them on March 20, 2002, and last amended them on January 26, 2006. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated program reimbursable costs.

For fiscal year (FY) 2003-04, the Legislature suspended the Animal Adoption Program.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Animal Adoption Program for the period of July 1, 2001, through June 30, 2009, excluding July 1, 2003, through June 30, 2006.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the agency's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the agency's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, the Southeast Area Animal Control Agency claimed \$2,316,724 for costs of the Animal Adoption Program. Our audit disclosed that \$760,091 is allowable and \$1,556,633 is unallowable.

For the FY 2001-02 claim, the State made no payment to the agency. Our audit disclosed that \$138,926 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$138,926, contingent upon available appropriations.

For the FY 2002-03 claim, the State made no payment to the agency. Our audit disclosed that \$140,845 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$140,845, contingent upon available appropriations.

For the FY 2006-07 claim, the State paid the agency \$524,800. Our audit disclosed that \$139,835 is allowable. The State will offset \$384,965 from other mandated program payments due the agency. Alternatively, the agency may remit this amount to the State.

For the FY 2007-08 claim, the State made no payment to the agency. Our audit disclosed that \$165,888 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$165,888, contingent upon available appropriations.

For the FY 2008-09 claim, the State made no payment to the agency. Our audit disclosed that \$174,597 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$174,597, contingent upon available appropriations.

**Views of
Responsible
Official**

We issued a draft audit report on May 22, 2012. Dan Morrison, Executive Director, responded by letter dated June 4, 2012 (Attachment), disagreeing with the audit results. This final audit report includes the agency's response.

Based on the agency's response, we increased allowable costs by \$57,128, from \$702,963 to \$760,091. These changes are reflected in Findings 1 through 7.

Restricted Use

This report is solely for the information and use of the Southeast Area Animal Control Agency, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

June 15, 2012

**Schedule 1—
Summary of Program Costs
July 1, 2001, through June 30, 2009,
excluding July 1, 2003, through June 30, 2006**

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustment</u>	<u>Reference ¹</u>
<u>July 1, 2001, through June 30, 2002</u>				
Direct costs:				
Care and maintenance of dogs and cats	\$ 209,802	\$ 22,343	\$ (187,459)	Finding 1
Care and maintenance of other animals	23,215	870	(22,345)	Finding 1
Increased holding period	36,975	34,170	(2,805)	Finding 2
Lost and found list costs	—	1,319	1,319	Finding 3
Maintaining non-medical records	—	15,572	15,572	Finding 4
Necessary and prompt veterinary care	—	13,933	13,933	Finding 5
Total direct costs	269,992	88,207	(181,785)	
Indirect costs	—	61,321	61,321	Finding 6
Total direct and indirect costs	269,992	149,528	(120,464)	
Less other reimbursements	(19,137)	(10,602)	8,535	Finding 7
Total program costs	<u>\$ 250,855</u>	138,926	<u>\$ (111,929)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 138,926</u>		
<u>July 1, 2002, through June 30, 2003</u>				
Direct costs:				
Care and maintenance of dogs and cats	\$ 225,079	\$ 23,594	\$ (201,485)	Finding 1
Care and maintenance of other animals	—	919	919	Finding 1
Increased holding period	90,302	33,139	(57,163)	Finding 2
Lost and found list costs	—	1,329	1,329	Finding 3
Maintaining non-medical records	—	15,478	15,478	Finding 4
Necessary and prompt veterinary care	—	13,773	13,773	Finding 5
Total direct costs	315,381	88,232	(227,149)	
Indirect costs	—	63,426	63,426	Finding 6
Total direct and indirect costs	315,381	151,658	(163,723)	
Less other reimbursements	(22,500)	(10,813)	11,687	Finding 7
Total program costs	<u>\$ 292,881</u>	140,845	<u>\$ (152,036)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 140,845</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2006, through June 30, 2007</u>				
Direct costs:				
Care and maintenance of dogs and cats	\$ 397,158	\$ 17,937	\$ (379,221)	Finding 1
Care and maintenance of other animals	6,592	760	(5,832)	Finding 1
Increased holding period	164,993	37,733	(127,260)	Finding 2
Lost and found list costs	—	1,489	1,489	Finding 3
Maintaining non-medical records	—	15,716	15,716	Finding 4
Necessary and prompt veterinary care	—	14,138	14,138	Finding 5
Total direct costs	568,743	87,773	(480,970)	
Indirect costs	—	63,777	63,777	Finding 6
Total direct and indirect costs	568,743	151,550	(417,193)	
Less other reimbursements	(43,943)	(11,715)	32,228	Finding 7
Total program costs	<u>\$ 524,800</u>	139,835	<u>\$ (384,965)</u>	
Less amount paid by the State		(524,800)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (384,965)</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Direct costs:				
Care and maintenance of dogs and cats	\$ 435,435	\$ 27,719	\$ (407,716)	Finding 1
Care and maintenance of other animals	7,969	1,362	(6,607)	Finding 1
Increased holding period	176,872	41,024	(135,848)	Finding 2
Lost and found list costs	—	1,648	1,648	Finding 3
Maintaining non-medical records	—	17,795	17,795	Finding 4
Necessary and prompt veterinary care	—	17,663	17,663	Finding 5
Total direct costs	620,276	107,211	(513,065)	
Indirect costs	—	73,396	73,396	Finding 6
Total direct and indirect costs	620,276	180,607	(439,669)	
Less other reimbursements	(50,551)	(14,719)	35,832	Finding 7
Total program costs	<u>\$ 569,725</u>	165,888	<u>\$ (403,837)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 165,888</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2008, through June 30, 2009</u>				
Direct costs:				
Care and maintenance of dogs and cats	\$ 579,988	\$ 35,565	\$ (544,423)	Finding 1
Care and maintenance of other animals	7,457	1,008	(6,449)	Finding 1
Increased holding period	185,180	41,278	(143,902)	Finding 2
Lost and found list costs	—	1,647	1,647	Finding 3
Maintaining non-medical records	—	22,072	22,072	Finding 4
Necessary and prompt veterinary care	—	22,980	22,980	Finding 5
Total direct costs	772,625	124,550	(648,075)	
Indirect costs	—	74,285	74,285	Finding 6
Total direct and indirect costs	772,625	198,835	(573,790)	
Less other reimbursements	(94,162)	(24,238)	69,924	Finding 7
Total program costs	<u>\$ 678,463</u>	174,597	<u>\$ (503,866)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 174,597</u>		
<u>Summary: July 1, 2001, through June 30, 2009, (excluding June 1, 2003, through June 30, 2006)</u>				
Direct costs:				
Care and maintenance of dogs and cats	\$ 1,847,462	\$ 127,158	\$ (1,720,304)	
Care and maintenance of other animals	45,233	4,919	(40,314)	
Increased holding period	654,322	187,344	(466,978)	
Lost and found list costs	—	7,432	7,432	
Maintaining non-medical records	—	86,633	86,633	
Necessary and prompt veterinary care	—	82,487	82,487	
Total direct costs	2,547,017	495,973	(2,051,044)	
Indirect costs	—	336,205	336,205	
Total direct and indirect costs	2,547,017	832,178	(1,714,839)	
Less other reimbursements	(230,293)	(72,087)	158,206	
Total program costs	<u>\$ 2,316,724</u>	760,091	<u>\$ (1,556,633)</u>	
Less amount paid by the State		(524,800)		
Allowable costs claimed in excess of amount paid		<u>\$ 235,291</u>		

¹ See the Findings and Recommendations section.

**Schedule 2—
Summary of Care and Maintenance Costs
July 1, 2001, through June 30, 2009,
excluding July 1, 2003, through June 30, 2006**

Category	Actual Costs Claimed	Allowable per Audit			Audit Adjustments
		Salaries & Benefits	Materials & Supplies	Amount Allowable	
<u>July 1, 2001, through June 30, 2002</u>					
Total care and maintenance costs	\$ 813,446	\$ 176,465	\$ 41,702		
Total animal census	÷ 104,700	÷ 174,117	÷ 174,117		
Cost per day	<u>\$7.7693</u>	<u>\$1.01</u>	<u>\$0.24</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$7.7693	\$1.01	\$0.24		
Number of eligible dogs and cats	× 13,502	× 5,958	× 5,958		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	<u>\$ 209,802</u>	<u>\$ 18,053</u>	<u>\$ 4,290</u>	\$ 22,343	\$ (187,459)
Care and maintenance of other “eligible” animals:					
Cost per day	\$7.7693	\$1.01	\$0.24		
Number of eligible other animals	× 747	× 116	× 116		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	<u>\$ 23,215</u>	<u>\$ 703</u>	<u>\$ 167</u>	870	(22,345)
Total care and maintenance	<u>\$ 233,017</u>	<u>\$ 18,756</u>	<u>\$ 4,457</u>	<u>\$ 23,213</u>	<u>\$ (209,804)</u>
<u>July 1, 2002, through June 30, 2003</u>					
Total care and maintenance costs	\$ 887,971	\$ 195,713	\$ 35,556		
Total animal census	÷ 109,715	÷ 174,117	÷ 174,117		
Cost per day	<u>\$8.0934</u>	<u>\$1.12</u>	<u>\$0.20</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$8.0934	\$1.12	\$0.20		
Number of eligible dogs and cats	× 13,905	× 5,958	× 5,958		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	<u>\$ 225,079</u>	<u>\$ 20,019</u>	<u>\$ 3,575</u>	\$ 23,594	\$ (201,485)
Care and maintenance of other “eligible” animals:					
Cost per day	\$8.0934	\$1.12	\$0.20		
Number of eligible dogs and cats	× —	× 116	× 116		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	<u>\$ —</u>	<u>\$ 780</u>	<u>\$ 139</u>	919	919
Total care and maintenance	<u>\$ 225,079</u>	<u>\$ 20,799</u>	<u>\$ 3,714</u>	<u>\$ 24,513</u>	<u>\$ (200,566)</u>

Schedule 2 (continued)

Category	Actual Costs Claimed	Allowable per Audit			Audit Adjustments
		Salaries & Benefits	Materials & Supplies	Amount Allowable	
<u>July 1, 2006, through June 30, 2007</u>					
Total care and maintenance costs	\$ 1,829,255	\$ 121,270	\$ 50,248		
Total animal census	÷ 127,596	÷ 139,820	÷ 139,820		
Cost per day	<u>\$14.3363</u>	<u>\$0.87</u>	<u>\$0.36</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$14.3363	\$0.87	\$0.36		
Number of eligible dogs and cats	× 12,360	× 4,861	× 4,861		
Reimbursable days	× 2.24134	× 3	× 3		
Total care and maintenance costs for dogs and cats	<u>\$ 397,158</u>	<u>\$ 12,687</u>	<u>\$ 5,250</u>	\$ 17,937	\$ (379,221)
Care and maintenance of other “eligible” animals					
Cost per day	\$14.3304	\$0.87	\$0.36		
Number of eligible other animals	× 115	× 103	× 103		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	<u>\$ 6,592</u>	<u>\$ 538</u>	<u>\$ 222</u>	760	(5,832)
Total care and maintenance	<u>\$ 403,750</u>	<u>\$ 13,225</u>	<u>\$ 5,472</u>	<u>\$ 18,697</u>	<u>\$ (385,053)</u>
<u>July 1, 2007, through June 30, 2008</u>					
Total care and maintenance costs	\$ 1,999,850	\$ 193,753	\$ 68,666		
Total animal census	÷ 134,834	÷ 162,934	÷ 162,934		
Cost per day	<u>\$14.8319</u>	<u>\$1.19</u>	<u>\$0.42</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$14.8319	\$1.19	\$0.42		
Number of eligible dogs and cats	× 12,789	× 5,739	× 5,739		
Reimbursable days	× 2.295567	× 3	× 3		
Total care and maintenance costs for dogs and cats	<u>\$ 435,435</u>	<u>\$ 20,488</u>	<u>\$ 7,231</u>	\$ 27,719	\$ (407,716)
Care and maintenance of other “eligible” animals:					
Cost per day	\$14.8670	\$1.19	\$0.42		
Number of eligible other animals	× 134	× 141	× 141		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	<u>\$ 7,969</u>	<u>\$ 1,007</u>	<u>\$ 355</u>	1,362	(6,607)
Total care and maintenance	<u>\$ 443,404</u>	<u>\$ 21,495</u>	<u>\$ 7,586</u>	<u>\$ 29,081</u>	<u>\$ (414,323)</u>

Schedule 2 (continued)

Category	Actual Costs Claimed	Allowable per Audit			Audit Adjustments
		Salaries & Benefits	Materials & Supplies	Amount Allowable	
<u>July 1, 2008, through June 30, 2009</u>					
Total care and maintenance costs	\$ 2,160,122	\$ 265,244	\$ 92,554		
Total animal census	÷ 146,772	÷ 219,598	÷ 219,598		
Cost per day	<u>\$14.7175</u>	<u>\$1.21</u>	<u>\$0.42</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$14.7175	\$1.21	\$0.42		
Number of eligible dogs and cats	× 17,249	× 7,273	× 7,273		
Reimbursable days	<u>× 2.284657</u>	<u>× 3</u>	<u>× 3</u>		
Total care and maintenance costs for dogs and cats	<u>\$ 579,988</u>	<u>\$ 26,401</u>	<u>\$ 9,164</u>	\$ 35,565	\$ (544,423)
Care and maintenance of other “eligible” animals:					
Cost per day	\$14.6791	\$1.21	\$0.42		
Number of eligible other animals	× 127	× 103	× 103		
Reimbursable days	<u>× 4</u>	<u>× 6</u>	<u>× 6</u>		
Total care and maintenance costs for other animals	<u>\$ 7,457</u>	<u>\$ 748</u>	<u>\$ 260</u>	1,008	(6,449)
Total care and maintenance	<u>\$ 587,445</u>	<u>\$ 27,149</u>	<u>\$ 9,424</u>	<u>\$ 36,573</u>	<u>\$ (550,872)</u>
<u>Summary: July 1, 2001, through June 30, 2009, excluding July 1, 2003, through June 30, 2006</u>					
Total care and maintenance costs for dogs and cats	\$ 1,847,462	\$ 97,648	\$ 29,510	\$ 127,158	\$ (1,720,304)
Total care and maintenance costs for other animals	<u>45,233</u>	<u>3,776</u>	<u>1,143</u>	<u>4,919</u>	<u>(40,314)</u>
Total care and maintenance costs	<u>\$ 1,892,695</u>	<u>\$ 101,424</u>	<u>\$ 30,653</u>	<u>\$ 132,077</u>	<u>\$ (1,760,618)</u>

Findings and Recommendations

GENERAL COMMENT

A private mandated cost consultant prepared the agency's mandated cost claims for the audit period. We initially determined that the claims were not prepared in accordance with the applicable instructions found in the parameters and guidelines for the mandated program or the State Controller's Office's (SCO) claiming instructions. Costs incurred by the agency under at least four cost components of the mandated program were combined together and claimed under the Care and Maintenance cost component. However, reimbursable costs for the other cost components are not determined in the same manner as care and maintenance costs. In addition, the expenditures claimed included costs for activities that are not reimbursable under the mandated program. Therefore, all costs, as originally claimed, were unallowable.

We worked with various agency representatives during the course of our audit in order to determine the procedures followed to perform the reimbursable activities as well as the average time increments required to perform them. To determine allowable costs, the agency provide actual salary rates, benefit rates, and expenditure reports. In addition, the agency provided actual salaries and benefits for staff performing care and maintenance activities and performed time studies supporting four difference cost components during the course of the audit. We calculated allowable costs based on agency-provide documentation. If the agency provides additional documentation supporting actual costs incurred, we will revise the audit results as appropriate.

**FINDING 1—
Overstated care and
maintenance costs**

The agency claimed \$1,892,695 (\$1,847,462 for dogs and cats, and \$45,233 for other animals) during the audit period under the Care and Maintenance cost component for animals that died during the increased holding period or were ultimately euthanized. We determined that \$132,077 (\$127,158 for dogs and cats, and \$4,919 for other animals) is allowable and \$1,760,618 is unallowable. The costs were unallowable because the agency claimed unallowable material and supply costs; estimated the yearly census; incorrectly calculated the number of stray dogs, cats, and other eligible animals that died during the increased holding period or were ultimately euthanized; and understated the number of reimbursable days.

The detailed Care and Maintenance formula calculations of claimed, allowable, and unallowable costs by fiscal year are presented in Schedule 2—Summary of Care and Maintenance Costs.

The following table summarizes the claimed, allowable, and unallowable costs for the audit period separately for dogs, cats, and other animals by fiscal year:

Fiscal Year	Amount Claimed			Amount Allowable			Audit Adjustment
	Dogs & Cats	Other Animals	Total Claimed	Dogs & Cats	Other Animals	Total Allowable	
2001-02	\$ 209,802	\$ 23,215	\$ 233,017	\$ 22,343	\$ 870	\$ 23,213	\$ (209,804)
2002-03	225,079	—	225,079	23,594	919	24,513	(200,566)
2006-07	397,158	6,592	403,750	17,937	760	18,697	(385,053)
2007-08	435,435	7,969	443,404	27,719	1,362	29,081	(414,323)
2008-09	579,988	7,457	587,445	35,565	1,008	36,573	(550,872)
Total	<u>\$1,847,462</u>	<u>\$ 45,233</u>	<u>\$1,892,695</u>	<u>\$ 127,158</u>	<u>\$ 4,919</u>	<u>\$ 132,077</u>	<u>\$ (1,760,618)</u>

The parameters and guidelines (section IV.B.3—Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die during the Increased Holding Period or are Ultimately Euthanized) identify the following reimbursable activities:

Beginning July 1, 1999 – Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measure by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

The parameters and guidelines (section IV.B.4—Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agricultural Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized) also state:

Beginning January 1, 1999 – Providing care and maintenance for ... stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

The parameters and guidelines for both Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die during the Increased Holding Period or are Ultimately Euthanized (section IV.B.3) and Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agricultural Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (section IV.B.4) state:

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats and other animals:

- Stray or abandoned dogs, cats and other animals that are irremediably suffering from a serious illness or severe injury,
- Newborn stray or abandoned dogs, cats, and other animals that need maternal care and have been impounded without their mothers,
- Stray or abandoned dogs, cats and other animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal,
- Owner relinquished dogs, cats and other animals, and
- Stray or abandoned dogs, cats and other animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization

Methods for Claiming Costs

Eligible claimants may elect the Actual Cost Method or the Time Study Method to claim costs for the care and maintenance of impounded stray or abandoned dogs, cats, and other animals that die during the increased holding period or are ultimately euthanized.

Under the Actual Cost Method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period, as follows:

- a) Determine the total annual cost of care and maintenance for all dogs, cats and other animals impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
- b) Determine the average daily census of all dogs, cats and other animals.
- c) Multiply the average daily census of dogs, cats and other animals by 365 to calculate the yearly census of dogs and cats and the yearly census of other animals.
- d) Divide the total annual cost of care by the yearly census of dogs and cats to calculate the cost per dog and cat per day and by the yearly census of other animals to calculate the cost per other animal per day.

- e) Multiply the cost per animal per day by the number of impounded stay or abandoned dogs, cats, and other animals that die during the increased holding period, or are ultimately euthanized, by each reimbursable day. The reimbursable days for cats and dogs is the difference between three days from the day of capture, and four or six business days from the day after impoundment. The reimbursable days for other animals are four or six business days from the day after impoundment.

Care and Maintenance Formula

The agency elected to use the Actual Cost Method to claim costs. The parameters and guidelines provide for a formula-driven methodology to determine allowable mandated costs for the care and maintenance of dogs, cats, and other animals. The use of this method requires a claimant to calculate the total amount of eligible costs incurred to provide care and maintenance for the animals housed in its shelter. This total is divided by the annual census of animals housed in the shelter to determine a cost per animal per day.

The next element of the formula is adding the number of stray and abandoned animals that died of natural causes during the holding period to those animals that were euthanized after the required holding period. This total number of animals is then multiplied by the cost per animal per day. The resulting amount represents allowable costs for providing care and maintenance. Our calculations took into consideration that the required holding period does not include Saturday as a business day. This is consistent with an Appellate Court decision in the case of *Purifoy v. Howell* filed March 26, 2010.

The mandate reimburses claimants for costs associated with animals that were not relinquished, redeemed, adopted, or released to a nonprofit agency—animals for which the local agency was unable to assess fees to recover such costs.

Costs incurred by the agency for care and maintenance consisted of salaries and benefits, materials and supplies, and related indirect costs. We made adjustments to the costs incurred by the agency and to the animal data that was used to claim costs. As a result, we adjusted the costs per animal per day.

The table in Schedule 2 summarizes the changes made to claimed costs for animal care and maintenance. This consisted of changes to total annual costs incurred by the agency for animal care and maintenance (salaries and benefits, materials and supplies) and animal census data used to determine the cost per animal per day. The table also shows changes to the number of eligible animals and the number of reimbursable days that were used to determine reimbursable costs for each year of the audit period.

Salary and Benefit Costs

The agency did not claim any salary and benefit costs. We determined that the agency incurred \$952,445 in salaries and benefits for caring and maintaining animals during the audit period.

During audit fieldwork, the agency provided actual salary and benefit costs for the audit period for the following three positions that provide care and maintenance to the animals housed at the shelter:

- Animal Care Technicians
- Senior Animal Care Technicians
- Lead Animal Care Technicians

However, only a percentage of shelter staff time is devoted to care and maintenance of the animals because staff members also perform non-mandated activities such as recruiting, training, and scheduling. The agency determined that 89% of the Animal Care Technician's and Senior Animal Care Attendants' time, and 60% of the Lead Animal Care Technician's time, was devoted to care and maintenance of animals.

To determine the allowable care and maintenance salaries and benefits, we multiplied the actual salary and benefit amounts provided by the mandated percentage, as shown in the following table:

Position	Amount Claimed	Allowable per Audit			
		Salaries & Benefits	Mandated Percentage	Amount Allowable	Audit Adjustments
FY 2001-02:					
Animal Care Tech.	\$ —	\$ 149,645	89%	\$ 133,184	\$ 133,184
Lead Animal Care Tech.	—	72,135	60%	43,281	43,281
Total FY 2001-02	—	221,780		176,465	176,465
FY 2002-03:					
Animal Care Tech.	—	169,565	89%	150,913	150,913
Lead Animal Care Tech.	—	74,667	60%	44,800	44,800
Total FY 2002-03	—	244,232		195,713	195,713
FY 2006-07:					
Animal Care Tech.	—	106,755	89%	95,012	95,012
Lead Animal Care Tech.	—	43,764	60%	26,258	26,258
Total FY2006-07	—	150,519		121,270	121,270
FY 2007-08:					
Animal Care Tech.	—	182,899	89%	162,780	162,780
Lead Animal Care Tech.	—	51,621	60%	30,973	30,973
Total FY 2007-08	—	234,520		193,753	193,753
FY 2008-09:					
Animal Care Tech.	—	226,528	89%	201,610	201,610
Sr. Animal Care Tech.	—	31,509	89%	28,043	28,043
Lead Animal Care Tech.	—	59,319	60%	35,591	35,591
Total FY 2008-09	—	317,356		265,244	265,244
Total	\$ —	\$1,168,407		\$ 952,445	\$ 952,445

Material and Supply Costs

The agency determined that it incurred \$7,690,644 in material and supply costs during the audit period for care and maintenance of animals impounded at its shelters. We determined that \$288,726 is allowable and \$7,401,918 is unallowable. The costs were unallowable because the agency included total costs incurred to operate the shelter (such as Shelter, Kennel, Veterinary, and Administrative divisional expenses) as opposed to costs specifically incurred to care for and maintain the animals.

Animal shelter management advised us that account #140, Special Activities Supplies for Shelter Operations, is the account for the expenses related to the care and maintenance of animals and includes costs for animal food, cat litter, light bulbs, and cleaning supplies. We also verified that costs in this account did not include expenses that are not eligible for reimbursement (such as euthanasia medication, microchip expenses, and medical supplies).

The following table summarizes the material and supply costs reported and the material and supply costs allowable for each fiscal year in the audit period:

Description	Fiscal Year					Total
	2001-02	2002-03	2006-07	2007-08	2008-09	
Amount claimed:						
Shelter Division expenses	\$ 438,664	\$ 472,352	\$ 474,578	\$ 699,343	\$ 874,672	\$ 2,959,609
Kennel Division expenses	181,458	198,616	223,490	105,620	2,646	711,830
Veterinary Division expenses	—	—	462,174	534,339	625,775	1,622,288
Overhead share/admin expenses	207,718	239,185	677,877	668,800	664,807	2,458,387
Less euthanasia/disposal fee	(14,394)	(22,182)	(8,864)	(8,252)	(7,778)	(61,470)
Total amount claimed	813,446	887,971	1,829,255	1,999,850	2,160,122	7,690,644
Amount allowable:						
Account 140-Special Act Supplies	41,702	35,556	50,248	68,666	92,554	288,726
Audit adjustment	<u>\$ (771,744)</u>	<u>\$ (852,415)</u>	<u>\$ (1,779,007)</u>	<u>\$ (1,931,184)</u>	<u>\$ (2,067,568)</u>	<u>\$ (7,401,918)</u>

Yearly Animal Census

The yearly census refers to the total number of days that all animals were housed in the shelter. The agency estimated the yearly census by assuming that the animals were held an average of five days in FY 2001-02 and FY 2002-03, an average of seven days in FY 2006-07 and FY 2007-08, and an average of six days in FY 2008-09.

To calculate the yearly census, we used data from the agency's Paw Trax software system and added the number of days held for every animal impounded for each fiscal year.

The following table summarizes the claimed, allowable, and audit adjustment amounts for the yearly animal census by fiscal year:

	Number of Animals				
	FY 2001-02	FY 2002-03	FY 2006-07	FY 2007-08	FY 2008-09
Yearly census claimed:					
Total dogs held	9,189	8,665	6,181	6,867	8,737
Total cats held	10,546	11,781	10,647	10,948	13,799
Total other animals held	1,205	1,497	1,400	1,447	1,926
Total animals held	20,940	21,943	18,228	19,262	24,462
Average number of days held	× 5	× 5	× 7	× 7	× 6
Yearly census	104,700	109,715	127,596	134,834	146,772
Yearly census allowable	174,117 *	174,117 *	139,820	162,934	219,598
Audit adjustment	69,417	64,402	12,224	28,100	72,826

* For FY 2001-02 and FY 2002-03, the agency did not provide animal data; therefore, we used an average of the yearly census for FY 2006-07 through FY 2008-09 and applied the result to FY 2001-02 and FY 2002-03.

Eligible Dogs, Cats, and Other Animals

The agency incorrectly calculated the number of stray dogs, cats, and other animals that died during the increased holding period or were ultimately euthanized.

To verify the eligible animal population claimed, we ran a query of all of the animals that fit the following reimbursement criteria:

Dogs and Cats:

- Died during the increased holding period: Died days 4, 5, and 6
- Ultimately euthanized: Euthanized day 7 and later

Eligible Other Animals:

- Died during the increased holding period: Died days 2, 3, 4, 5 and 6 (animals that died on day 1 were not included because they were most likely irremediably suffering from a serious illness or injury or were too severely injured to move and it may have been more humane to dispose of the animal).
- Ultimately euthanized: Euthanized day 7 and later.

The following table summarizes the claimed, allowable, and unallowable population of eligible animals for the audit period by fiscal year:

Fiscal Year	Number of Animals						
	Population Claimed			Population Allowable			Audit Adjustment
	Dogs & Cats	Other Animals	Total Claimed	Dogs & Cats	Other Animals	Total Allowable	
2001-02	13,502	747	14,249	5,958 *	116 *	6,074	(8,175)
2002-03	13,905	—	13,905	5,958 *	116 *	6,074	(7,831)
2006-07	12,360	115	12,475	4,861	103	4,964	(7,511)
2007-08	12,789	134	12,923	5,739	141	5,880	(7,043)
2008-09	17,249	127	17,376	7,273	103	7,376	(10,000)
Total	69,805	1,123	70,928	29,789	579	30,368	(40,560)

* For FY 2001-02 and FY 2002-03, the agency did not provide animal data; therefore, we used an average of the yearly census for FY 2006-07 through FY 2008-09 and applied the result to FY 2001-02 and FY 2002-03.

Reimbursable Days

The agency claimed two increased holding days for dogs and cats and four increased holding days for other animals. In addition, the agency claimed three increased holding days for cats they determined to be feral in FY 2006-07 and forward. We averaged the holding period claimed for FY 2006-07 and forward to fit the schedule. Refer to Schedule 2 for detail.

An Appellate Court ruling in the case of *Purifoy v. Howell* determined that Saturday is not considered a business day for the purposes of this mandated program. Therefore, for the audit period, we determined that the increased holding period for dogs and cats is three days and the increased holding period for other animals is six days.

Recommendation

We recommend that the agency ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

Agency's Response**FINDING 1 – CARE AND MAINTENANCE COSTS**

The claiming instructions allow agencies to choose one of two methods for calculating costs for Care and Maintenance:

The first is the **ACTUAL COST METHOD**. Under this method, an agency would determine the total annual cost for care and maintenance for all dog and cats impounded at the facility, then divides this amount by the total annual census to calculate and average daily cost per animal.

The second method is the **TIME STUDY METHOD** where an agency would conduct time studies to determine the amount of time to provide care and maintenance during a reimbursable day. Then this time/cost would be applied to the eligible animal population.

SEAACA chose to calculate their claim based on the **ACTUAL** cost method. SEAACA's accounting system separates their costs by functional units: SHELTER OPERATIONS, FIELD OPERATIONS, LICENSING, VETERINARY SERVICES and ADMINISTRATION. Since the purpose of the SHELTER division is to care and maintain the animals, the costs of the SHELTER OPERATIONS division were taken as the base for calculating total care and maintenance costs. From the total expenditure of that division, unallowable items, such as euthanasia supplies, were deleted and additional agency wide overhead costs from the ADMINISTRATIVE division were added. That total was divided by the total number of animal days of service to calculate a cost per animal per day of service. The resulting animal daily care rates claimed ranged from \$7.77* in FY 2001-02 to \$14.72* in FY 2008-09. (* It should be noted that this rate also included an allocation for Veterinary Services costs provided to the stray euthanized animal population.)

When these rates were compared to those of comparable neighboring jurisdictions, it was determined that SEAACA's cost for Care and Maintenance were in line with the others (LA City and LA County are probably the most similar in the region based on size of the area served) (SEAACA provides animal services to approximately a dozen cities in the LA metropolitan area). In addition, SEAACA felt confident the rates claimed were conservative because the agency opted not to claim for any other related costs such as: *Maintaining Lost and Found Lists, Maintaining Non-Medical Records, Feral Cat review* since these activities were performed in the same division (SHELTER), it was determined that the agency was already being compensated for those activities and thus no request for reimbursement was submitted for those components.

When the SCO audit staff conducted their initial "Entrance Conference" SEAACA was told that it would not be allowed to use option 1 – **ACTUAL COST METHOD** to calculate Care and Maintenance costs as they did in an aggregate fashion. SCO audit staff recalculated the cost component and determined that SEAACA's reimbursable daily care and maintenance rates ranging from \$1.03 to \$1.63 per animal during the audit period. This amount represented approximately 25% of the amount calculated and requested by SEAACA.

SCO provided the following information comparing other audited agency's cost per animal per day:

Salaries and Benefits – cost per animal per day allowed after SCO Audits:

1. El Dorado County – varied from \$2.62 to \$7.42
2. Contra Costa County – varied from \$2.95 to \$11.99
3. City/County of San Francisco – varied from \$5.48 to \$7.67
4. Sacramento County – varied from \$3.79 to \$5.33
5. Riverside County – varied from \$3.22 to \$4.75
6. City of Los Angeles – varied from \$9.17 to \$13.81
7. City of Hayward – varied from \$2.88 to \$9.12
8. SEACA – varied from \$1.03 to \$1.63

The rates calculated by the SCO auditors are unreasonably low primarily because direct costs were very narrowly interpreted and appropriate overhead (ICRPS) and benefit costs were not calculated or applied properly. Overhead or ICRP rates should be based on salaries and benefits (as is the industry standard), not total direct costs, since allowable direct costs are predominantly labor related for this program.

Also, benefit rates were understated (0% benefits were allowed) for Fiscal Years 2001-02 and 2002-03 since the agency did not have detail benefit data per position, it was provided for the entire division. In those two years, we feel it would be appropriate to use a portion – or percentage of the benefits for the direct staff involved. We calculated a rate of 22% in FY 2001-02 and 20% in 2002-03 and request this be applied to the Care and Maintenance Formulas used by the State.

In addition, the cost for care and maintenance of an animal is not just the time and cost to feed and warehouse the animals, but also must consider the administrative and support costs associated with running operating a shelter. These support costs include supervisory oversight, review, scheduling, purchasing supplies, etc; and support functions such as receptionists and clerical duties. These departmental indirect charges were not fully captured in the SCO Draft findings.

We request that the SCO audit staff update their ICRP rate calculations to match ours and update the reimbursable cost accordingly. (See separate attachments with our proposed ICRP rates).

A) WE DISAGREE WITH THE SCO'S RETROACTIVE APPLICATION OF PURIFOY V. HOWELL DECISION TO PRIOR YEAR CLAIMS

During the audit, the State Controller representatives announced that they would be applying a recent court decision (Purifoy v Howell published in March, 2010) to the claims being audited (FY 2001-02 being the oldest reviewed). This decision alters the definition of a business day for purposes of the animal holding period under the Hayden Bill. The retroactive application of a recent legal interpretation to activities that have already occurred is unfair and inequitable. Particularly when the rules pertain to animals already euthanized.

AUDIT PARAMETERS: According to claiming instructions, under Audit of Costs,

"All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's and G's adopted by the Commission."

Based on this language – the SCO must review the claims to the Parameters and Guidelines (Ps and Gs) and instructions applicable at that time. The SCO does not have the authority to audit to a "new" set of guidelines and rules after the fact and without proper notice and approval of those new guidelines.

Local agencies complied with the requirements of the law mandated by the legislature in 1998. They made a good faith effort to comply with the parameters and to claim costs as instructed. They incurred additional costs to comply with the mandate legislation as it was written. The SCO is exceeding its legal authority to audit claims to a new set of guidelines. The recent court action should only have an impact on activities and claims after the date of the finding and then only after Ps and Gs are amended pursuant State Mandate regulations.

The application of "new" rules to activities which have already occurred (animals being euthanized), has resulted in substantial disallowances to our legitimate claims for State reimbursement. The claims were calculated and filed based upon the law and the Parameters and Guidelines in place at the time of filing. Changing the "rules of the game" years later is unreasonable and robs local agencies of legitimately incurred costs.

One of the main goals of the Hayden Bill was to extend the period an animal was held and to ensure shelters extended their business hours so that residents could more easily retrieve their pets. The bill instructed that shelters stay open until at least 7pm on a weeknight, or on Saturday. However, the Purifoy case basically renders the option of keeping the shelter open on a Saturday void. Those agencies that made good faith efforts to implement the State legislation and kept the shelters open even longer by offering a Saturday option are now being punished by having their claims reduced by more than half.

Shelters that opted to stay open on Saturdays are being told that the option offered by the legislature was not really a legal option and that by choosing to stay open on a Saturday would render all their calculations on when an animal could be legally euthanize invalid. It is obviously impossible to go backward in time and resurrect animals that were euthanized based upon the recent 'Saturday as a business day' interpretations. The SCO's decision to apply the Purifoy decision retroactively to its audits violates the basic rules of law and the provisions of Ex Post Facto law.

It should be noted that to the best of our knowledge, ALL agencies followed the same method of calculation of holding periods prior to the 2010 court order. SEACA was no different in its understanding or interpretation of the law at the time.

1. The Purifoy decision itself did not confirm that Saturday is not a business day
2. The SCO took this decision to decide itself that Saturday is not a business day (their interpretation)

California Civil Code Section 9, states that Saturday is a business day to which shelters would calculate their holding periods according to the code. Using the SCO's interpretation of business day then would technically make all of the shelters calculations incorrect because "technically" they were not holding animals the required holding periods, regardless of Hayden Bill. This would decrease reimbursable costs because it would reduce the number or eligible animals.

The standard protocol for changing the instructions is to have any involved party file a request to amend Ps and Gs with the CSM. These revisions, if approved by the CSM after proper noticing of all parties, would then be applicable for the subsequent filing deadline. The SCO has been auditing the Animal Adoption claims for over three years now; however, it does not appear that they have made any requests to revise the Ps &Gs or claiming instructions. Local agencies were still preparing their FY 2010-11 "27-Day claims" for the Animal Adoption as recently as in 2011, but the instructions on the SCO website are still identical to those originally released.

B) A NUMBER OF SCO'S INTERPRETATIONS CONSTITUTE ARBITRARY RULE MAKING

The SCO audit creates rules and definitions of eligibility that do not appear in the instructions, Ps and Gs, or Statement of Decision (SOD). These "interpretations" or "new rules" they are imposing are harming local agencies by greatly reducing the number of animals that they deemed to be eligible for reimbursement. When there is a gray area, the stated intent of the Statutes, CSM Statements of Decision, and Ps and Gs should be followed.

1) Defining "Ultimately Euthanized" animals eligible for "Care and Maintenance" reimbursement.

"Ultimately Euthanized" means those stray animals whose final action resulted in euthanasia.

The mandate's intent was to provide reimbursement for the care and maintenance of stray animals during the extra holding days required by the law. Nowhere in the instructions, Ps and Gs, or SOD does it state that reimbursement is ONLY available IF and only IF THE ENTIRE holding period is satisfied.

The language of the Ps and Gs instruct that the SCO review costs to ensure that they are related to the mandate. If an agency incurs cost for providing one extra day of care and maintenance cost for an eligible animal, then the portion of the eligible cost should be reimbursed.

The intent of the legislation was to keep the animals for the entire holding period, when possible. However, there are various reasons why an animal might not be held the entire 2-3 day holding period prior to euthanasia. Actions taken related to care for animals are by their nature, complex and unpredictable. Medical conditions are not always readily apparent; diagnosis can be subjective; treatment decisions are varied and complex; and outcomes not guaranteed. Because of these facts, it is impossible for any agency to guarantee that an animal will be able to be held (or should be held) for the entire mandated period.

A once apparently healthy animal's condition can rapidly decline. An animal can be gravely injured by other animals during their holding period in the shared and often overcrowded kennels. Unforeseen events can occur – and because of that – even an agency with the best intentions and highest levels of care cannot guarantee that an animal will – or should be kept alive for the entire mandated time period.

The issue of timing of events and the unpredictability of animal's circumstances was addressed in a related request by Fresno County to the CSM.

Fresno County recommends that reimbursements apply to animals that are ultimately euthanized also apply to those animals that die while being held pending adoption or euthanization. If the animal dies pending adoption, obviously no adoption fees can be paid, and thus there is no revenue pertaining to that animal. If the animal dies pending euthanasia, the animal still has to be held until its untimely demise.

CSM staff noted that the Statement of Decision does not specifically address animals that die during the increased holding period, but that the county's request is consistent with the Statement of Decision. First, CSM staff addressed reimbursement for euthanized animals:

If a stray or abandoned animal dies during the time an agency is required to hold that animal, the agency would still be required by the state to incur costs to care and maintain the animal, and to provide "necessary and prompt veterinary care" for the animal before the animal died. The agency cannot recover those costs from the adoptive owner since the animal was never adopted or released to a nonprofit adoption organization. Thus, staff agrees with the County that these costs are eligible for reimbursement.

However, the same reimbursement limitations apply to the stray and abandoned animals that die during the holding period. For example, reimbursement for the care and maintenance of these animals is limited to the costs incurred during the *increased* holding period, as calculated by the proposed Parameters and Guidelines.

Accordingly, CSM staff added language to the parameters and guidelines to address animals that die during the increased holding period.

This action by the CSM indicates determining whether the activity was eligible should hinge on whether the activity was required by the State and whether the local agency had the ability to recovery costs for the animal population in question.

This discussion did not mention another likely occurrence – that in some cases an animal might have to be euthanized during the mandated holding period.

So if a STRAY Dog or Cat WAS EUTHANIZED on:

Day 3.5 = .5 days of eligible care and maintenance cost should be eligible for reimbursement

Day 4 = 1.5 days should be reimbursable

Day 5 = 2.5 days should be reimbursable

Day 6 = 3.5 days should be reimbursable

Any day after day 6 = max of 3.5 days should be reimbursable.

The SCO's interpretation is if a stray animal is euthanized prior to completion of the entire holding, the extra holding days the animal WAS held are NOT eligible for reimbursement—even though the agency incurred legitimate costs for a portion of the holding period. Basically – there is no “Partial Credit” for partial compliance.

It is our belief that local agencies should be reimbursed for the actual costs incurred for providing care and maintenance of eligible animals as stated in mandate language. SCO limitation of reimbursement for only those animals that stayed the entire time is an unfair interpretation that robs agencies of actual costs incurred. Though they would not qualify to receive full reimbursement for all animals, partial credit should be granted for the portion eligible of service provided.

This “all or nothing” SCO standard is most particularly unfair since the main reason a majority of animals were not kept the entire required holding period was because the SCO's application of the “new” 2010 court decisions holding periods alters method by which the holding period is calculated and disallows a substantial portion of the population of animals. By moving the target after the fact, many animals are now being denied even partial credit for the days of service they did provide. Agencies complied with the holding periods as were written in the law and should not completely lose reimbursement for those eligible animals because the SCO's has decided to apply the 2010 court decision on holding day calculations retroactively.

It appears that the SCO auditors is “moving the target” so they can obtain the maximum cost savings to the State at the expense of fairness and equity to local agencies. Some of this “reinterpretation” benefits local agency's slightly by requiring additional holding days, however, it is clear by the net result, that the State benefits by this determination in the final analysis. If the reinterpretation was such a great deal, there would not be many complaints from local agencies in their Response to the Audits.

2) Defining “Irremediably Suffering Animals”

The SCO also informed SEAACA that if an animal was euthanized DURING the holding period, the entire reimbursement for eligible care and maintenance of days service during the additional holding days provided would be forfeit. They reason that animal was “irremediably suffering” and therefore not eligible for reimbursement in the first place based on language that appears in the veterinary portion of the Ps and Gs. We question this application of the definition of “irremediably suffering” and believed the logic is flawed for the following reasons:

a) Local agencies are not required to provide veterinary care to animals that are “irremediably suffering from a serious illness or injury.” Neither are they eligible to be reimbursed for this activity.

b) It is standard practice to conduct a physical examination and document the condition of each animal upon admission to the shelter. Local agencies are reimbursed for the cost of providing an initial physical examination of the animal to determine the animal's baseline health status and classification as “adoptable”, treatable or non-rehabilitatable”. At that time a “wellness vaccine” administered to those “treatable” or “adoptable” animals is also allowed for reimbursement as a component of “Necessary and Prompt Veterinary Care” mandated in Civ. Code Section 1834 and 1846. The initial

decision is made at that time (initial exam) which animals are "treatable" and which are "irremediably suffering" and can, by law, be euthanized immediately.

A shelter is exempt from providing the mandated care and maintenance for those animals that are determined to be "irredeemably suffering". Logically, those animals, such as those hit by cars, would be put to sleep at their initial assessment and the segment of the population deemed "irremediably suffering" would be weeded out of the population prior to the commencement of the additional holding period.

c) If an animal has survived in the shelter to the 4th day or beyond, that animal must have been certainly been classified by shelter staff as "Treatable" and not "Irremediably Suffering" as it was added to the animal shelter inventory and given a wellness vaccine.

If an animal sickens or is injured in the shelter at a later date, that animal should not be excluded from obtaining the portion of reimbursement it is entitled to. As the SCO notes, "no adoptable/treatable animal shall be euthanized". Their thought process however is static and does not recognize the reality of the fact that the condition of an animal can change. An animal that has survived in the shelter to the mandated holding period (beyond 72 hours), is by definition a treatable animal. However at a later date, that same animal may be reclassified as "Irremediably suffering". However on the prior days when it was considered "treatable" – the care and maintenance time during that period should be reimbursed.

For example: an animal may be deemed:

Day 1 = Initial exams determines the animal is treatable

Day 2 = treatable & provided treatment

Day 3 = treatable & provided treatment

Day 4 = treatable & provided treatment

Day 5 = not getting better or declining, but still provided treatment

Day 6 = condition declines to a point that the vet believes euthanasia is the best action for the animal

Only on this final day is the animal determined to be non-adoptable and non-treatable

So under this scenario, local agencies believe that they should be reimbursed the care and maintenance for the additional mandated holding days (Day 4 and Day 5) during which time the animal was treated. Also the cost of providing the medical care should be reimbursed as ultimately the animal didn't respond to treatment and was ultimately euthanized.

As the CSM reasoned in other similar situations: "There is no other means by which the agency can recover their state mandated costs – and thus, they should be entitled to State reimbursement for these eligible costs".

The agency is charged with making "all reasonably necessary medical" interventions to make the animal "adoptable" They should not be punished for their compliance with the law and making the required efforts to treat an animal they believed in the beginning was treatable, but later found out that their efforts were not successful. If it is later determined that death is inevitable and that suffering and further costs can be avoided by euthanizing the animal, this should not preclude the

agency from obtaining reimbursement for mandated costs incurred. To let the animal suffer and die slowly on its own, just to satisfy the SCO so that they may obtain reimbursement of their costs and efforts is not logical or ethical.

The only parties that should be able to determine the best treatment for an animal are the medical professionals at each local agency shelter. It should not be up to an auditor, consultant or accountant to determine if the action taken by a medical professional was warranted and proper. This is not the venue for such inquiry and discussion. Questioning the appropriateness of treatment decisions should not be within the realm of what the SCO should be reviewing in its audits.

Again, SCO is creating its own "interpretations" that result in the loss of eligible reimbursement for local agencies.

3) SCO DETERMINATION THAT ONLY ANIMALS THAT DIE ON DAYS 4, 5, 6 AND 7 ARE REIMBURSABLE. THE SCO CLAIMS THAT IF THEY DIE ON DAY 8 OR BEYOND – THEY ARE NO LONGER ELIGIBLE FOR OBTAINING REIMBURSEMENT FOR ANY OF THEIR 2-3 DAYS OF ELIGIBLE CARE AND MAINTENANCE AND VET CARE PROVIDED.

This interpretation makes no logical sense and we believe the situation was not foreseen during drafting and review of the Ps and Gs and instructions. Again the CSM's logic regarding the Fresno County request would apply. The CSM found...

"...The agency cannot recover those (care and maintenance) costs from the adoptive owner since the animal was never adopted or released to a nonprofit adoption organization. Thus, staff agrees with the County that these costs are eligible for reimbursement.

It makes no sense to deny reimbursement for eligible costs incurred in providing care and maintenance to a stray animal who happened to die a day or two later than the end of the holding period. This would directly contradict the intent of the law which is to: as stated in the first line of the Ps and Gs:

"The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals."

By saying the agency would forfeit the 2-3 days of eligible costs incurred by keeping the animal beyond the mandated holding period if it happened to die after day 7 would directly contradict the intent of the law and put a financial incentive on agencies to kill any animal recovering from treatment on its last holding day to avoid the possibility that it might die and preclude the agency of reimbursement for even those eligible costs incurred during the additional holding period.

SCO's Comment

We concur that benefit costs for FY 2001-02 and FY 2002-03 were not included in the care and maintenance formula. Therefore, we allocated the actual benefit costs that were identified by SEAACA as "All Positions Listed" based on actual salaries. As a result, allowable care and maintenance costs for dog, cats, and other "eligible" animals increased by \$5,201, from \$126,876 to \$132,077.

However, we do not concur with the other comments addressed by the agency related to Finding 1—Overstated Care and Maintenance Costs.

The agency addressed its comments to Finding 1 under three sub-headings as follows:

- Methods for Claiming Care and Maintenance Costs
- Retroactive Application of the *Purifoy v. Howell* Decision to Prior Year Claims
- A Number of SCO's Interpretations Constitute Arbitrary Rulemaking

We will address the agency's response in the same order that it was presented.

Methods for Claiming Care and Maintenance Costs

The agency is correct that costs for care and maintenance must be claimed using either the Actual Cost Method or the Time Study Method. The agency used the Actual Cost Method, although it did not follow the instructions contained in the parameters and guidelines of how to claim costs using this method. The agency used ALL costs incurred in its Animal Shelter Division (Division 2530), Kennel Division (Division 2541), and Veterinary Division (Division 2540), less euthanasia supplies plus indirect costs, under the assumption that all costs incurred in these divisions were totally related to the care and maintenance of animals. As noted in the agency's response, costs related to Maintaining Non-Medical Records, Maintaining Lost and Found Lists, and providing Necessary and Prompt Veterinary Care were also included in its version of the Actual Cost Formula. Instead, such costs should have been claimed separately under the cost components of Maintaining Non-Medical Records, Maintaining Lost and Found Lists, and Necessary and Prompt Veterinary Care because the parameters and guidelines provide different methodologies to claim costs under these cost components.

In its response, the agency misstates the discussion that took place at the audit's entrance conference. At that meeting, the SCO auditors discussed the incorrect way that the Actual Cost Method was used to prepare the agency's claims. Despite the agency's claim to the contrary, The SCO auditors did not advise the agency to use the Time Study Method to determine care and maintenance costs or state that it could not use the Actual Cost Method. Agency representatives at that meeting expressed no interest in performing time studies to capture costs for care and maintenance or any other cost components of the mandated

program. Therefore, the only method available to compute allowable costs for Care and Maintenance activities was the *proper* application of the Actual Cost Method.

The SCO auditors also advised agency representatives that the costs improperly included in its care and maintenance formula that are related to the cost components of Maintaining Lost and Found Lists, Maintaining Non-Medical Records, and Necessary and Prompt Veterinary Care could be captured through the conduct of a properly conducted time study to capture the actual amount of time required to perform the reimbursable activities. Even though agency representatives initially expressed no interest in performing time studies for these cost components, they subsequently reconsidered and submitted time study proposals for consideration. We reviewed and commented on the time study proposals and the agency conducted the time studies. Allowable costs for these cost components were based on the agency's time studies.

For care and maintenance, we worked with agency representatives to determine the employee classifications that performed the care and maintenance activities and the percentage of their time spent to perform them. The agency also provided us with materials and supplies costs for expenditures related to care and maintenance of animals.

The agency's comments related to the audited cost per animal per day that were realized by other animal shelters in the State, as noted in previously issued SCO audit reports, is irrelevant for the purposes of the Southeast Agency Animal Control Authority (SEAACA). The SCO's application of the Actual Cost Method for SEAACA was done no differently than that of other agencies and was based on the actual cost information provided by the agency as contained in its expenditure ledgers. In addition, we believe that the allowable cost amounts for care and maintenance would have not been materially different, had the agency opted to use the Time Study Method to claim costs.

The agency's response also refers to indirect costs and its belief that indirect charges were not fully captured in the care and maintenance formula. One reporting difference for this audit is that the total cost per animal per day of \$126,876, as presented in Schedule 2, does not include related indirect costs totaling \$71,059. After the audit exit conference, we elected to present indirect costs as a separate line item in our Summary of Program Costs (Schedule 1). This was done because the agency did not directly claim indirect costs, but instead claimed a portion of its indirect costs within the Care and Maintenance and Holding Period cost components. We addressed the issue of indirect costs and indirect cost rate calculations as a separate item in the audit report (Finding 6—Misstated Indirect Costs).

Therefore, total allowable indirect costs of \$277,964 for the audit period, as shown in the Summary portion of Schedule 1, includes \$71,059 of indirect costs related to the care and maintenance of animals.

Retroactive Application of the Purifoy v. Howell Decision to Prior Year Claims

The agency disagrees with our application to the audit period of the Appellate Court decision in the case of *Purifoy et al. v. Howell*. The agency states that the court decision did not confirm that Saturday is not a business day for the purpose of this mandated program. We disagree. In that case, Saturday was determined *not* to be a business day for the purposes of determining the required holding period for dogs. For the purposes of our audit, this only affected the allowable cost calculations for unallowable care and maintenance costs (Finding 1).

The agency's response cited the following reasons why the SCO should not apply the court's decision to the audit period:

- There has been no change to the CSM's parameters and guidelines or SCO Claiming Instructions.
- SCO is applying a "new" set of rules without proper notice and approval.
- Claimants' assumption that Saturday was to be treated as a business day was a good faith effort to implement the State legislation in light of the requirements of the Hayden Bill.
- Retroactive application will not increase the holding period for animals long ago retrieved.
- The court did not confirm that Saturday is not a business day; therefore, SCO decided on its own that Saturday is not a business day.

Contrary to the agency's assertions, we believe that the court decision clarified the legal definition of a business day for the required holding period as of the date that the applicable statute was enacted in 1998.

A considerable amount of public record is related to this mandated program, including, but not limited to, the initial test claim, statement of decision, adopted parameters and guidelines, the CSM draft staff analyses, and comments made by various local agencies and other interested parties. These documents did not define what specific days of the week were considered to be business days. Therefore, we followed the decision of the Appellate Court that opined that Saturday is *not* to be treated as a business day for the purposes of determining the required holding period.

The agency is correct in stating that there has been no change to the CSM's adopted parameters and guidelines or the related SCO claiming instructions for this mandated program. However, any changes to the statement of decision, the parameters and guidelines, or the SCO's claiming instructions would not be warranted in this instance. The court decision did not make changes to the test claim statutes on which the mandated program is based. The court case clarified what the statutes mean. Therefore, the clarification would apply to all of the agency's Animal Adoption claims within the audit period.

We acknowledge that most animal shelters were operating under the assumption that they could count Saturday as a business day to calculate the holding period of an animal. However, the court's decision determined that this assumption was incorrect. We looked specifically at the language which the court used in their opinion, which stated in part:

In short, if the Legislature, having provided an incentive for shelters to remain open on weekend days, had also intended to permit shelters to count Saturdays as "business days" (thus further shortening the total number of calendar days in the holding period), we would expect a clearer expression of such an intention in the statute. More broadly, a construction of "business days" that includes Saturdays would both (1) shorten the holding period, and (2) reduce the opportunities for redemption and adoption. It thus would fail to achieve the dual purposes reflected in the legislative findings.

Accordingly, in the absence of a clear expression of legislative intent to treat Saturdays as "business days," and in light of our obligation to choose a construction that most closely comports with the Legislature's intent and promotes, rather than defeats, the statute's general purposes (see *Smith, supra*, 39 Cal.4th at p. 83; *California Highway Patrol, supra*, 135 Cal.App.4th at pp. 496-497), we conclude that "business days" in section 31108(a) means Monday through Friday, the meaning most commonly used in ordinary discourse.

Subsequently, the legislature enacted AB 222 (Chapter 97, Statutes of 2011) on July 25, 2011, which took effect January 1, 2012. This bill states that a "business day" includes any day that a public or private animal shelter is open to the public for at least four hours, excluding state holidays. We believe that the Legislature acknowledged the Appellate Court's interpretation of Food and Agriculture Code section 31108, subdivision (a), and made the necessary changes in AB 222 to provide ongoing clarity for animal shelters statewide. However, the statute is not applicable to the time period included in our audit of the agency's Animal Adoption claims.

Effect on Claimed Costs

The agency's comments are based on an assumption that allowable costs decreased because we determined that Saturday was *not* to be treated as a business day at any time during the audit period. We performed an alternate analysis to determine the effect on the agency's allowable costs for care and maintenance had we considered Saturday as a business day. We performed this analysis for FY 2008-09, the final year of the audit period. The results of this analysis revealed that allowable costs would decrease by \$15,953, from \$64,506 to \$48,553. This equates to a decrease in allowable costs of 24.7% if we included Saturday as a business day.

For the purposes of this revised calculation, we reinstated all animals that were euthanized on day 6 of the holding period as "eligible animals" and reduced the number of reimbursable days from 6 days to 5 days for "other animals" and from 3 days to 2 days for dogs and cats.

The table below summarizes the differences in allowable care and maintenance costs for FY 2008-09:

	Saturday--Not a Business Day			Saturday--A Business Day		
	Salaries & Benefits	Materials & Supplies		Salaries & Benefits	Materials & Supplies	
Dogs and cats:						
Cost per day	\$1.21	\$0.42		\$1.21	\$0.42	
Eligible dogs and cats	× 7,273	× 7,273		× 8,209	× 8,209	
Reimbursable days	× 3	× 3		× 2	× 2	
Subtotal	\$ 26,401	\$ 9,164		\$ 19,866	\$ 6,896	
Related indirect costs	20,165	6,999		15,174	5,266	
Total, dogs and cats	\$ 46,566	\$ 16,163	\$ 62,729	\$ 35,040	\$ 12,162	\$ 47,202
Other animals:						
Cost per day	\$1.21	\$ 0.42		\$1.21	\$ 0.42	
Eligible other animals	× 103	× 103		× 103	× 94	
Reimbursable days	× 6	× 6		× 5	× 5	
Subtotal	748	\$ 260		569	\$ 197	
Related indirect costs	571	198		434	151	
Total, other animals	\$ 1,319	\$ 458	1,777	\$ 1,003	\$ 348	1,351
Total allowable costs			\$ 64,506			\$ 48,553

The primary reason that allowable costs would go down is because the agency's animal shelter did not typically euthanize animals on day 6 of the required holding period. This means that the loss of one additional reimbursable day for the remaining population of animals outweighed the reinstatement of the animals euthanized on day 6 of the holding period as "eligible animals."

A Number of SCO's Interpretations Constitute Arbitrary Rulemaking

The agency's response includes a lengthy explanation of why it believes that SCO's application of the requirements of the mandated program, as found in the adopted parameters and guidelines, are incorrect and constitute what it calls "interpretations" or "new rules." The agency's response includes arguments in three areas as follows:

- Defining "Ultimately Euthanized" animals
- Defining "Irremediably Suffering" animals
- SCO determination that only animals that die on days 4, 5, 6, and 7 are reimbursable

We will address our comments in the same order that they appear in the agency's response.

Defining "Ultimately Euthanized" Animals

The agency is correct in its statement that the term "Ultimately Euthanized," as it is used for this mandated program, defines animals whose final action resulted in euthanasia. The agency does not include in its definition that this term was defined by the CSM to describe an event that takes place *after* the required holding period has been satisfied. Basically, the agency is arguing that reimbursement should be available for animals that were euthanized during the required holding period. The

agency's comments that SCO auditors "rob" agencies of mandated cost reimbursement and are motivated solely by "maximum cost savings to the state" are inappropriate and serve no useful purpose.

The agency believes that reimbursement should be available for animals that were euthanized or died of natural causes during the increased holding period. We concur that reimbursement is available for animals that died of natural causes during the holding period and our calculations of allowable costs includes this population of animals. The agency's argument for reimbursement for animals that were euthanized during the holding period is centered on costs for dogs and cats that were euthanized anytime between days 3.5 and 6 of the holding period. If we were to accept the agency's argument, this would mean that costs would also be reimbursable for "other animals" that were euthanized at any time during the required five-day holding period.

The distinction is important because this mandated program includes formula driven costs for the cost components of acquisition of additional space and/or construction of new facilities, remodeling/renovating existing facilities, care and maintenance of dogs and cats and other animals, and necessary and prompt veterinary care. The formulas for reimbursement are based on the total numbers of animals that are "ultimately euthanized" and "die during the increased holding period."

Statement of Decision

The statement of decision begins to address this issue on pages 13 and 14, under the heading of Holding Period for Dogs and Cats. On the top of page 14, the CSM notes that the holding period and adoption requirements of the test claim statutes do not apply to animals that are irremediably suffering from a serious illness or severe injury and newborn animals that need maternal care. Such animals may be euthanized without being held for owner redemption or adoption. The agency's argument pertaining to animals that were euthanized during the increased holding period for humane reasons would appear to apply to this population of animals.

The statement of decision also states that the test claim statutes imposed a new program or higher level of service requiring local agencies to provide care and maintenance during the increased holding period for impounded animals. The statement of decision restates the purpose of the test claim legislation on page 23 under the heading of Veterinary Care. The two bullet points presented note primarily that (a) it is the policy of the state that no adoptable animal should be euthanized if it can be adopted into a suitable home and (b) it is the policy of the state that no treatable animal should be euthanized. A treatable animal includes any animal that is not adoptable but that could become adoptable with reasonable efforts.

The CSM staff noted that this last sentence was used by the test claimants as evidence of the mandated requirement to provide reasonable vet treatment services to make animals adoptable. The CSM staff found (on page 24) that this sentence merely defines treatable animals and does not impose the requirement to provide vet care for animals.

CSM Staff Analysis--Proposed Parameters and Guidelines (Item #4--CSM Hearing of February 28, 2000)

After the CSM adopted its statement of decision for the Animal Adoption program, the CSM staff analyzed the proposed parameters and guidelines. After the statement of decision was adopted, Fresno County submitted a request that reimbursement should also be included for animals that die during the increased holding period. The county stated the following argument:

Fresno County recommends that reimbursements apply to animals that are ultimately euthanized also apply to those animals that die while being held pending adoption or euthanization. If the animal dies pending adoption, obviously no adoption fees can be paid, and thus there is no revenue pertaining to that animal. If the animal dies pending euthanasia, the animal still has to be held until its untimely demise.

The CSM staff noted that the statement of decision does not specifically address animals that die during the increased holding period, but that the county's request is consistent with the statement of decision.

On page 7 of the CSM Staff Analysis, our position for the definition of "ultimately euthanized" and "died during the holding period" is supported. First, the CSM staff addressed reimbursement for euthanized animals:

The Commission, however, concluded that the test claim legislation provides sufficient fee authority to local agencies allowing them to charge the original owner and/or adoptive owner for the cost to care, maintain, and provide "necessary and prompt veterinary care" for animals that are relinquished, redeemed, adopted, or released to a nonprofit adoption organization. Thus, there are no costs mandated by the state for these animals, and reimbursement is not required for the care, maintenance, and "necessary and prompt veterinary care" of these animals. Accordingly, the Commission concluded that reimbursement for the care, maintenance, and "necessary and prompt veterinary care" is limited to animals that are ultimately euthanized. [emphasis added]

In the next paragraph, the CSM addresses animals that die during the increased holding period:

If a stray or abandoned animal dies during the time an agency is required to hold that animal, the agency would still be required by the state to incur costs to care and maintain the animal, and to provide "necessary and prompt veterinary care" for the animal before the animal died. The agency cannot recover those costs from the adoptive owner since the animal was never adopted or released to a nonprofit adoption organization. Thus, staff agrees with the County that these costs are eligible for reimbursement.

However, the same reimbursement limitations apply to the stray and abandoned animals that die during the holding period. For example, reimbursement for the care and maintenance of these animals is limited to the costs incurred during the *increased* holding period, as calculated by the proposed parameters and guidelines.

Accordingly, the CSM staff added language to the parameters and guidelines to address animals that die during the increased holding period. Therefore, we believe that the CSM language described above in the statement of decision and in the staff analysis for the proposed parameters and guidelines supports that:

1. The phrase "ultimately euthanized" refers to animals that are euthanized after the required holding period; and
2. The phrase "died during the increased holding period" refers to animals that died of natural causes during the increased holding period pending adoption or euthanasia.

We reach this conclusion because the main purpose of the test claim statutes underlying the mandated program (i.e., the Hayden Bill) was to reduce the numbers of animals that were being euthanized. Therefore, the test claim statutes extended the required holding period for dogs and cats and added a required holding period for "other animals." Therefore, it is not logical to conclude that reimbursement would be available for animals that were euthanized during this increased holding period. In fact, the CSM used the term "ultimately" which implies euthanasia that occurred *after* the required holding period. There is no language appearing in any of the public documents for this mandate suggesting that reimbursement should be available for animals that are euthanized during the increased holding period, regardless of the reason.

In addition, the CSM made a distinction in the public records for this mandated program between animals that are ultimately euthanized and those that die during the increased holding period. The fact that Fresno County submitted a request after adoption of the statement of decision and before adoption of the parameters and guidelines asking that the CSM consider reimbursement for animals that died during the increased holding period also indicates that there was no provision for reimbursement for animals that are euthanized during the increased holding period.

Defining "Irremediably Suffering Animals"

The agency's argument concerning the definition of irremediably suffering animals seems to be centered primarily on reimbursement for veterinary care services rather than on care and maintenance of animals. While the agency's argument is addressed under the topic of animals that were classified as "irremediably suffering from a serious illness or severe injury" upon arrival at the animal shelter, it seems to focus instead on animals classified as "treatable," yet either died of natural causes during the holding period or were euthanized during the holding period. The agency goes on to argue that not providing reimbursement for animals that are classified as "irremediably suffering" is the SCO's own interpretation intended to punish claimants "for their compliance with the law" attempting to treat animals while questioning "the appropriateness of treatment decisions." The SCO does not question treatment decisions made by qualified medical professionals. We determined reimbursable costs based on decisions adopted by the CSM.

The parameters and guidelines (Section IV.B.3) make the following statement:

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food and Agriculture Code section 17006)

Further, the parameters and guidelines (Section IV.B.4) make the following statement:

Eligible claimants are not entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food and Agriculture Code section 17006)

Therefore, we disagree with the agency's contention that the SCO is applying its own "interpretation" of the requirements contained in the parameters and guidelines concerning reimbursement for animals that are classified as "irremediably suffering."

Webster's New World Dictionary, 3rd College Edition, 1991, defines the word "irremediable" as "that cannot be remedied or corrected, incurable or irreparable." During the audits of numerous claims filed by local agencies under the Animal Adoption Program, the SCO auditors have been repeatedly advised by animal shelter representatives that animals classified as "irremediably suffering from a serious illness or severe injury" are usually euthanized soon after their arrival at an animal shelter in the interest of being humane. As noted previously, reimbursement is provided for animals that died of natural causes during the holding period and animals that were euthanized after the required holding period but not for animals euthanized during the increased holding period.

The SCO's determination that only animals that die on days 4, 5, 6, and 7 are reimbursable

To clarify, as noted in the finding, we limited reimbursement to those animals that died during the increased holding period to be those animals that died on days 4, 5, and 6, which does not include animals that died on day 7.

The agency believes that allowable costs for care and maintenance should include costs for animals that died of natural causes after the required holding period. However, this argument is not supported by the parameters and guidelines. Section IV.B. (subsection 3) of the parameters and guidelines—Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats and Section IV.B. (subsection 4)—Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753, both include two

methods for claiming costs—the Actual Cost Method and the Time Study Method. The agency selected the Actual Cost Method option to claim mandated costs.

Both sections of the parameters and guidelines noted above state that “Eligible claimants may elect one of the following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats/animals specified in Agriculture Code Section 31753 *that die during the increased holding period or are ultimately euthanized*” [emphasis added]. The parameters and guidelines then go on to describe how to claim reimbursable costs using the Actual Cost Method, through five steps labeled (a) through (e). Step (e) states “Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats/ animals specified in Agriculture Code Section 31753 *that die during the increased holding period or are ultimately euthanized* [emphasis added], by each reimbursable day” (the difference between three days from the day of capture, and four or six business days from the day after impoundment).

The agency may be correct by stating that this “situation was not foreseen during drafting and review of the Ps and Gs and instructions.” Regardless, this population of animals was excluded as “eligible animals” in the calculation of allowable costs. Based on our discussions with animal shelter representatives statewide, we believe that the population of animals that die in an animal shelter of natural causes after the required holding period is very small. If the agency believes that the parameters and guidelines are deficient, it may file an amendment request with the CSM in an effort to have this population of animals included as “eligible animals.”

**FINDING 2—
Misstated holding
period costs**

The agency claimed costs totaling \$654,322 for the Holding Period cost component during the audit period. We determined that \$187,344 is allowable and \$466,978 is unallowable. The unallowable costs occurred because the agency used total expenditures from the Shelter and Kennel division and a percentage of the Administrative Support division to claim costs.

The following table summarizes the claimed, allowable, and unallowable holding period costs for the audit period by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
2001-02	\$ —	\$ 34,170	\$ 34,170
2002-03	—	33,139	33,139
2006-07	—	37,733	37,733
2007-08	—	41,024	41,024
2008-09	—	41,278	41,278
Subtotal, salaries and benefits	—	187,344	187,344
Materials and supplies:			
2001-02	36,975	—	(36,975)
2002-03	90,302	—	(90,302)
2006-07	164,993	—	(164,993)
2007-08	176,872	—	(176,872)
2008-09	185,180	—	(185,180)
Subtotal, materials and supplies	654,322	—	(654,322)
Total	<u>\$ 654,322</u>	<u>\$ 187,344</u>	<u>\$ (466,978)</u>

The parameters and guidelines (section IV.B.5—Agencies Using the Holding Period of Four Business Days After the Day of Impoundment) state that the following activities are reimbursable beginning January 1, 1999, for impounded animals specified in Food and Agriculture Code section 31753 (other animals), and beginning July 1, 1999, for impounded dogs and cats for either:

1. Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
2. For those local agencies with fewer than three full time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owner to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Unallowable Material and Supply Costs

The agency claimed \$654,322 in material and supply costs for the audit period. We determined that none of the costs are allowable.

The agency determined total expenditures by adding together expenditures of the Shelter division and Kennel division and a portion of the expenditures of the Administration division and Veterinary division. Next, the agency divided the total expenditures by the total number of hours the facility was open for operation to arrive at a cost per hour. The cost per hour was multiplied by the additional hours the shelter was open

to comply with the mandate to make animals available for owner redemption. This calculation is incorrect because it does not factor in the additional staff necessary to keep the shelter open for owner redemption.

The following table details the methodology the agency used to arrive at the claimed costs for each fiscal year in the audit period:

Description	Fiscal Year					Total
	2001-02	2002-03	2006-07	2007-08	2008-09	
Shelter division expenses	\$ 438,664	\$ 472,352	\$ 474,578	\$ 699,343	\$ 874,672	
Kennel division expenses	181,458	198,616	223,490	105,620	2,646	
Veterinary division expenses	—	—	462,174	534,339	625,775	
Overhead share/admin expenses	207,718	239,185	677,877	668,800	664,807	
(Euthanasia supplies/disposal fees)	(14,394)	(22,182)	(8,864)	(8,252)	(7,778)	
Subtotal	813,446	887,971	1,829,255	1,999,850	2,160,122	
Less veterinary expenses	—	—	—	(534,339)	(625,775)	
Subtotal	813,446	887,971	1,367,081	1,465,511	1,534,347	
Total operating hours	÷ 2,288	÷ 3,068	÷ 3,016	÷ 3,016	÷ 3,016	
Cost per hour	\$356	\$289	\$453	\$486	\$509	
Hours mandated	× 104	× 312	× 364	× 364	× 364	
Subtotal	\$ 37,024	\$ 90,168	\$ 164,892	\$ 176,904	\$ 185,276	
Rounding error	(49)	134	101	(32)	(96)	
Total cost claimed	\$ 36,975	\$ 90,302	\$ 164,993	\$ 176,872	\$ 185,180	\$ 654,322

2 hours × 52 weeks = 104 hours

6 hours × 52 weeks = 312 hours

7 hours × 52 weeks = 364 hours

Allowable Salaries and Benefits

Hours of Operation

The agency provided documentation identifying the hours of operation for its animal shelter. During the audit period, the shelter was open Mondays and Saturdays from 8 a.m. to 5 p.m., and Tuesdays through Fridays from 8 a.m. to 6 p.m. On Saturdays, the shelter was open from 8 a.m. to 5 p.m.; however, the shelter staff made the animals available for owner redemption only from 10 a.m. to 5 p.m., which is a total of seven hours per week.

Staffing Requirements

We determined that it is not reasonable to calculate reimbursable costs under this cost component for all employees on duty at the agency's shelter.

We inquired about the number of employees and classifications of staff working when the shelter is closed to the public (Sunday) and the staffing needed when the shelter is open on Saturdays. Based on information obtained from shelter management, we determined the employee classifications and the number of employees on duty to make animals available for owner redemption.

We acknowledged that additional shelter employees were on duty when the shelter was open on Saturdays; however, these additional employees performed reimbursable activities that are already included in other cost components of the agency's claims (Care and Maintenance, Lost and Found Lists, Maintaining Non-medical Records, and Necessary and Prompt Veterinary Care).

The following table shows the allowable employee classifications determined to be the increased positions necessary to comply with the mandate to make the animals available for owner redemption. In addition, the table summarizes the total hours allowable.

Position	Hours					Total
	Fiscal Year					
	2001-02	2002-03	2006-07	2007-08	2008-09	
Clerical and Dispatch	3	3	3	3	3	
License Clerk	1	1	1	1	1	
Animal Care Technicians	2	2	2	2	2	
Total employees	6	6	6	6	6	
Hours per position	× 7	× 7	× 7	× 7	× 7	
Saturdays per year	× 52	× 52	× 52	× 52	× 52	
Allowable hours	2,184	2,184	2,184	2,184	2,184	10,920

We applied the allowable hours by each employee's productive hourly rate and benefit rate and determined that \$187,344 is allowable for salary and benefit costs in the audit period.

Recommendation

We recommend that the agency ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

Agency's Response

SEAACA objects to the method used by the SCO to calculate allowable costs related to the activity of keeping the shelter open for the extended hours. Food and Agriculture Code sections 31108, 31752 and 31753 state that the shelter be open on a weekday evening or a Saturday. SEAACA opted to keep the shelter open on Saturday.

The SCO is not allowing SEAACA the reimbursement for their full actual costs incurred to implement this mandated activity. They argue that only a bare bones staffing level is reimbursable (only those that are specifically tasked with interacting with the public and animals to make the animal available to the public) despite the fact that this interpretation is not in any CSM approved document. This denies SEAACA of the supervisory and other support staff present on the weekend day and does not cover the full actual costs incurred for this eligible activity.

State Mandate claiming procedures requires that claimants be reimbursed their full "Actual Costs Incurred". There is no direction or limitation as to how that is to be accomplished. Local agencies are given the discretion of how to accomplish the State Mandate. Nowhere in the claiming instructions, Ps and Gs, or the SOD does it state that only certain positions are eligible for reimbursement and how staffing should be determined. SEAACA implementation of this mandate

component includes supervisory staff and support staff be present on the extra holding day. Having supervisory and support staff present during hours of operation is a reasonable and common business practice. We do not believe those costs are excessive or unreasonable and should be restored.

If the SCO determines that the costs must be calculated in the method proposed by the auditors, we would request that the ICRP rates we developed for the Shelter Division be applied to these costs and that the allowable costs be increased to reflect the higher overhead rates proposed by SEAACA.

SCO's Comment

As a result of the agency's response to Finding 6—Misstated Indirect Costs, we have reclassified a position to the indirect cost pool on the agency's indirect cost rate plan for each fiscal year in the audit period, which slightly reduced the direct benefit rates for each fiscal year in the audit period. Consequently, allowable costs decreased by \$629, from \$187,973 to \$187,344.

We disagree with the agency's response that only a portion of its staff time and costs are reimbursable under this cost component.

The agency misstates the language contained in Food and Agriculture Code sections 31108, 31752, and 31753. These statutes do not "state that the shelter be open on a weekday evening or a Saturday." Instead, the statutes state "If the public or private shelter has made the dog/cat/other animal available for owner redemption on one weekday evening until at least 7:00 p.m. or one weekend day, the holding period shall be four business days, not including the day of impoundment." The statutes are defining the length of the required holding period if the agency makes animals available for owner redemption during these extended hours.

The SCO is relying on the language in the parameters and guidelines that the reason to be open on a weekend is to make animals available for owner redemption on one weekday evening until 7 p.m. or on one weekend day. Therefore, we used this criterion to determine the actual costs associated with making the animals available for owner redemption. Our audit report notes the additional employee classifications that performed these activities during the audit period. All salary, benefit, and related indirect costs incurred for these employees to be on duty during Saturdays were reimbursable.

However, in its response, the agency does not recognize that costs for other staff on duty during Saturdays are already reimbursable within other cost components of the mandated program. For example, salaries, benefits, and related indirect costs for the Animal Care Technicians not involved with duties under this cost component as well as the Senior Animal Care Technician are allowable under the cost component of care and maintenance. In addition, costs incurred for these and other employee classifications on duty during Saturdays are also reimbursable for performing lost and found list activities, processing non-medical records, performing initial physical examinations, and administering wellness vaccines. Such costs were supported by the time studies that the

agency conducted. The costs for these employees cannot also be reimbursable under the cost component of Holding Period. Such a situation would constitute double-claiming of costs.

In addition, some staff on duty during Saturdays are performing activities not reimbursable under the mandated program. Just because the mandated program requires agencies to be open extra hours one weekday evening or on one weekend day to make animals available for owner redemption does not make activities such as euthanasia, spay and neutering procedures, implanting microchips, licensing, processing animal adoptions, as well as other unallowable activities temporarily reimbursable.

We believe that our approach to the mandated program provides the intended reimbursement allowable under the mandated program per the requirements of the adopted parameters and guidelines.

**FINDING 3—
Unclaimed lost-and-
found list costs**

The agency did not claim any costs under the Lost and Found cost component. We determined that \$7,432 is allowable. The allowable costs are based on a time study that the agency conducted during the course of the audit for the time spent on performing lost and found list activities.

The following table summarizes the claimed, allowable, and audit adjustment amounts by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
2001-02	\$ —	\$ 1,319	\$ 1,319
2002-03	—	1,329	1,329
2006-07	—	1,489	1,489
2007-08	—	1,648	1,648
2008-09	—	1,647	1,647
Total	<u>\$ —</u>	<u>\$ 7,432</u>	<u>\$ 7,432</u>

The parameters and guidelines (section I.V.B.7—Lost and Found Lists) identify the following reimbursable activities:

- Ability to list the animals they have lost or found on “lost and found” lists maintained by the local agency;
- Referrals to animals listed that may be the animal the owner or finders have lost or found;
- The telephone number and addresses of other pounds and shelters in the same vicinity;
- Advice as a means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be off assistance in locating lost animals.

Time Study

The agency conducted a time study to determine the average amount of time staff spend performing lost-and-found activities. The time study was conducted over a two-week period from September 12, 2011, to September 18, 2011, and from September 26, 2011, to October 1, 2011. For the first week, one Desk Clerk and one Front Office Supervisor participated in the time study, and for the second week, only one Desk Clerk participated in the time study. Shelter management agreed that it was reasonable to combine the total minutes of the two time studies together to calculate a one-week average.

The time study revealed that the Desk Clerk spends an average of 69 minutes per week (or 60 hours per year) performing lost-and-found activities and the Front Office Supervisor spends an average of 18 minutes per week (or 16 hours per year) performing lost-and-found activities.

<u>Shelter Staff</u>	<u>Average Minutes per Week</u>	<u>Average Hours per Week</u>	<u>Average Hours per Year</u>
Desk Clerk	69	1.15	60
Front Office Supervisor	18	0.30	16
Total	<u>87</u>	<u>1.45</u>	<u>76</u>

We applied the time study yearly average by each employee's productive hourly rate and benefit rate and determined that \$7,432 is allowable for salary and benefit costs in the audit period.

Recommendation

We recommend that the agency ensure that claimed costs include only eligible costs that are supported by source documentation and are properly calculated.

Agency's Response

As discussed above in Finding 1, SEAACA did not claim these components individual since they felt the rate for care and maintenance of the animal included these activities. If the SCO determines that the costs must be calculated in the method proposed by the auditors, we would request that the ICRP rates developed by SEAACA applied to these costs and that the allowable costs be increased to reflect the higher overhead rates proposed.

SCO's Comment

As a result of the agency's response to Finding 6—Misstated Indirect Costs, we have reclassified a position to the indirect cost labor pool on the agency's indirect cost rate plan for each fiscal year in the audit period, which slightly reduced the direct benefit rates for each fiscal year in the audit period. Consequently, allowable costs decreased by \$24, from \$7,456 to \$7,432.

In its response, the agency acknowledges that it claimed costs for this cost component as part of the care and maintenance formula. However, the care and maintenance formula methodology was not intended to be used for this cost component. The agency also refers to calculating allowable costs "in the method proposed by the auditors." We disagree. The method used to determine allowable costs is prescribed in the adopted parameters and guidelines. Section V.A. (subsection 1) of the parameters and guidelines (Claim Preparation and Submission—Direct Costs—Salaries and Benefits). This section requires claimants to "Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed, specify the actual time devoted to each activity by each employee, and the productive hourly rate, and related fringe benefits."

For the Lost and Found Lists cost component, the agency elected to perform a time study. We reviewed the agency's time study proposal and the subsequent results of its time study for this cost component. We applied the allowable costs as appropriate, based on the employees involved, their productive hourly rates, the reimbursable activities performed, and the actual time required to perform them. The agency's comments concerning indirect costs are addressed in our comments to Finding 6—Misstated Indirect Costs.

**FINDING 4—
Unclaimed maintaining
non-medical record
costs**

The agency did not claim any costs under the Maintaining Non-Medical Records cost component. We determined that \$86,633 is allowable. The allowable costs are based on a time study that the agency conducted during the course of the audit for the activities of maintaining non-medical animal records.

The following table summarizes the claimed, allowable, and audit adjustment by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
2001-02	\$ —	\$ 15,572	\$ 15,572
2002-03	—	15,478	15,478
2006-07	—	15,716	15,716
2007-08	—	17,795	17,795
2008-09	—	22,072	22,072
Total	\$ —	\$ 86,633	\$ 86,633

The program's parameters and guidelines (section IV.B.8—Maintaining Non-Medical Records) identify the following reimbursable activities:

Beginning January 1, 1999 – Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and
- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

Time Study

The agency performed two separate time studies during the course of the audit. First, the agency studied the average time required to process the final disposition of animals from September 19, 2011, through September 24, 2011. Next, the agency studied the time required to process non-medical animal records for incoming animals from December 2, 2011, through December 18, 2011.

These activities were performed by various employee classifications. The Clerks, Animal Care Technicians, and the Animal Control Officers process the non-medical animal records for incoming animals, and the Clerks process the final disposition of the animals.

The agency used stopwatches to capture the average time to process non-medical animal records. As a result, the agency's time study showed that 10.08 seconds (.17 of a minute) were spent processing incoming animal records and 31.20 seconds (.52 of a minute) were spent processing records for the final disposition of animals.

We rounded the time study results to the nearest whole number for processing the incoming animal record up to 60 seconds (1 minute) and up to 60 seconds (1 minute) for processing the final disposition of animals to determine the allowable costs for the Maintaining Non-Medical Records cost component. We applied these time study results to the entire audit period.

Number of Animal Records Processed

To apply the time study averages, we needed to determine the number of animal records processed each fiscal year. To determine the number of animal records processed, we obtained the agency's raw animal data from its Paw Trax database, sorted the animal data by intake date, and counted the number of animal records that appeared.

The following table summarizes the number of non-medical records processed during the audit period:

Time Study	Fiscal Year				
	2001-02	2002-03	2006-07	2007-08	2008-09
Intake	28,368 *	28,368 *	25,564	26,682	32,858
Final disposition	28,368 *	28,368 *	25,564	26,682	32,858

* For FY 2001-02 and FY 2002-03, the agency did not provide animal data; therefore, we used an average of the animal records processed for FY 2006-07 through FY 2008-09 and applied the result to FY 2001-02 and FY 2002-03.

As a result, we applied the time study average of 1 minute for processing the animal impound and 1 minute for recording the animal disposition by the number of animal records processed by each employee's productive hourly rate and benefit rate and determined that \$86,633 is allowable for salary and benefit costs in the audit period.

Recommendation

We recommend that the agency establish and implement procedures to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported

Agency's Response

As discussed above in Finding 1, SEAACA did not claim these components individual since they felt the rate for care and maintenance of the animal included these activities. If the SCO determines that the costs must be calculated in the method proposed by the auditors, we would request that the ICRP rates developed by SEAACA applied to these costs and that the allowable costs be increased to reflect the higher overhead rates proposed.

SCO's Comment

As a result of the agency's response to Finding 6—Misstated Indirect Costs, we have reclassified a position to the indirect cost pool on the agency's indirect cost rate plan for each fiscal year in the audit period, which slightly reduced the direct benefit rates for each fiscal year in the audit period. Consequently, allowable costs decreased by \$279, from \$86,912 to \$86,633.

In its response, the agency acknowledges that it claimed costs for this cost component as part of the care and maintenance formula. However, the care and maintenance formula methodology was not intended to be used for this cost component. The agency also refers to calculating allowable costs "in the method proposed by the auditors." We disagree. The method used to determine allowable costs is prescribed in Section V.A. (subsection 1) of the parameters and guidelines (Claim Preparation and Submission—Direct Costs—Salaries and Benefits). This section requires claimants to "Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed, specify the actual time devoted to each activity by each employee, and the productive hourly rate, and related fringe benefits."

For the Maintaining Non-Medical Records cost component, the agency elected to perform a time study. We reviewed the agency's time study proposal and the subsequent results of its time study for this cost component. We applied the allowable costs as appropriate, based on the employees involved, their productive hourly rate, the reimbursable activities performed, and the actual time required to perform them. The agency's comments concerning indirect costs are addressed in our comments to Finding 6—Misstated Indirect Costs.

**FINDING 5—
Unclaimed necessary
and prompt veterinary
care costs**

The agency did not claim any costs under the Necessary and Prompt Veterinary Care cost component. We determined that \$82,487 is allowable. The allowable salary and benefit costs are based on a time study that the agency conducted during the course of the audit for the activities of performing an initial physical exam and administering a wellness vaccine to “treatable” or “adoptable” animals. The allowable material and supply costs are based on the actual costs of wellness vaccines administered to “treatable” or “adoptable” animals.

The agency claimed reimbursement for medical costs in the materials and supplies cost element for the Care and Maintenance cost component (see Finding 1); however, this is an incorrect application of costs.

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
2001-02	\$ —	\$ 3,807	\$ 3,807
2002-03	—	3,647	3,647
2006-07	—	3,312	3,312
2007-08	—	4,032	4,032
2008-09	—	5,111	5,111
Subtotal, salaries and benefits	—	19,909	19,909
Materials and supplies:			
2001-02	—	10,126	10,126
2002-03	—	10,126	10,126
2006-07	—	10,826	10,826
2007-08	—	13,631	13,631
2008-09	—	17,869	17,869
Subtotal, materials and supplies	—	62,578	62,578
Total	\$ —	\$ 82,487	\$ 82,487

The parameters and guidelines (section IV.B.9—Necessary and Prompt Veterinary Care) identify the following reimbursable activities:

Beginning January 1, 1999 – Providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized, during the holding period specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.

- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury;
- Newborn animals that need maternal care and have been impounded without their mothers;
- Animals too severely injured to move or when a veterinarian is not available and it would be more humane to dispose of the animal;
- Owner-relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs,
- Administration of rabies vaccination to dogs,
- Implantation of microchip identification;
- Spay or neuter surgery and treatment; and
- Euthanasia.

Time Study–Initial Physical Examination

The agency has a veterinarian on staff. However, after discussions with shelter management, we determined that it is not part of the veterinarian’s duties to perform an initial physical examination of animals impounded at the shelter.

During the course of the audit, the agency performed a time study for conducting an initial physical examination of the animal to determine the animal’s baseline health. The Animal Care Technicians and the Animal Control Officers participated in the time study and are qualified to make a determination in regards to an animal being “adoptable,” “treatable,” or “non-rehabilitatable.”

The time study was performed from March 21, 2011, through April 3, 2011. The results of the time study showed that it takes the shelter staff an average of 52.95 seconds (.88 of a minute) to conduct an initial physical examination. Shelter management agreed that the agency’s accurate method to capture time with a stopwatch warranted rounding the time study results to the nearest whole minute. Therefore, we used 60 seconds (1 minute) to determine the allowable cost for the initial physical exam.

We applied the 60 seconds per initial physical examination to the eligible animals (as discussed below) by each employee's productive hourly rate and benefit rate and determined that \$9,289 is allowable for salary and benefit costs during the audit period.

Time Study—Administration of a Wellness Vaccine

Although the agency does have a veterinarian on staff, administration of wellness vaccines is usually performed by the Animal Care Technicians and the Animal Control Officers.

During the course of the audit, the agency performed a time study for administering a wellness vaccine to "adoptable" or "treatable" animals. The time study was performed from March 31, 2011, through April 3, 2011. The results of the time study show that it takes the shelter staff an average of 70.55 seconds (1.18 of a minute) to administer a wellness vaccine.

We applied 1.18 of a minute per vaccine to the eligible dogs and cats (as discussed below) by each employee's productive hourly rate and benefit rate and determined that \$10,620 is allowable for salary and benefit costs for the audit period.

Number of Eligible Animals

During the course of the audit, we obtained the agency's raw animal data from its Paw Trax database. We determined the number of eligible dogs and cats who received the initial physical examination and the wellness vaccines from the Paw Trax raw data.

The parameters and guidelines specifically state that reimbursement is limited to "stray and abandoned animals . . . that die during the holding period or are ultimately euthanized." As noted in Finding 1, we determined the average holding period to be six days; therefore, reimbursement is limited to the following population of animals:

- Stray animals that died during the holding period: Died on days 2, 3, 4, 5, or 6
- Stray animals that were ultimately euthanized: Euthanized on day 7 and later

This calculation is consistent with the Appellate Court decision in the case of *Purifoy v. Howell*, which determined that Saturday is not considered a business day for the purposes of this mandated program.

We filtered the animal data provided by the agency using this criterion and determined the following numbers of animals are reimbursable:

<u>Fiscal Year</u>	<u>Eligible Dogs</u>	<u>Eligible Cats</u>	<u>"Other" Animals</u>	<u>Total</u>
2001-02	2,196 *	3,795 *	145 *	6,136
2002-03	2,196 *	3,795 *	145 *	6,136
2006-07	1,904	3,084	121	5,109
2007-08	2,099	3,679	192	5,970
2008-09	2,585	4,623	123	7,331
Total	<u>10,980</u>	<u>18,976</u>	<u>726</u>	<u>30,682</u>

* For FY 2001-02 and FY 2002-03, the agency did not provide animal data; therefore, we calculated an average of the eligible animals for FY 2006-07 through FY 2008-09 and applied the result to FY 2001-02 and FY 2002-03.

Allowable Wellness Vaccine Costs

The agency provided support for the cost of wellness vaccines for four fiscal years. We noted that dogs were administered one vaccine (Duramune Max) for FY 2001-02 and FY 2002-03, but two wellness vaccines (Duramune Max and Bronchi Shield) for FY 2006-07 and forward. Cats are administered one wellness vaccine (Fel-O-Guard). The cost per vaccine for dogs and cats is applied only to the eligible number of dogs and cats (as discussed above).

The following table details the allowable cost for vaccines and the eligible number of dogs and cats treated:

<u>Description</u>	<u>Fiscal Year</u>					<u>Amount Allowable</u>
	<u>2001-02</u>	<u>2002-03</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	
Dog vaccines	\$1.95	\$1.95	\$3.37	\$3.69	\$3.89	
Eligible dogs	× 2,196 *	× 2,196 *	× 1,904	× 2,099	× 2,585	
Subtotal	<u>\$ 4,282</u>	<u>\$ 4,282</u>	<u>\$ 6,416</u>	<u>\$ 7,745</u>	<u>\$ 10,056</u>	
Cat vaccine	\$1.54	\$1.54	\$1.43	\$1.60	\$1.69	
Eligible cats	× 3,795 *	× 3,795 *	× 3,084	× 3,679	× 4,623	
Subtotal	<u>\$ 5,844</u>	<u>\$ 5,844</u>	<u>\$ 4,410</u>	<u>\$ 5,886</u>	<u>\$ 7,813</u>	
Amount allowable	<u>\$ 10,126</u>	<u>\$ 10,126</u>	<u>\$ 10,826</u>	<u>\$ 13,631</u>	<u>\$ 17,869</u>	<u>\$ 62,578</u>

* For FY 2001-02 and FY 2002-03, the agency did not provide animal data; therefore, we calculated an average of the eligible animals for FY 2006-07 through FY 2008-09 and applied the result to FY 2001-02 and FY 2002-03.

Recommendation

We recommend that the agency ensure that claimed costs include only eligible costs, are based on actual cost, that are properly supported.

Agency's Response

The methodology SEAACA used to calculate the reimbursable Veterinary costs was identical to the method used to calculate Care and Maintenance Costs. The costs of the VETERINARY Division were included in the total pool of costs that were divided by total animal days of service provided. The number of eligible days for the Stray/Euthanized population was used as the basis for calculating the costs that were attributable to the mandate based on the percentage of appropriate number of eligible animal days.

While this method wasn't specifically enumerated in the instructions as available calculation method for this cost component, it mirrors the "Actual Cost" method allowed in the claiming instructions for Care and Maintenance. Using it for this component appeared to be a fair and rational method in this component as well. Locating and reviewing thousands of veterinary medical records dating back years to determine which procedures were eligible and which were not, was not a cost effective or viable method.

SCO's Comments

As a result of the agency's response to Finding 6—Misstated Indirect Costs, we have reclassified a position to the indirect cost pool on the agency's indirect cost rate plan for each fiscal year in the audit period, which slightly reduced the direct benefit rates for each fiscal year in the audit period. Consequently, allowable costs decreased by \$67, from \$82,554 to \$82,487.

The agency acknowledges in its response that it did not use a method prescribed in the parameters and guidelines for claiming costs under this cost component. Based on the agency's methodology, all costs incurred within its Veterinary Division would not be reimbursable under the mandated program.

The parameters and guidelines prescribe that only the costs incurred "during the holding periods specified in Statutes of 1998, Chapter 752 are eligible for reimbursement." Veterinary costs that were incurred outside of these periods would not be eligible for reimbursement. The parameters and guidelines then identify the four veterinary procedures that are reimbursable. In addition, the parameters and guidelines specify distinct populations of animals that would not be eligible for reimbursement under this cost component as well as certain specified veterinary procedures that are not eligible for reimbursement. It is not reasonable to state that all costs incurred in the agency's Veterinary Division excluded ineligible populations of animals and veterinary procedures and/or that all veterinary procedures were performed during the specified holding periods.

The agency elected to perform time studies to capture the amount of time required to perform an initial physical exam of an animal and the amount of time required to administer wellness vaccines. We reviewed the agency's time study proposal and the subsequent results of its time study for this cost component. We applied the allowable costs as appropriate, based on the employees involved, their productive hourly rates, the reimbursable activities performed, and the actual time required to perform them. The agency also provided its expenditures for the associated materials and supplies costs related to these activities.

If the agency subsequently identifies veterinary care that was provided for the reimbursable procedures of "stabilize and/or relieve the suffering of a "treatable" animal" and/or "remedy any applicable disease, injury, or congenital or hereditary condition...until the animal becomes adoptable" and can identify that the activities occurred during the specified holding periods, we will adjust the audit results as appropriate.

FINDING 6—
Misstated indirect costs

The agency did not directly claim reimbursement for indirect costs for any fiscal year in the audit period. Instead, the agency included a portion of its overhead costs in both the Care and Maintenance (Finding 1) and Holding Period (Finding 2) cost components. We determined that \$336,205 in indirect costs is allowable.

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
2001-02	\$ —	\$ 61,321	\$ 61,321
2002-03	—	63,426	63,426
2006-07	—	63,777	63,777
2007-08	—	73,396	73,396
2008-09	—	74,285	74,285
Total	\$ —	\$ 336,205	\$ 336,205

The parameters and guidelines (section V.B—Indirect Costs) state:

Compensation for indirect costs is eligible for reimbursement. Indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to other departments based on a systematic and rational basis through a cost allocation plan.

Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating the ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or,
2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections, and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute

indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

Overhead Costs

The agency did not directly claim reimbursement of indirect costs on the Mandated Cost claims. Instead, the agency included \$2,458,387 in both the Care and Maintenance (Finding 1) and Holding Period (Finding 2) cost components.

The agency calculated \$2,458,387 in overhead costs for the audit period, as shown in the following table:

Category	Fiscal Year					Total
	2001-02	2002-03	2006-07	2007-08	2008-09	
Shelter expenditures	\$ 438,664	\$ 472,352	\$ 474,578	\$ 699,343	\$ 874,672	
Kennel expenditures	181,458	198,616	223,490	105,620	2,646	
Veterinary expenditures	—	—	462,174	534,339	625,775	
A Subtotal	620,122	670,968	1,160,242	1,339,302	1,503,093	
B Total expenditures	2,611,919	2,761,831	1,995,567	2,473,177	2,916,332	
C Percentage (A ÷ B)	23.7420%	24.2943%	58.1410%	54.1531%	51.5405%	
D Administrative support	874,896	984,532	1,165,920	1,235,017	1,289,872	
Overhead calculated (C × D)	\$ 207,718	\$ 239,185	\$ 677,877	\$ 668,800	\$ 664,807	\$2,458,387

Merely including a calculated overhead cost into the Care and Maintenance formula and the Holding Period cost element is incorrect. The parameters and guidelines clearly state that if the agency wishes to claim indirect costs in excess of 10%, an Indirect Cost Rate Proposal must be prepared and a percentage be calculated.

Allowable Indirect Cost Rate

For each fiscal year in the audit period, we calculated the following indirect cost rates, which were applied to all allowable direct costs.

Category	Fiscal Year				
	2001-02	2002-03	2006-07	2007-08	2008-09
Indirect costs:					
Administrative support (Division 2510)*	\$ 874,901	\$ 984,533	\$1,165,918	\$1,235,016	\$1,289,873
Utility expenses	57,436	70,481	76,425	71,942	86,455
Office supplies	922	900	1,213	624	1,789
Small tools and implements	57	2,004	207	121	—
Building rental	31,986	8,624	—	—	—
Building and computer maintenance	19,062	10,908	11,923	74,990	(6,708)
Staff development	2,985	1,478	4,727	5,856	5,166
Front office supervisor salaries and benefits	55,870	50,100	52,581	53,520	52,809
A Total indirect costs	\$1,043,219	\$1,129,028	\$1,312,994	\$1,442,069	\$1,429,384
B Direct salaries and benefits	\$1,252,535	\$1,324,215	\$1,471,493	\$1,689,597	\$1,871,419
Allowable indirect cost rate (A ÷ B)	83.29%	85.26%	89.23%	85.35%	76.38%

*Includes salaries, benefits, materials, and supplies.

Recommendation

We recommend that the agency ensure that indirect costs are properly calculated.

Agency's Response

As discussed in Finding 1, SEAACA originally did not prepare ICRP rates because they elected to use the ACTUAL COST METHOD of calculating the Care and Maintenance cost per animal per day. Indirect costs were included in the total division expenditures, so did not have to be calculated separately. The only overhead factored into our original claims was to add a prorated share of the ADMINISTRATIVE Division charges to the SHELTER & VETERINARY department costs.

As a result of this audit and the SCO's request to recalculate costs based on the time study method, SEAACA has prepared ICRP rates that we believe are correct and should be added to the eligible direct costs. These calculations have been submitted to your audit staff via email attachment and it is our understanding that it is being reviewed by your staff. We request that the SCO accept the rate calculations and increase the applicable allowable costs accordingly.

ATTACHMENT 1 - ICRPSUnderstated Indirect Costs:

- 1) We request the allocation base used to calculate and apply overhead to Salaries and Benefits, rather than total direct costs, as is standard.
- 2) We added the staff overhead costs for supervisory and support positions from all divisions since the rate is an overall agency wide rate.
 - Since the rates proposed are an Overall Agency-wide rate, not specific to a division, all supervisory and support staff should be included. Support staff positions (such as Dispatchers and Clerks) do not work directly with the animals, but support those direct staff who do. Support activities include: interacting with the public, answering calls, typing, filing, paperwork, etc. (Note : job descriptions for all overhead staff can be provided if required). Direct time charged to the claim was omitted from indirect cost pool liberally.
 - 20% for division head administrative time is included, as discussed – however, we believe that the Office Supervisor is virtually all support (see her job description attached) so left her in at 95% allowable indirect.
 - Lead and Senior Animal Control Technicians also perform eligible support and administrative activities. As noted in the "Draft Audit" on page 13, "However, only a percentage of shelter staff is devoted to care and maintenance of animals because staff members also perform non-mandated activities such as recruiting, training, and scheduling." We contend that these activities are all legitimate support or overhead costs necessary to proving shelter care and maintenance services, and should be taken into account, if not in the direct costs, than in the indirect cost rates.
- 4) Allowable supplies and services which were clear indirect costs and allowable under OMB A-87 guidelines were included.
 - **Office Supplies** – all division staff utilizes and consume office supplies for various functions. Shelter staff get kennel and

animal reports printed on paper, all shelter staff use time sheets, pens etc.

- **Clothing** - SEAACA stated that uniforms are required for health and safety reasons. They must be washed in bleach to kill germs and prevent the spread of disease, thus street clothes would not be a viable option. This line item was included in the indirect cost rate for all division staff that work with animals.
- **Building & Equipment Maintenance** - these costs are necessary for operating the shelter
- **Staff Development** - training costs for shelter staff is a necessary and an allowable overhead item.
- **Office Equipment** - also used by all division staff, allowable under OMB A-87.
- **Contract Services** - MOC - includes items such as janitorial services, fire security services, and HVAC maintenance costs.

SCO's Comment

As a result of the agency's response to the finding, we have increased the indirect cost rates, which increased the allowable indirect costs by \$58,241, from \$277,964 to \$336,205.

In its response, the agency requested that we revise the following:

- Revise the allocation base to salaries and benefits as opposed to direct costs.
- Include salaries and benefits for supervisory and supports positions from all divisions in the indirect cost labor pool.
- Reclassify additional services and supplies to the indirect cost pool.

We will address the agency's response in the same order that they were presented.

Revise the allocation base to salaries and benefits as opposed to direct costs.

We agree. Accordingly, we recalculated the indirect costs using a base of direct salaries and benefits. Therefore, the revised indirect cost rates were applied only to allowable salaries and benefits.

Include salaries and benefits for supervisory and support positions from all divisions in the indirect cost labor pool.

We partially agree. We agree that the Front Office Supervisor is a support position and have included the classification's salaries and benefits in the indirect cost labor pool for each fiscal year audit period.

For the other supervisory and support positions (Animal Control Corporal, Veterinarian, Licensing Clerk Supervisor, and the Lead Animal Control Technician), the agency provided duty statements indicating that some activities performed may be administrative and incurred for a common or joint purpose. Specifically, the agency suggested an estimated 20% be included in the indirect cost labor pool.

However, the agency did not provide actual time records supporting this allocation. Therefore, we made no changes to the indirect cost labor pool to include these classifications. If the agency is able to provide actual time records supporting a 20% indirect cost allocation, we will revise the indirect cost rates accordingly.

In addition, the agency has requested that the clerks and dispatch also be included in the indirect cost labor pool. However, after reviewing the duty statements, we believe that these positions perform a direct function specific to their division.

Reclassify additional services and supplies to the indirect cost pool.

We partially agree. We agree and have reclassified the following service and supply costs as indirect:

- Office supplies
- Small tools and instruments
- Building rental
- Building and computer maintenance
- Staff development

The agency has requested that we reclassify both Clothing (account 180) and Contract Services (account 700) as indirect costs. We believe that clothing is a direct expense benefiting only the division in which the expense was incurred. With regards to Contract Services, we reviewed the agency's FY 2008-09 adopted budget and noted that Contract Service costs incurred in the Administrative Support Division include costs that clearly support the agency as a whole, such as pest control, fire protection, janitorial services, and storage. However, these costs have already been classified in the indirect cost pool through the Administrative Support Division (#2510).

While reviewing the Contract Service costs in the Veterinarian Division, we noted that the costs incurred serve a direct function to the Veterinarian Division only. For example, such costs include laboratory services, medical waste disposal, after-hours emergency hospital expenses, and outside veterinary services.

We also reviewed the Contract Service costs in the Licensing Services Division and noted that these costs also serve a direct function to the Licensing Services Division. For example, these costs include mailing service for licensing renewal forms.

The agency did not provide documentation supporting what Contract Service costs were incurred in either the Animal Control Division or the Shelter Operations Division. As a result, we did not reclassify the Contract Service costs incurred in either the Animal Control Division, Shelter Operations Division, Veterinary Division, or the Licensing Services Division.

**FINDING 7—
Overstated offsetting
reimbursements**

The agency reported offsetting reimbursement totaling \$230,293 on its mandated cost claims. We determined that the agency should have offset only \$72,087 on its mandated cost claims for the audit period. The agency overstated offsetting revenues by \$158,206 because the Animal Adoption program costs were overstated; therefore, the proportionate amount in offsetting reimbursements received from the contracting cities was also overstated.

The following table summarizes audit adjustments for offsetting revenues by fiscal year:

<u>Fiscal Year</u>	<u>Claimed Offset</u>	<u>Allowable Offset</u>	<u>Audit Adjustment</u>
2001-02	\$ (19,137)	\$ (10,602)	\$ 8,535
2002-03	(22,500)	(10,813)	11,687
2006-07	(43,943)	(11,715)	32,228
2007-08	(50,551)	(14,719)	35,832
2008-09	(94,162)	(24,238)	69,924
Total	<u>\$ (230,293)</u>	<u>\$ (72,087)</u>	<u>\$ 158,206</u>

The parameters and guidelines (section VII—Offsetting Savings and Other Reimbursements) state the following:

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim.

Claimed Offset

During the audit period, the agency offset \$230,293 on its Animal Adoption claims, which accounts for the proportionate share of mandated costs claimed for the City of Buena Park and the City of Lakewood. We verified that these two contracting cities also filed Animal Adoption mandated cost claims with the State totaling \$230,293.

Allowable Offset

So that we could calculate the amount to be offset, the agency provided us with a percentage to be offset against total allowable Animal Adoption costs as a result of the audit. The percentage represents the number of animals from each city that were present in the overall population of animals impounded at the agency's animal shelter. We did not audit the percentage.

The following table summarizes the percentages to be offset from the contracting cities for each fiscal year, as determined by the agency:

<u>Fiscal Year</u>	<u>City of Buena Park</u>	<u>City of Lakewood</u>
2001-02	0.00%	7.09%
2002-03	0.00%	7.13%
2006-07	0.00%	7.73%
2007-08	0.00%	8.15%
2008-09	6.38%	5.81%

As a result of the audit, we multiplied the indicated percentages by the allowable Animal Adoption costs and offset \$12,686 for the City of Buena Park and \$59,401 for the City of Lakewood, as shown in the following table:

Fiscal Year	SEAACA Allowable Animal Adoption Costs	City of Buena Park		City of Lakewood		Total Subject To Offset
		Percent- age	Amount to Offset	Percent- age	Amount to Offset	
2001-02	\$ 149,528	0.00%	\$ —	7.09%	\$ (10,602)	\$ (10,602)
2002-03	151,658	0.00%	—	7.13%	(10,813)	(10,813)
2006-07	151,550	0.00%	—	7.73%	(11,715)	(11,715)
2007-08	180,607	0.00%	—	8.15%	(14,719)	(14,719)
2008-09	198,835	6.38%	(12,686)	5.81%	(11,552)	(24,238)
Total	<u>\$ 832,178</u>		<u>\$ (12,686)</u>		<u>\$ (59,401)</u>	<u>\$ (72,087)</u>

Accordingly, we will issue a review letter to adjust both the City of Buena Park and the City of Lakewood's Animal Adoption claims as follows:

Fiscal Year	City of Buena Park			City of Lakewood		
	Amount Claimed	Amount Allowable	Audit Adjustment	Amount Claimed	Amount Allowable	Audit Adjustment
2001-02	\$ —	\$ —	\$ —	\$ 19,114	\$ 10,602	\$ (8,512)
2002-03	—	—	—	22,500	10,813	(11,687)
2006-07	—	—	—	43,943	11,715	(32,228)
2007-08	—	—	—	50,551	14,719	(35,832)
2008-09	49,272	12,686	(36,586)	44,890	11,552	(33,338)
Total	<u>\$ 49,272</u>	<u>\$ 12,686</u>	<u>\$ (36,586)</u>	<u>\$ 180,998</u>	<u>\$ 59,401</u>	<u>\$ (121,597)</u>

Recommendation

We recommend that the agency offset all reimbursements received from the contracting cities for mandated activities on its Animal Adoption Mandated Cost claims.

Agency's Response

The agency did not respond to the finding.

SCO's Comment

As identified in the finding, offsetting revenues is determined by multiplying SEAACA's total direct and indirect costs by the contracting cities percentages, as provided by SEAACA. As a result of the changes made in Findings 1 through 6, the allowable offset for the contracting cities increased by \$5,315, from \$66,772 to \$72,087.

Specifically, the allowable offset for the City of Buena Park increased by \$871, from \$11,815 to \$12,686, and the allowable offset for the City of Lakewood increased by \$4,444, from \$54,957 to \$59,401.

**Attachment—
Agency's Response to
Draft Audit Report**



June 4, 2012

DAN MORRISON
Executive Director

Mr. James Spano
Chief, Mandated Cost Audits Bureau
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250-5874

RE: RESPONSE TO SCO DRAFT AUDIT OF SEACCA ANIMAL ADOPTION CLAIMS

Dear Mr. Spano,

Attached are Southeast Area Animal Control Authority (SEAACA) responses to the Draft Audit issued by your office. We contest the following findings:

FINDING 1 – CARE AND MAINTENANCE COSTS

The claiming instructions allow agencies to choose one of two methods for calculating costs for Care and Maintenance:

The first is the **ACTUAL COST METHOD**. Under this method, an agency would determine the total annual cost for care and maintenance for all dog and cats impounded at the facility, then divides this amount by the total annual census to calculate and average daily cost per animal.

The second method is the **TIME STUDY METHOD** where an agency would conduct time studies to determine the amount of time to provide care and maintenance during a reimbursable day. Then this time/cost would be applied to the eligible animal population.

SEAACA chose to calculate their claim based on the **ACTUAL** cost method. SEAACA's accounting system separates their costs by functional units: **SHELTER OPERATIONS, FIELD OPERATIONS, LICENSING, VETERINARY SERVICES and ADMINISTRATION**. Since the purpose of the **SHELTER** division is to care and maintain the animals, the costs of the **SHELTER OPERATIONS** division were taken as the base for calculating total care and maintenance costs. From the total expenditure of that division, unallowable items, such as euthanasia supplies, were deleted and additional agency wide overhead costs from the **ADMINISTRATIVE** division were added. That total was divided by the total number of animal days of service to calculate a cost per animal per day of service. The resulting animal daily care rates claimed ranged from \$7.77* in FY 2001-02 to \$14.72* in FY 2008-09. (* It should be noted that this rate also included an allocation for Veterinary Service costs provided to the stray euthanized animal population.)

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When these rates were compared to those of comparable neighboring jurisdictions, it was determined that SEACA's cost for Care and Maintenance were in line with the others (LA City and LA County are probably the most similar in the region based on size of the area served) (SEACA provides animal services to approximately a dozen cities in the LA metropolitan area). In addition, SEACA felt confident the rates claimed were conservative because the agency opted not to claim for any other related costs such as: *Maintaining Lost and Found Lists, Maintaining Non-Medical Records, Feral Cat review* since these activities were performed in the same division (SHELTER), it was determined that the agency was already being compensated for those activities and thus no request for reimbursement was submitted for those components.

When the SCO audit staff conducted their initial "Entrance Conference" SEACA was told that it would not be allowed to use option 1 – ACTUAL COST METHOD to calculate Care and Maintenance costs as they did in an aggregate fashion. SCO audit staff recalculated the cost component and determined that SEACA's reimbursable daily care and maintenance rates ranging from \$1.03 to \$1.63 per animal during the audit period. This amount represented approximately 25% of the amount calculated and requested by SEACA.

SCO provided the following information comparing other audited agency's cost per animal per day:

Salaries and Benefits – cost per animal per day allowed after SCO Audits:

1. El Dorado County – varied from \$2.62 to \$7.42
2. Contra Costa County – varied from \$2.95 to \$11.99
3. City/County of San Francisco – varied from \$5.48 to \$7.67
4. Sacramento County – varied from \$3.79 to \$5.33
5. Riverside County – varied from \$3.22 to \$4.75
6. City of Los Angeles – varied from \$9.17 to \$13.81
7. City of Hayward – varied from \$2.88 to \$9.12
8. SEACA – varied from \$1.03 to \$1.63

The rates calculated by the SCO auditors are unreasonably low primarily because direct costs were very narrowly interpreted and appropriate overhead (ICRPS) and benefit costs were not calculated or applied properly. Overhead or ICRP rates should be based on salaries and benefits (as is the industry standard), not total direct costs, since allowable direct costs are predominantly labor related for this program.

Also, benefit rates were understated (0% benefits were allowed) for Fiscal Years 2001-02 and 2002-03 since the agency did not have detail benefit data per position, it was provided for the entire division. In those two years, we feel it would be appropriate to use a portion – or percentage of the benefits for the direct staff involved. We calculated a rate of 22% in FY 2001-02 and 20% in 2002-03 and request this be applied to the Care and Maintenance Formulas used by the State.

In addition, the cost for care and maintenance of an animal is not just the time and cost to feed and warehouse the animals, but also must consider the administrative and support costs associated with running operating a shelter. These support costs include supervisory oversight, review, scheduling,

purchasing supplies, etc; and support functions such as receptionists and clerical duties. These departmental indirect charges were not fully captured in the SCO Draft findings.

We request that the SCO audit staff update their ICRP rate calculations to match ours and update the reimbursable cost accordingly. (See separate attachments with our proposed ICRP rates).

A) WE DISAGREE WITH THE SCO'S RETROACTIVE APPLICATION OF PURIFOY V. HOWELL DECISION TO PRIOR YEAR CLAIMS

During the audit, the State Controller representatives announced that they would be applying a recent court decision (Purifoy v Howell published in March, 2010) to the claims being audited (FY 2001-02 being the oldest reviewed). This decision alters the definition of a business day for purposes of the animal holding period under the Hayden Bill. The retroactive application of a recent legal interpretation to activities that have already occurred is unfair and inequitable. Particularly when the rules pertain to animals already euthanized.

AUDIT PARAMETERS: According to claiming instructions, under Audit of Costs,

"All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with the SCO's claiming instructions and the P's and G's adopted by the Commission."

Based on this language -- the SCO must review the claims to the Parameters and Guidelines (Ps and Gs) and instructions applicable at that time. The SCO does not have the authority to audit to a "new" set of guidelines and rules after the fact and without proper notice and approval of those new guidelines.

Local agencies complied with the requirements of the law mandated by the legislature in 1998. They made a good faith effort to comply with the parameters and to claim costs as instructed. They incurred additional costs to comply with the mandate legislation as it was written. The SCO is exceeding its legal authority to audit claims to a new set of guidelines. The recent court action should only have an impact on activities and claims after the date of the finding and then only after Ps and Gs are amended pursuant State Mandate regulations.

The application of "new" rules to activities which have already occurred (animals being euthanized), has resulted in substantial disallowances to our legitimate claims for State reimbursement. The claims were calculated and filed based upon the law and the Parameters and Guidelines in place at the time of filing. Changing the "rules of the game" years later is unreasonable and robs local agencies of legitimately incurred costs.

One of the main goals of the Hayden Bill was to extend the period an animal was held and to ensure shelters extended their business hours so that residents could more easily retrieve their pets. The bill instructed that shelters stay open until at least 7pm on a weeknight, or on Saturday. However, the Purifoy case basically renders the option of keeping the shelter open on a Saturday void. Those agencies that made good faith efforts to implement the State legislation and kept the shelters open even longer by offering a Saturday option are now being punished by having their claims reduced by more than half.

Shelters that opted to stay open on Saturdays are being told that the option offered by the legislature was not really a legal option and that by choosing to stay open on a Saturday would render all their calculations on when an animal could be legally euthanized invalid. It is obviously impossible to go backward in time and resurrect animals that were euthanized based upon the recent 'Saturday as a business day' interpretations. The SCO's decision to apply the Purifoy decision retroactively to its audits violates the basic rules of law and the provisions of Ex Post Facto law.

It should be noted that to the best of our knowledge, ALL agencies followed the same method of calculation of holding periods prior to the 2010 court order. SEAACA was no different in its understanding or interpretation of the law at the time.

1. The Purifoy decision itself did not confirm that Saturday is not a business day
2. The SCO took this decision to decide itself that Saturday is not a business day (their interpretation)

California Civil Code Section 9, states that Saturday is a business day to which shelters would calculate their holding periods according to the code. Using the SCO's interpretation of business day then would technically make all of the shelters calculations incorrect because "technically" they were not holding animals the required holding periods, regardless of Hayden Bill. This would decrease reimbursable costs because it would reduce the number of eligible animals.

The standard protocol for changing the instructions is to have any involved party file a request to amend Ps and Gs with the CSM. These revisions, if approved by the CSM after proper noticing of all parties, would then be applicable for the subsequent filing deadline. The SCO has been auditing the Animal Adoption claims for over three years now; however, it does not appear that they have made any requests to revise the Ps & Gs or claiming instructions. Local agencies were still preparing their FY 2010-11 "27-Day claims" for the Animal Adoption as recently as in 2011, but the instructions on the SCO website are still identical to those originally released.

B) A NUMBER OF SCO'S INTERPRETATIONS CONSTITUTE ARBITRARY RULE MAKING

The SCO audit creates rules and definitions of eligibility that do not appear in the instructions, Ps and Gs, or Statement of Decision (SOD). These "interpretations" or "new rules" they are imposing are harming local agencies by greatly reducing the number of animals that they deemed to be eligible for reimbursement. When there is a gray area, the stated intent of the Statutes, CSM Statements of Decision, and Ps and Gs should be followed.

1) Defining "Ultimately Euthanized" animals eligible for "Care and Maintenance" reimbursement.

"Ultimately Euthanized" means those stray animals whose final action resulted in euthanasia.

The mandate's intent was to provide reimbursement for the care and maintenance of stray animals during the extra holding days required by the law. Nowhere in the instructions, Ps and Gs, or SOD does it state that reimbursement is ONLY available IF and only IF THE ENTIRE holding period is satisfied.

The language of the Ps and Gs instruct that the SCO review costs to ensure that they are related to the mandate. If an agency incurs cost for providing one extra day of care and maintenance cost for an eligible animal, then the portion of the eligible cost should be reimbursed.

The intent of the legislation was to keep the animals for the entire holding period, when possible. However, there are various reasons why an animal might not be held the entire 2-3 day holding period prior to euthanasia. Actions taken related to care for animals are by their nature, complex and unpredictable. Medical conditions are not always readily apparent; diagnosis can be subjective; treatment decisions are varied and complex; and outcomes not guaranteed. Because of these facts, it is impossible for any agency to guarantee that an animal will be able to be held (or should be held) for the entire mandated period.

A once apparently healthy animal's condition can rapidly decline. An animal can be gravely injured by other animals during their holding period in the shared and often overcrowded kennels. Unforeseen events can occur – and because of that – even an agency with the best intentions and highest levels of care cannot guarantee that an animal will – or should be kept alive for the entire mandated time period.

The issue of timing of events and the unpredictability of animal's circumstances was addressed in a related request by Fresno County to the CSM.

Fresno County recommends that reimbursements apply to animals that are ultimately euthanized also apply to those animals that die while being held pending adoption or euthanization. If the animal dies pending adoption, obviously no adoption fees can be paid, and thus there is no revenue pertaining to that animal. If the animal dies pending euthanasia, the animal still has to be held until its untimely demise.

CSM staff noted that the Statement of Decision does not specifically address animals that die during the increased holding period, but that the county's request is consistent with the Statement of Decision. First, CSM staff addressed reimbursement for euthanized animals:

If a stray or abandoned animal dies during the time an agency is required to hold that animal, the agency would still be required by the state to incur costs to care and maintain the animal, and to provide "necessary and prompt veterinary care" for the animal before the animal died. The agency cannot recover those costs from the adoptive owner since the animal was never adopted or released to a nonprofit adoption organization. Thus, staff agrees with the County that these costs are eligible for reimbursement.

However, the same reimbursement limitations apply to the stray and abandoned animals that die during the holding period. For example, reimbursement for the care and maintenance of these animals is limited to the costs incurred during the *increased* holding period, as calculated by the proposed Parameters and Guidelines.

Accordingly, CSM staff added language to the parameters and guidelines to address animals that die during the increased holding period.

This action by the CSM indicates determining whether the activity was eligible should hinge on whether the activity was required by the State and whether the local agency had the ability to recovery costs for the animal population in question.

This discussion did not mention another likely occurrence – that in some cases an animal might have to be euthanized during the mandated holding period.

So if a STRAY Dog or Cat WAS EUTHANIZED on:

Day 3.5 = .5 days of eligible care and maintenance cost should be eligible for reimbursement

Day 4 = 1.5 days.... should be reimbursable

Day 5 = 2.5 days.... should be reimbursable

Day 6 = 3.5 days.... should be reimbursable

Any day after day 6 = max of 3.5 days should be reimbursable.

The SCO's interpretation is if a stray animal is euthanized prior to completion of the entire holding, the extra holding days the animal WAS held are NOT eligible for reimbursement –even though the agency incurred legitimate costs for a portion of the holding period. Basically – there is no "Partial Credit" for partial compliance.

It is our belief that local agencies should be reimbursed for the actual costs incurred for providing care and maintenance of eligible animals as stated in mandate language. SCO limitation of reimbursement for only those animals that stayed the entire time is an unfair interpretation that robs agencies of actual costs incurred. Though they would not qualify to receive full reimbursement for all animals, partial credit should be granted for the portion eligible of service provided.

This "all or nothing" SCO standard is most particularly unfair since the main reason a majority of animals were not kept the entire required holding period was because the SCO's application of the "new" 2010 court decisions holding periods alters method by which the holding period is calculated and disallows a substantial portion of the population of animals. By moving the target after the fact, many animals are now being denied even partial credit for the days of service they did provide. Agencies complied with the holding periods as were written in the law and should not completely lose reimbursement for those eligible animals because the SCO's has decided to apply the 2010 court decision on holding day calculations retroactively.

It appears that the SCO auditors is "moving the target" so they can obtain the maximum cost savings to the State at the expense of fairness and equity to local agencies. Some of this "reinterpretation" benefits local agency's slightly by requiring additional holding days, however, it is clear by the net result, that the State benefits by this determination in the final analysis. If the reinterpretation was such a great deal, there would not be many complaints from local agencies in their Response to the Audits.

2) Defining "Irremediably Suffering Animals"

The SCO also informed SEAACA that if an animal was euthanized DURING the holding period, the entire reimbursement for eligible care and maintenance of days service during the additional holding days provided would be forfeit. They reason that animal was "irremediably suffering" and therefore not eligible

for reimbursement in the first place based on language that appears in the veterinary portion of the Ps and Gs. We question this application of the definition of "irremediably suffering" and believed the logic is flawed for the following reasons:

a) Local agencies are not required to provide veterinary care to animals that are "irremediably suffering from a serious illness or injury." Neither are they eligible to be reimbursed for this activity.

b) It is standard practice to conduct a physical examination and document the condition of each animal upon admission to the shelter. Local agencies are reimbursed for the cost of providing an initial physical examination of the animal to determine the animal's baseline health status and classification as "adoptable", treatable or non-rehabilitatable". At that time a "wellness vaccine" administered to those "treatable" or "adoptable" animals is also allowed for reimbursement as a component of "Necessary and Prompt Veterinary Care" mandated in Civ. Code Section 1834 and 1846. The initial decision is made at that time (initial exam) which animals are "treatable" and which are "irremediably suffering" and can, by law, be euthanized immediately.

A shelter is exempt from providing the mandated care and maintenance for those animals that are determined to be "irredeemably suffering". Logically, those animals, such as those hit by cars, would be put to sleep at their initial assessment and the segment of the population deemed "irremediably suffering" would be weeded out of the population prior to the commencement of the additional holding period.

c) If an animal has survived in the shelter to the 4th day or beyond, that animal must have been certainly been classified by shelter staff as "Treatable" and not "Irremediably Suffering" as it was added to the animal shelter inventory and given a wellness vaccine.

If an animal sickens or is injured in the shelter at a later date, that animal should not be excluded from obtaining the portion of reimbursement it is entitled to. As the SCO notes, "no adoptable/treatable animal shall be euthanized". Their thought process however is static and does not recognize the reality of the fact that the condition of an animal can change. An animal that has survived in the shelter to the mandated holding period (beyond 72 hours), is by definition a treatable animal. However at a later date, that same animal may be reclassified as "Irremediably suffering". However on the prior days when it was considered "treatable" – the care and maintenance time during that period should be reimbursed.

For example: an animal may be deemed:

Day 1 = Initial exams determines the animal is treatable

Day 2 = treatable & provided treatment

Day 3 = treatable & provided treatment

Day 4 = treatable & provided treatment

Day 5 = not getting better or declining, but still provided treatment

Day 6 = condition declines to a point that the vet believes euthanasia is the best action for the animal

Only on this final day is the animal determined to be non-adoptable and non-treatable

So under this scenario, local agencies believe that they should be reimbursed the care and maintenance for the additional mandated holding days (Day 4 and Day 5) during which time the animal was treated. Also the cost of providing the medical care should be reimbursed as ultimately the animal didn't respond to treatment and was ultimately euthanized.

As the CSM reasoned in other similar situations: "There is no other means by which the agency can recover their state mandated costs – and thus, they should be entitled to State reimbursement for these eligible costs".

The agency is charged with making "all reasonably necessary medical" interventions to make the animal "adoptable" They should not be punished for their compliance with the law and making the required efforts to treat an animal they believed in the beginning was treatable, but later found out that their efforts were not successful. If it is later determined that death is inevitable and that suffering and further costs can be avoided by euthanizing the animal, this should not preclude the agency from obtaining reimbursement for mandated costs incurred. To let the animal suffer and die slowly on its own, just to satisfy the SCO so that they may obtain reimbursement of their costs and efforts is not logical or ethical.

The only parties that should be able to determine the best treatment for an animal are the medical professionals at each local agency shelter. It should not be up to an auditor, consultant or accountant to determine if the action taken by a medical professional was warranted and proper. This is not the venue for such inquiry and discussion. Questioning the appropriateness of treatment decisions should not be within the realm of what the SCO should be reviewing in its audits.

Again, SCO is creating its own "interpretations" that result in the loss of eligible reimbursement for local agencies.

3) SCO DETERMINATION THAT ONLY ANIMALS THAT DIE ON DAYS 4, 5, 6 AND 7 ARE REIMBURSABLE. THE SCO CLAIMS THAT IF THEY DIE ON DAY 8 OR BEYOND – THEY ARE NO LONGER ELIGIBLE FOR OBTAINING REIMBURSEMENT FOR ANY OF THEIR 2-3 DAYS OF ELIGIBLE CARE AND MAINTENANCE AND VET CARE PROVIDED.

This interpretation makes no logical sense and we believe the situation was not foreseen during drafting and review of the Ps and Gs and instructions. Again the CSM's logic regarding the Fresno County request would apply. The CSM found...

"...The agency cannot recover those (care and maintenance) costs from the adoptive owner since the animal was never adopted or released to a nonprofit adoption organization. Thus, staff agrees with the County that these costs are eligible for reimbursement.

It makes no sense to deny reimbursement for eligible costs incurred in providing care and maintenance to a stray animal who happened to die a day or two later than the end of the holding period. This would directly contradict the intent of the law which is to: as stated in the first line of the Ps and Gs:

"The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals."

By saying the agency would forfeit the 2-3 days of eligible costs incurred by keeping the animal beyond the mandated holding period if it happened to die after day 7 would directly contradict the intent of the law and put a financial incentive on agencies to kill any animal recovering from treatment on its last holding day to avoid the possibility that it might die and preclude the agency of reimbursement for even those eligible costs incurred during the additional holding period.

FINDING 2 - CALCULATION OF ELIGIBLE HOLDING PERIOD COSTS: KEEPING THE SHELTER OPEN ON SATURDAY.

SEAACA objects to the method used by the SCO to calculate allowable costs related to the activity of keeping the shelter open for the extended hours. Food and Agriculture Code sections 31108, 31752 and 31753 state that the shelter be open on a weekday evening or a Saturday. SEAACA opted to keep the shelter open on Saturday.

The SCO is not allowing SEAACA the reimbursement for their full actual costs incurred to implement this mandated activity. They argue that only a bare bones staffing level is reimbursable (only those that are specifically tasked with interacting with the public and animals to make the animal available to the public) despite the fact that this interpretation is not in any CSM approved document. This denies SEAACA of the supervisory and other support staff present on the weekend day and does not cover the full actual costs incurred for this eligible activity.

State Mandate claiming procedures requires that claimants be reimbursed their full "Actual Costs Incurred". There is no direction or limitation as to how that is to be accomplished. Local agencies are given the discretion of how to accomplish the State Mandate. Nowhere in the claiming instructions, Ps and Gs, or the SOD does it state that only certain positions are eligible for reimbursement and how staffing should be determined. SEAACA implementation of this mandate component includes supervisory staff and support staff be present on the extra holding day. Having supervisory and support staff present during hours of operation is a reasonable and common business practice. We do not believe those costs are excessive or unreasonable and should be restored.

If the SCO determines that the costs must be calculated in the method proposed by the auditors, we would request that the ICRP rates we developed for the Shelter Division be applied to these costs and that the allowable costs be increased to reflect the higher overhead rates proposed by SEAACA.

FINDING 3 AND FINDING 4 (Unclaimed costs for Lost and Found Lists and Maintaining Non-Medical Records)

As discussed above in Finding 1, SEAACA did not claim these components individual since they felt the rate for care and maintenance of the animal included these activities. If the SCO determines that the costs must be calculated in the method proposed by the auditors, we would request that the ICRP rates developed by SEAACA applied to these costs and that the allowable costs be increased to reflect the higher overhead rates proposed.

FINDING 5 – PROMPT AND NECESSARY VETERINARY CARE

The methodology SEACA used to calculate the reimbursable Veterinary costs was identical to the method used to calculate Care and Maintenance Costs. The costs of the VETERINARY Division were included in the total pool of costs that were divided by total animal days of service provided. The number of eligible days for the Stray/Euthanized population was used as the basis for calculating the costs that were attributable to the mandate based on the percentage of appropriate number of eligible animal days.

While this method wasn't specifically enumerated in the instructions as available calculation method for this cost component, it mirrors the "Actual Cost" method allowed in the claiming instructions for Care and Maintenance. Using it for this component appeared to be a fair and rational method in this component as well. Locating and reviewing thousands of veterinary medical records dating back years to determine which procedures were eligible and which were not, was not a cost effective or viable method.

FINDING 6 – MIS-STATED INDIRECT COSTS.

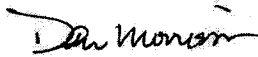
As discussed in Finding 1, SEACA originally did not prepare ICRP rates because they elected to use the ACTUAL COST METHOD of calculating the Care and Maintenance cost per animal per day. Indirect costs were included in the total division expenditures, so did not have to be calculated separately. The only overhead factored into our original claims was to add a prorated share of the ADMINISTRATIVE Division charges to the SHELTER& VETERINARY department costs.

As a result of this audit and the SCO's request to recalculate costs based on the time study method, SEACA has prepared ICRP rates that we believe are correct and should be added to the eligible direct costs. These calculations have been submitted to your audit staff via email attachment and it is our understanding that it is being reviewed by your staff. We request that the SCO accept the rate calculations and increase the applicable allowable costs accordingly.

In summary, we believe that the claims submitted by SEACA complied with the *"claiming instruction, Statement of Decision, and the P's and G's adopted by the Commission."* We believe the SCO is acting in violation of regulation because they are not auditing to the required documents applicable at the time of claim submission. We request that the SCO recalculate SEACA's eligible costs in light of the issues brought up in this letter.

Thank you for the opportunity to present our review and opinions of your Draft Audit Report. Please contact me at (562) 803-3301 with any questions.

Sincerely,



Dan Morrison
Executive Director

ATTACHMENT 1 - ICRPS

Understated Indirect Costs:

1) We request the allocation base used to calculate and apply overhead to Salaries and Benefits, rather than total direct costs, as is standard.

2) We added the staff overhead costs for supervisory and support positions from all divisions since the rate is an overall agency wide rate.

- Since the rates proposed are an Overall Agency-wide rate, not specific to a division, all supervisory and support staff should be included. Support staff positions (such as Dispatchers and Clerks) do not work directly with the animals, but support those direct staff who do. Support activities include: interacting with the public, answering calls, typing, filing, paperwork, etc. (Note : job descriptions for all overhead staff can be provided if required). Direct time charged to the claim was omitted from indirect cost pool liberally.
- 20% for division head administrative time is included, as discussed – however, we believe that the Office Supervisor is virtually all support (see her job description attached) so left her in at 95% allowable indirect.
- Lead and Senior Animal Control Technicians also perform eligible support and administrative activities. As noted in the "Draft Audit" on page 13, "However, only a percentage of shelter staff is devoted to care and maintenance of animals because staff members also perform non-mandated activities such as recruiting, training, and scheduling." We contend that these activities are all legitimate support or overhead costs necessary to proving shelter care and maintenance services, and should be taken into account, if not in the direct costs, than in the indirect cost rates.

4) Allowable supplies and services which were clear indirect costs and allowable under OMB A-87 guidelines were included.

- **Office Supplies** – all division staff utilizes and consume office supplies for various functions. Shelter staff get kennel and animal reports printed on paper, all shelter staff use time sheets, pens etc.
- **Clothing** - SEAACA stated that uniforms are required for health and safety reasons. They must be washed in bleach to kill germs and prevent the spread of disease, thus street clothes would not be a viable option. This line item was included in the indirect cost rate for all division staff that work with animals.
- **Building & Equipment Maintenance** – these costs are necessary for operating the shelter
- **Staff Development** – training costs for shelter staff is a necessary and an allowable overhead item.
- **Office Equipment** – also used by all division staff, allowable under OMB A-87.
- **Contract Services** – MOC – includes items such as janitorial services, fire security services, and HVAC maintenance costs.

[illegible]

Human Resources	\$0		
and Animal Control Tech (3, 40%)	\$72,364		
Securing Supervisor (20%)	\$9,273		
Warranten (20%)	\$16,869		
Office Supervisor (80%)	\$37,860		
Animal Control Support (20%)	\$8,061		
Clarks (3, 48)	\$86,266		
Dispatcher (1, 45)	\$38,373		

\$218.037

Call today for more information

[illegible][illegible]

0-8103-3137-0/96

FY 2006-07									
Agency: 2512									
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Company	2014 (%)	2013 (%)	2012 (%)
Office Animal Control Capital	36.27%	37.84%	37.84%
Office Animal Control	37.84%	37.84%	37.84%
Veterinarian	37.84%	37.84%	37.84%
Emergency Supervisor	37.84%	37.84%	37.84%
Lead Animal Control Tech	37.84%	37.84%	37.84%
Chassis (6.45)	37.84%	37.84%	37.84%
Supervisor (1.45)	37.84%	37.84%	37.84%

100

5178:049

...the need for continuing work in this area and further, that this should be a priority matter.

FY 2007-08

[illegible]

It also added the company will be in contact with Transport for London (TfL) and the Met Police.

[illegible][illegible]

TOTAL **\$406,873**

[illegible]

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JULY 22, 2012

5619001
00213
2012/07/22

ADMINISTRATOR
SOUTHEAST ANIMAL CONTROL AUTH
11111 BROOKSHIRE AVE
DOWNEY CA 90241

DEAR CLAIMANT:

RE: ANIMAL ADOPTION : 752/98-L

WE HAVE REVIEWED YOUR 2001/2002 FISCAL YEAR REIMBURSEMENT CLAIM FOR
THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR
REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 250,855.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 111,929.00

TOTAL ADJUSTMENTS - 111,929.00

AMOUNT DUE CLAIMANT \$ 138,926.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT STEVE PURSER
AT (916) 324-5729 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE,
DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO,
CA 94250-5875. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE
WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

SINCERELY,

JAY LAL, MANAGER

RECEIVED JUL 3 0 2012

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JULY 22, 2012

5619001
00213
2012/07/22

ADMINISTRATOR
SOUTHEAST ANIMAL CONTROL AUTH
11111 BROOKSHIRE AVE
DOWNEY CA 90241

DEAR CLAIMANT:

RE: ANIMAL ADOPTION : 752/98-L

WE HAVE REVIEWED YOUR 2002/2003 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 292,881.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 152,036.00

TOTAL ADJUSTMENTS - 152,036.00

AMOUNT DUE CLAIMANT \$ 140,845.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT STEVE PURSER AT (916) 324-5729 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

RECEIVED JUL 30 2012

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JULY 22, 2012

5619001
00213
2012/07/22

ADMINISTRATOR
SOUTHEAST ANIMAL CONTROL AUTH
11111 BROOKSHIRE AVE
DOWNEY CA 90241

DEAR CLAIMANT:

RE: ANIMAL ADOPTION : 752/98-L

WE HAVE REVIEWED YOUR 2007/2008 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 569,725.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 403,837.00

TOTAL ADJUSTMENTS - 403,837.00

AMOUNT DUE CLAIMANT \$ 165,888.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT STEVE PURSER AT (916) 324-5729 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

RECEIVED JUL 30 2012

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JULY 22, 2012

5619001
00213
2012/07/22

ADMINISTRATOR
SOUTHEAST ANIMAL CONTROL AUTH
11111 BROOKSHIRE AVE
DOWNEY CA 90241

DEAR CLAIMANT:

RE: ANIMAL ADOPTION : 752/98-L

WE HAVE REVIEWED YOUR 2008/2009 FISCAL YEAR REIMBURSEMENT CLAIM FOR
THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR
REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED 678,463.00

ADJUSTMENT TO CLAIM:

FIELD AUDIT FINDINGS - 503,866.00

TOTAL ADJUSTMENTS - 503,866.00

AMOUNT DUE CLAIMANT \$ 174,597.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT STEVE PURSER
AT (916) 324-5729 OR IN WRITING AT THE STATE CONTROLLER'S OFFICE,
DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO,
CA 94250-5875. DUE TO INSUFFICIENT APPROPRIATION, THE BALANCE DUE
WILL BE FORTHCOMING WHEN ADDITIONAL FUNDS ARE MADE AVAILABLE.

SINCERELY,

JAY LAL, MANAGER

RECEIVED JUL 30 2012

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875



JOHN CHIANG
California State Controller
Division of Accounting and Reporting
JULY 22, 2012

5619001
00213
2012/07/22

ADMINISTRATOR
SOUTHEAST ANIMAL CONTROL AUTH
11111 BROOKSHIRE AVE
DOWNEY CA 90241

DEAR CLAIMANT:

RE: ANIMAL ADOPTION : 752/98-L

WE HAVE REVIEWED YOUR 2006/2007 FISCAL YEAR REIMBURSEMENT CLAIM FOR THE MANDATED COST PROGRAM REFERENCED ABOVE. THE RESULTS OF OUR REVIEW ARE AS FOLLOWS:

AMOUNT CLAIMED	524,800.00
TOTAL ADJUSTMENTS (DETAILS BELOW)	- 384,965.00
TOTAL PRIOR PAYMENTS (DETAILS BELOW)	-524,800.00
AMOUNT DUE STATE	\$ 384,965.00

PLEASE REMIT A WARRANT IN THE AMOUNT OF \$ 384,965.00 WITHIN 30 DAYS FROM THE DATE OF THIS LETTER, PAYABLE TO THE STATE CONTROLLER'S OFFICE, DIVISION OF ACCOUNTING AND REPORTING, P.O. BOX 942850, SACRAMENTO, CA 94250-5875 WITH A COPY OF THIS LETTER. FAILURE TO REMIT THE AMOUNT DUE WILL RESULT IN OUR OFFICE PROCEEDING TO OFFSET THE AMOUNT FROM THE NEXT PAYMENTS DUE TO YOUR AGENCY FOR STATE MANDATED COST PROGRAMS.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT STEVE PURSER AT (916) 324-5729 OR IN WRITING AT THE ABOVE ADDRESS.

ADJUSTMENT TO CLAIM:		
FIELD AUDIT FINDINGS	- 384,965.00	
TOTAL ADJUSTMENTS		- 384,965.00
PRIOR PAYMENTS:		
SCHEDULE NO. MA81300F		
PAID 10-06-2008	-24,800.00	
SCHEDULE NO. MA63818E		
PAID 03-14-2007	-500,000.00	
TOTAL PRIOR PAYMENTS		-524,800.00

RECEIVED JUL 30 2012

SINCERELY,

JAY LAL, MANAGER

LOCAL REIMBURSEMENT SECTION
P.O. BOX 942850 SACRAMENTO, CA 94250-5875

Claim for Payment Pursuant to Government Code Section 17561 ANIMAL ADOPTION				For State Controller Use Only													
				(19) Program Number: 00213	Program 213												
				(20) Date Filed ____/____/____													
				(21) LRS Input ____/____/____													
(01) Claimant Identification Number				(22) AA-1 (04)(A)(1)(f)													
(02) Claimant Name Southeast Area Animal Control Agency Mailing Address 9777 SEAACA Street Street Address or P.O. Box City Downey State CA Zip Code 90241				(23) AA-1 (04)(A)(2)(f)													
				(24) AA-1 (04)(A)(3)(f)													
				(25) AA-1 (04)(B)(1)(f)													
				(26) AA-1 (04)(B)(2)(f)													
				(27) AA-1 (04)(B)(3)(f)	209,802												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Type of Claim</th> <th style="width: 20%;">Estimated Claim</th> <th style="width: 20%;">Reimbursement Claim</th> </tr> </thead> <tbody> <tr> <td>(03) Estimated <input checked="" type="checkbox"/></td> <td>(09) Reimbursement <input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td>(04) Combined <input type="checkbox"/></td> <td>(10) Combined <input type="checkbox"/></td> <td></td> </tr> <tr> <td>(05) Amended <input type="checkbox"/></td> <td>(11) Amended <input type="checkbox"/></td> <td></td> </tr> </tbody> </table>				Type of Claim	Estimated Claim	Reimbursement Claim	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>		(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>		(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>		(28) AA-1 (04)(B)(4)(f)	23,215
				Type of Claim	Estimated Claim	Reimbursement Claim											
				(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>												
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>																
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>																
(29) AA-1 (04)(B)(5)(f)	36,975																
Fiscal Year of Cost (06) 2002-03 (12) 2001-02				(30) AA-1 (04)(B)(6)(f)													
Total Claimed (07) \$200,000 (13) \$250,855				(31) AA-1 (04)(B)(7)(f)													
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable) (14)				(32) AA-1 (04)(B)(8)(f)													
Less: Estimated Claim Payment Received (15)				(32) AA-1 (04)(B)(9)(f)													
Net Claimed Amount (16) \$250,855				(33) AA-1 (04)(B)(10)(f)													
Due from State (08) \$200,000 (17) \$250,855				(34) AA-1 (06)													
Due to State (09) (18)																	
(38) CERTIFICATION OF CLAIM <p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 752, statutes of 1998 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 752/98.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 752, Statutes of 1998 set forth on the attached statements.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> Signature of Authorized Representative Dan Morrison <small>Type of Print Name</small> </div> <div style="width: 45%;"> Date January 15, 2003 Executive Director <small>Title</small> </div> </div>																	
Name of Contact Person for Claim Annette S. Chinn (CRS)		Telephone Number (916) 939-7901		E-Mail Address AChinnCRS@aol.com													

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-1**

(01) Claimant

Southeast Area Animal Control Agency

(02) Type of Claim

Reimbursement ☒

Estimated ☒

Fiscal Year

2001-02

2002-03 (see FAM-27 for estimate)

Claim Statistics

(03) Department

SEAACA

Direct Costs

Object Accounts

(04) Reimbursable Components

(a)

(b)

(c & d)

(e)

(f)

(g)

Salaries

Benefits

Services
and
Supplies

Fixed
Assets

Travel
and
Training

Total

A. ONE-TIME COSTS

1. Policies and Procedures

2. Training

3. Computer Software

B. ON-GOING COSTS

1. Acquiring Space / Facilities

2. Renovating Facilities

3. Care of Dogs and Cats

4. Care of Other Animals

5. Holding Period

6. Feral Cats

7. Lost and Found Lists

8. Non-Medical Records

9. Veterinary Care

10. Procuring Equipment

(05) Total Direct Costs

\$269,992

\$269,992

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)

(from ICRP) (Applied to Salaries)

(07) Total Indirect Costs

Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]

(08) Total Direct and Indirect Costs

Line (05)(d) + line (07)

\$269,992

Cost Reductions

(09) Less: Offsetting Savings, if applicable

(Lakewood's costs which they are claiming directly)

\$19,137

(10) Less: Other Reimbursements, if applicable

(11) Total Claimed Amount

Line (08)- (line(09) + Line(10))

\$250,855

**MANDATED COSTS
ANIMAL ADOPTION
CLAIM SUMMARY**

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2001-02

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ **Care of Dogs & Cats**
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 9,189									
Total Cats Held = 10,546									
Total Other Animals Held = 1,205									
at an average daily census of 104,700									
 Total STRAY Dogs Euthanized*= 4,808									
Total STRAY Cats Euthanized* = 8,694 (mandated added 2 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
 Total Costs for STRAY Dogs Euthanized =						\$74,710			
Total Costs for STRAY Cats Euthanized =						\$135,093			
 Total Shelter and Kennel Costs =									
Shelter Division Expends= \$438,664									
Kennel Division Expend. = \$181,458									
Overhead Share/Admin Char. \$207,718									
(less disposal fee) = -\$6,000									
(less Euthanasia supplies) = -\$8,394									
TOTAL \$813,446									
 Cost per animal = \$38.85									
Cost per animal/per day \$7.77									
 Total Mandate Related Costs =									
Eligible Pop. Extra Days (2) 29,992									
Total Animal Days of Service 104,700									
 or $\frac{29,992}{104,700}$ $\frac{\text{Strays Euthanized}}{\text{Total Care \& Maint}}$									
 = 29% of total Shelter & Kennel costs relate to eligible Care & Maint. mandated costs.									
(05) Total						\$209,802			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2001-02

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☒ **Care of Other Animals** ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 9,189									
Total Cats Held = 10,546									
Total Other Animals Held = 1,205									
at an average daily census of 104,700									
(Mandate added four extra holding days)									
Total OTHER Animals Euthanized = 747 (Owner Turn-in animals not included in number above)									
Total STRAY Other Euthanized =						\$23,215			
Total Shelter and Kennel Costs =									
Shelter Division Expend.= \$438,664									
Kennel Division Expend. = \$181,458									
Overhead Share/Admin Charg \$207,718									
(less disposal fee) = -\$6,000									
(less Euthanasia supplies) = -\$8,394									
TOTAL \$813,446									
Cost per animal = \$38.85									
Cost per animal/per day \$7.77									
(05) Total						\$23,215			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2001-02

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☐ Care of Other Animals ☒ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
<p><u>Cost of Increasing Hours of Operation per Hayden Bill</u></p> <p>Number of additional hours facility operating hours pursuant to Hayden Bill = 2 additional hrs/week</p> <p><u>Total Shelter and Kennel Costs =</u> \$813,446</p> <p><u>Total hours of facility ops.=</u> 2,288 (10am - 5pm M-Sat, plus one weeknight until 7 pm)</p> <p><u>Additional Hours mandated =</u> 104</p> <p><u>Cost per hour =</u> \$356</p> <p><u>Cost of Addit. Hours mandated =</u> \$36,975 (2 additional hrs. per week mandated)</p>						\$36,975			
(05) Total						\$36,975			

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE ONE**

MONTH OF JUNE, 2002		Bell Gardens	Belflower	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total
LIVE ANIMALS IMPOUNDED STRAYS ONLY																
Dogs		31	53	98	44	46	75	49	59	18	14	107	5	3	6	608
Cats		79	116	194	78	77	122	90	122	44	14	136	4	-	14	1,090
Miscellaneous		4	22	33	45	12	13	3	18	16	1	9	-	-	9	185
Dogs Year To Date		443	545	1,148	535	466	1,017	668	634	226	228	1,136	64	24	108	7,242
Cats Year To Date		528	935	1,530	624	724	1,279	908	941	397	241	1,119	32	16	171	9,445
Miscellaneous Year To Date		35	116	232	142	106	128	99	86	46	28	62	5	2	17	1,104
Dogs YTD Last Year		591	647	1,325	550	492	1,193	788	716	278	395	1,467	56	13	169	8,680
Cats YTD Last Year		642	930	1,520	711	742	1,289	870	903	416	298	1,362	49	11	243	9,986
Misc. YTD Last Year		20	87	169	146	96	97	69	61	32	38	62	7	1	16	901
DEAD ANIMALS IMPOUNDED																
Dogs		9	10	18	9	10	17	8	16	10	11	20	-	-	-	138
Cats		24	41	63	32	35	45	38	27	18	10	31	-	-	-	364
Miscellaneous		2	7	31	23	8	7	7	8	5	4	7	-	1	-	110
Dogs Year To Date		119	120	193	119	127	294	116	200	90	72	269	2	6	3	1,730
Cats Year To Date		252	306	550	343	318	497	296	387	176	145	448	3	1	3	3,725
Miscellaneous Year To Date		57	175	312	146	153	153	90	125	62	24	75	-	4	3	1,505
Dogs YTD Last Year		144	118	198	117	153	293	137	207	79	78	250	1	20	8	1,803
Cats YTD Last Year		277	332	503	336	341	502	262	415	157	134	412	-	7	9	3,687
Misc. YTD Last Year		44	162	332	198	173	181	65	135	63	37	65	1	-	17	1,473
ANIMALS EUTHANIZED																
Dogs		20	29	58	16	27	56	35	36	7	8	75	6	-	9	382
Cats		78	107	183	74	85	111	81	88	43	12	149	4	-	14	1,029
Miscellaneous		4	15	17	33	12	11	2	8	10	1	3	-	-	7	123
Dogs Year To Date		342	339	678	283	289	693	480	410	146	172	840	58	7	71	4,808
Cats Year To Date		470	839	1,405	563	684	1,173	851	868	376	220	1,047	31	8	159	8,694
Miscellaneous Year To Date		26	84	151	107	91	102	52	44	24	11	41	3	1	10	747
Dogs YTD Last Year		460	396	694	305	332	791	573	482	181	275	1,112	46	10	210	5,867
Cats YTD Last Year		591	799	1,361	618	656	1,103	783	815	384	274	1,202	38	6	205	8,835
Misc. YTD Last Year		8	74	123	96	79	61	32	44	23	20	38	6	-	16	620

OWNER

Euthanasia Requests Stats

<u>Year</u>	<u>Cats</u>	<u>Dogs</u>	<u>Other</u>	<u>Total</u>
1999-2000	2697	3892	201	6790
2000-2001	1614	2401	70	4085
2001-2002	1101	1947	101	3149

These were added
to the summary
stats sheet to
get a total of 58
animals impounded.
Since that form
only shows
SPCA stats
for 1999

SEAACA
PUBLIC SAFETY
ANIMAL CONTROL
ANIMAL CONTROL/ADM SUP.

e/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
PERSONNEL SERVICES						
PERSONNEL SERVICES						
REGULAR SALARIES	223,550.00	205,987.66	205,987.66	0.00	17,562.34	92.1
LEAVE TIME APPLIED %	0.00	10,257.54	10,257.54	0.00	-10,257.54	*****
RET/PR INS-APPD %	35,768.00	35,569.59	35,569.59	0.00	198.41	99.4
VACATION	0.00	7,422.05	7,422.05	0.00	-7,422.05	*****
HOLIDAY	0.00	5,832.42	5,832.42	0.00	-5,832.42	*****
SICK REGULAR	0.00	2,133.41	2,133.41	0.00	-2,133.41	*****
SICK FAMILY	0.00	298.93	298.93	0.00	-298.93	*****
HOLIDAY OVERTIME	0.00	396.26	396.26	0.00	-396.26	*****
MEDICARE EMPLOYER TAX	3,241.00	17,675.77	17,675.77	0.00	-14,434.77	545.4
PERSONNEL SERVICES	262,559.00	285,573.63	285,573.63	0.00	-23,014.63	108.8
OFFICE SUPPLIES	2,500.00	7,124.77	7,124.77	0.00	-4,624.77	285.0
SPECIAL ACT SUPPLIES	3,700.00	2,360.94	2,360.94	0.00	1,339.06	63.8
BOOKS & PUBLICATIONS	300.00	280.62	280.62	0.00	19.38	93.5
SMALL TOOLS AND IMPLEMENTS	300.00	55.94	55.94	0.00	244.06	18.6
ADVERTISING	1,000.00	1,318.30	1,318.30	0.00	-318.30	131.8
PRINTING & BINDING	2,200.00	2,176.73	2,176.73	0.00	23.27	98.9
PRINTSHOP CHARGES	2,500.00	834.69	834.69	0.00	1,665.31	33.4
BUILDING RENTAL	32,144.00	16,056.94	16,056.94	0.00	16,087.06	50.0
AUDITING SERVICES	4,200.00	4,200.00	4,200.00	0.00	0.00	100.0
ADMINISTRATIVE OVERHEAD	40,000.00	40,000.08	40,000.08	0.00	-0.08	100.0
LEGAL SRVCS-RETAINER	3,500.00	595.00	595.00	0.00	2,905.00	17.0
TRAVEL & MEET EXPENSES	6,300.00	11,799.71	11,799.71	0.00	-5,499.71	187.3
TRAVEL & MEET EXP-SPC	16,700.00	9,825.00	9,825.00	0.00	6,875.00	58.8
UNEMPLOYMENT INSURANCE	12,000.00	11,205.00	11,205.00	0.00	795.00	93.4
POSTAGE	3,000.00	1,986.89	1,986.89	0.00	1,013.11	66.2
PROF & TECH SERVICES FEES	500.00	1,821.50	1,821.50	0.00	-1,321.50	364.3
MEDICAL EXAM FEES	400.00	980.00	980.00	0.00	-580.00	245.0
CONTRACT SERVICES-MOC	16,200.00	18,885.25	18,885.25	0.00	-2,685.25	116.6
PUBLIC LIABILITY INSURANCE	34,331.00	52,119.29	52,119.29	0.00	-17,788.29	151.8
RETRO LIABILITY	3,852.00	0.00	0.00	0.00	3,852.00	0.0
HEALTH INSURANCE	176,368.00	172,328.30	172,328.30	0.00	4,039.70	97.7
WORKERS COMP INSURANCE	165,852.00	165,852.00	165,852.00	0.00	0.00	100.0
TO INSURANCE	14,000.00	12,118.41	12,118.41	0.00	1,881.59	86.6
RETIREMENT-PERS	0.00	4,430.62	4,430.62	0.00	-4,430.62	*****
EQUIPMENT RENT-PRIVATE	9,198.00	8,829.27	8,829.27	0.00	368.73	96.0

Expenditure Status Report

City of Downey

07/01/2001 through 06/30/2002

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5 SEACA
000 PUBLIC SAFETY
500 ANIMAL CONTROL
510 ANIMAL CONT/ADM SUP.

title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
1900 OFFICE EQUIPMENT	0.00	5,884.13	5,884.13	0.00	-5,884.13	*****
1900 OFFICE EQUIPMENT	0.00	36,252.93	36,252.93	0.00	-36,252.93	*****
1930 FURNITURE-FIXTURES	551,045.00	589,322.31	589,322.31	0.00	-38,277.31	106.9
OFFICE EQUIPMENT						
ANIMAL CONT/ADM SUP.	813,604.00	874,895.94	874,895.94	0.00	-61,291.94	107.5

SEAACA
PUBLIC SAFETY
ANIMAL CONTROL
ANIMAL CONTROL/PATROL

Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
PERSONNEL SERVICES						
PERSONNEL SERVICES						
REGULAR SALARIES	437,600.00	361,928.20	361,928.20	0.00	75,671.80	82.7
TEMPORARY PERSONNEL	0.00	33,363.47	33,363.47	0.00	-33,363.47	*****
OVERTIME	15,000.00	16,734.22	16,734.22	0.00	-1,734.22	111.6
SET/PR INS-APPD %	61,264.00	52,876.86	52,876.86	0.00	8,387.14	86.3
VACATION	0.00	13,952.22	13,952.22	0.00	-13,952.22	*****
HOLIDAY	0.00	12,404.54	12,404.54	0.00	-12,404.54	*****
SICK REGULAR	0.00	6,748.78	6,748.78	0.00	-6,748.78	*****
SICK FAMILY	0.00	1,472.23	1,472.23	0.00	-1,472.23	*****
HOLIDAY OVERTIME	0.00	5,885.17	5,885.17	0.00	-5,885.17	*****
UMP TIME USED	0.00	1,138.98	1,138.98	0.00	-1,138.98	*****
MEDICARE EMPLOYER TAX	6,345.00	6.92	6.92	0.00	6,338.08	0.1
PERSONNEL SERVICES	520,209.00	506,511.59	506,511.59	0.00	13,697.41	97.4
SPECIAL ACT SUPPLIES	3,300.00	2,529.66	2,529.66	0.00	770.34	76.7
CLOTHING	7,000.00	3,775.84	3,775.84	0.00	3,224.16	53.9
PRINTING & BINDING	700.00	171.03	171.03	0.00	528.97	24.4
PHOTO & BLUEPRINTING	350.00	334.17	334.17	0.00	15.83	95.5
PRINTSHOP CHARGES	300.00	258.13	258.13	0.00	41.87	86.0
STAFF DEVELOPMENT	1,000.00	640.80	640.80	0.00	359.20	64.1
CONTRACT SERVICES-MOC	14,000.00	14,000.00	14,000.00	0.00	0.00	100.0
EQUIPMENT RENT-CITY	40,500.00	61,171.01	61,171.01	0.00	-20,671.01	151.0
EQUIPMENT RENT-REPLACEMENT	34,000.00	0.00	0.00	0.00	34,000.00	0.0
OFFICE EQUIPMENT						
OTHER VEHICLES	29,000.00	25,700.44	25,700.44	0.00	3,299.56	88.6
OFFICE EQUIPMENT	130,150.00	108,581.08	108,581.08	0.00	21,568.92	83.4
ANIMAL CONT/PATROL	650,359.00	615,092.67	615,092.67	0.00	35,266.33	94.6

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Expenditure Status Report
City of Downey
07/01/2001 through 06/30/2002

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2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2530 ANIMAL SHELTER

Title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance
0000 PERSONNEL SERVICES					
0000 PERSONNEL SERVICES					
0010 REGULAR SALARIES	409,699.00	154,291.39	154,291.39	0.00	255,407.61
0020 TEMPORARY PERSONNEL	0.00	21,143.00	21,143.00	0.00	-21,143.00 *
0030 OVERTIME	9,000.00	3,496.00	3,496.00	0.00	5,504.00
0070 RET/PR INS-APPD %	58,036.00	46,875.29	46,875.29	0.00	11,160.71
0080 VACATION	0.00	9,594.25	9,594.25	0.00	-9,594.25 *
0081 HOLIDAY	0.00	5,838.43	5,838.43	0.00	-5,838.43 *
0082 SICK REGULAR	0.00	4,868.03	4,868.03	0.00	-4,868.03 *
0083 SICK FAMILY	0.00	835.22	835.22	0.00	-835.22 *
0085 HOLIDAY OVERTIME	0.00	3,636.93	3,636.93	0.00	-3,636.93 *
0089 COMP TIME USED	0.00	2,777.36	2,777.36	0.00	-2,777.36 *
0094 MEDICARE EMPLOYER TAX	5,940.64	0.00	0.00	0.00	5,940.64
PERSONNEL SERVICES	482,675.64	253,355.90	253,355.90	0.00	229,319.74
0130 OFFICE SUPPLIES	0.00	74.76	74.76	0.00	-74.76 *
0140 SPECIAL ACT SUPPLIES	25,000.00	41,701.90	41,701.90	0.00	-16,701.90 *
0141 INDUSTRIAL GAS-SEAACA	14,000.00	8,394.21	8,394.21	0.00	5,605.79
0142 ANIMAL LICENSE SUPPLIES	4,200.00	933.79	933.79	0.00	3,266.21
0180 CLOTHING	2,500.00	3,319.10	3,319.10	0.00	-819.10 *
0290 SMALL TOOLS AND IMPLEMENTS	0.00	56.78	56.78	0.00	-56.78 *
0320 PRINTING & BINDING	2,300.00	2,281.21	2,281.21	0.00	18.79
0340 PRINTSHOP CHARGES	1,500.00	66.70	66.70	0.00	1,433.30
0360 SVCS MAINTAIN BLDGS	8,000.00	4,850.72	4,850.72	0.00	3,149.28
0361 BUILDING RENTAL	0.00	31,986.06	31,986.06	0.00	-31,986.06 *
0410 SVCS MAINT COMM EQUIPMENT	12,000.00	14,210.62	14,210.62	0.00	-2,210.62 *
0480 STAFF DEVELOPMENT	1,000.00	1,465.00	1,465.00	0.00	-465.00 *
0550 ELECTRICITY BILLS	35,000.00	26,890.79	26,890.79	0.00	8,109.21
0556 GAS BILLS	8,000.00	390.24	390.24	0.00	7,609.76
0560 TELEPHONE	21,500.00	28,088.63	28,088.63	0.00	-6,588.63 *
0570 WATER	9,000.00	2,066.09	2,066.09	0.00	6,933.91
0700 CONTRACT SERVICES-MOC	21,000.00	18,531.63	18,531.63	0.00	2,468.37
0870 EQUIPMENT RENT-PRIVATE	600.00	0.00	0.00	0.00	600.00
ANIMAL SHELTER	446,275.64	438,664.13	438,664.13	0.00	207,611.51

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Expenditure Status Report
City of Downey
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2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2531 KENNEL

Title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance
0000 PERSONNEL SERVICES					
0000 PERSONNEL SERVICES	0.00	115,009.62	115,009.62	0.00	-115,009.62 *
0010 REGULAR SALARIES	0.00	41,670.93	41,670.93	0.00	-41,670.93 *
0020 TEMPORARY PERSONNEL	0.00	12,512.15	12,512.15	0.00	-12,512.15 *
0030 OVERTIME	0.00	3,932.64	3,932.64	0.00	-3,932.64 *
0080 VACATION	0.00	4,298.54	4,298.54	0.00	-4,298.54 *
0081 HOLIDAY	0.00	1,265.10	1,265.10	0.00	-1,265.10 *
0082 SICK REGULAR	0.00	239.76	239.76	0.00	-239.76 *
0083 SICK FAMILY	0.00	2,066.72	2,066.72	0.00	-2,066.72 *
0085 HOLIDAY OVERTIME	0.00	462.06	462.06	0.00	-462.06 *
0089 COMP TIME USED					
KENNEL	0.00	181,457.52	181,457.52	0.00	-181,457.52 *

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Expenditure Status Report
City of Downey
07/01/2001 through 06/30/2002

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2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2540 VETERINARY SERVICES

Title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance
0000 PERSONNEL SERVICES					
0000 PERSONNEL SERVICES					
0010 REGULAR SALARIES	167,383.00	153,423.35	153,423.35	0.00	13,959.65
0030 OVERTIME	600.00	397.49	397.49	0.00	202.51
0070 RET/PR INS-APPD %	25,034.00	25,303.89	25,303.89	0.00	-269.89
0080 VACATION	0.00	8,776.60	8,776.60	0.00	-8,776.60
0081 HOLIDAY	0.00	5,143.08	5,143.08	0.00	-5,143.08
0082 SICK REGULAR	0.00	1,373.24	1,373.24	0.00	-1,373.24
0083 SICK FAMILY	0.00	208.50	208.50	0.00	-208.50
0085 HOLIDAY OVERTIME	0.00	2,020.11	2,020.11	0.00	-2,020.11
0089 COMP TIME USED	0.00	17.76	17.76	0.00	-17.76
0094 MEDICARE EMPLOYER TAX	2,436.00	0.00	0.00	0.00	2,436.00
PERSONNEL SERVICES	195,453.00	196,664.02	196,664.02	0.00	-1,211.02
0140 SPECIAL ACT SUPPLIES	33,000.00	36,915.35	36,915.35	0.00	-3,915.35
0180 CLOTHING	1,300.00	858.15	858.15	0.00	441.85
0290 SMALL TOOLS AND IMPLEMENTS	1,500.00	0.00	0.00	0.00	1,500.00
0480 STAFF DEVELOPMENT	1,200.00	879.05	879.05	0.00	320.95
0700 CONTRACT SERVICES-MOC	24,500.00	55,572.88	55,572.88	0.00	-31,072.88
VETERINARY SERVICES	256,953.00	290,889.45	290,889.45	0.00	-33,936.45

95 SEAACA
2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2550 ANIMAL CONTROL (10)

Title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	P. Balance U.
0000 PERSONNEL SERVICES	0.00	3.84	3.84	0.00	-3.84 **
0320 PRINTING & BINDING					
ANIMAL CONTROL (10)	0.00	3.84	3.84	0.00	-3.84 **

95 SEAACA
2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2560 LICENSE CANVASSING

Title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
0000 PERSONNEL SERVICES						
0000 PERSONNEL SERVICES						
0010 REGULAR SALARIES	71,150.00	72,072.55	72,072.55	0.00	-922.55	101.3
0020 TEMPORARY PERSONNEL	90,750.00	79,910.30	79,910.30	0.00	10,839.70	88.1
0030 OVERTIME	0.00	457.17	457.17	0.00	-457.17	*****
0070 RET/PR INS-APPD %	10,837.00	11,815.29	11,815.29	0.00	-978.29	109.0
0080 VACATION	0.00	1,482.74	1,482.74	0.00	-1,482.74	*****
0081 HOLIDAY	0.00	2,142.14	2,142.14	0.00	-2,142.14	*****
0082 SICK REGULAR	0.00	1,840.12	1,840.12	0.00	-1,840.12	*****
0083 SICK FAMILY	0.00	223.45	223.45	0.00	-223.45	*****
0085 HOLIDAY OVERTIME	0.00	422.58	422.58	0.00	-422.58	*****
0089 COMP TIME USED	0.00	52.18	52.18	0.00	-52.18	*****
0094 MEDICARE EMPLOYER TAX	1,264.00	0.00	0.00	0.00	1,264.00	0.0
PERSONNEL SERVICES	174,001.00	170,418.52	170,418.52	0.00	3,582.48	97.9
0130 OFFICE SUPPLIES	1,000.00	846.51	846.51	0.00	153.49	84.7
0140 SPECIAL ACT SUPPLIES	3,400.00	3,218.54	3,218.54	0.00	181.46	94.7
0180 CLOTHING	2,400.00	1,810.18	1,810.18	0.00	589.82	75.4
0320 PRINTING & BINDING	3,500.00	9,899.53	9,899.53	0.00	-6,399.53	282.8
0340 PRINTSHOP CHARGES	1,500.00	0.00	0.00	0.00	1,500.00	0.0
0600 MILEAGE	4,900.00	11,021.51	11,021.51	0.00	-6,121.51	224.9
0640 POSTAGE	14,000.00	13,341.06	13,341.06	0.00	658.94	95.3
0690 MEDICAL EXAM FEES	150.00	360.00	360.00	0.00	-210.00	240.0
LICENSE CANVASSING	204,851.00	210,915.85	210,915.85	0.00	-6,064.85	103.0
SEAACA	2,572,042.64	2,611,919.40	2,611,919.40	0.00	-39,876.76	101.6

SEAACA
ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION
Based on Actual FY 2001-02 actual data

Department	Total Costs	% of Total	Allowable Indirect Costs	Allowable Direct Costs
Administration Support	\$874,896	33%	\$874,896	
Animal Control	\$615,097	24%		\$615,097
Animal Shelter	\$438,664	17%		\$438,664
Animal Kennel	\$181,457	7%		\$181,457
Veterinary Services	\$290,889	11%		\$290,889
License Canvassing	\$210,916	8%		\$210,916
Totals:	\$2,611,919	100%	\$874,896	\$1,737,023

Animal Shelter & Kennel Share ==

$$\frac{\text{Shelter \& Kennel Costs}}{\text{Total Expenditures}} = \frac{\$620,121}{\$2,611,919} = 23.74\% \text{ of Admin Support Costs Allocable to Shelter \& Kennel Functions}$$

$$23.74\% \times \$874,896 = \$207,718$$

$$\text{Shelter \& Kennel Share} \times \text{Admin Division Expenditures} = \text{Admin Overhead}$$

DISTRIBUTION OF COST RECOVERY (SB90 CLAIM) TO USER AGENCIES

	Bell Gardens	Bellflower	Downey	Lakewood **	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Spr S.	El Monte	South Gate	Vernon	Out of Dist	SEAAACA S	TOTALS
	1,728	2,692	4,770	2,120	2,310	4,140	2,870	2,732	1,140	828	3,856	190	34	500	29,910
	5.78%	9.00%	15.95%	7.09%	7.72%	13.84%	9.60%	9.13%	3.81%	2.77%	12.89%	0.64%	0.11%	1.67%	100.00%
	\$15,598.32	\$24,300.16	\$43,057.86	\$19,136.83	\$20,851.92	\$37,370.97	\$25,906.93	\$24,661.23	\$10,290.56	\$7,474.19	\$34,807.36	\$1,715.09	\$306.91	\$4,513.40	\$269,992

**CLAIMED
SEPARATELY
BY LAKEWOOD

Claim for Payment Pursuant to Government Code Section 17561 ANIMAL ADOPTION			For State Controller Use Only	
(01) Claimant Identification Number (02) Claimant Name Southeast Area Animal Control Agency Mailing Address 9777 SEAACA Street Street Address or P.O. Box City Downey State CA Zip Code 90241			(19) Program Number: 00213	Program 213
			(20) Date Filed ____/____/____	
			(21) LRS Input ____/____/____	
			(22) AA-1 (04)(A)(1)(f)	
			(23) AA-1 (04)(A)(2)(f)	
			(24) AA-1 (04)(A)(3)(f)	
			(25) AA-1 (04)(B)(1)(f)	
Type of Claim (03) Estimated <input type="checkbox"/> (04) Combined <input type="checkbox"/> (05) Amended <input type="checkbox"/>	Estimated Claim 	Reimbursement Claim (09) Reimbursement <input checked="" type="checkbox"/> (10) Combined <input type="checkbox"/> (11) Amended <input type="checkbox"/>	(26) AA-1 (04)(B)(2)(f)	
			(27) AA-1 (04)(B)(3)(f)	
			(28) AA-1 (04)(B)(4)(f)	225,078
			(29) AA-1 (04)(B)(5)(f)	
Fiscal Year of Cost	(06)	(12) 2002-03	(30) AA-1 (04)(B)(6)(f)	90,302
Total Claimed	(07)	(13) \$292,881	(31) AA-1 (04)(B)(7)(f)	
Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	
Less: Estimated Claim Payment Received			(15)	
Net Claimed Amount		(16) \$292,881	(32) AA-1 (04)(B)(8)(f)	
Due from State	(08)	(17) \$292,881	(33) AA-1 (04)(B)(9)(f)	
Due to State	(09)	(18)	(34) AA-1 (04)(B)(10)(f)	
(35) AA-1 (06)				
(38) CERTIFICATION OF CLAIM <p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 752, statutes of 1998 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.</p> <p>I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 752/98.</p> <p>The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 752, Statutes of 1998 set forth on the attached statements.</p>				
Signature of Authorized Representative Dan Morrison			Date January 15, 2004	
Type of Print Name			Executive Director Title	
Name of Contact Person for Claim Annette S. Chinn (CRS)			Telephone Number (916) 939-7901	E-Mail Address AChinnCRS@aol.com

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-1**

(01) Claimant Southeast Area Animal Control Agency	(02) Type of Claim Reimbursement <input checked="checked" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2002-03 (see FAM-27 for estimate)
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Claim Statistics

(03) Department	SEAACA
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Direct Costs	Object Accounts					
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(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel and Training	(g) Total
A. ONE-TIME COSTS						
1. Policies and Procedures						
2. Training						
3. Computer Software						
B. ON-GOING COSTS						
1. Acquiring Space / Facilities						
2. Renovating Facilities						
3. Care of Dogs and Cats			\$225,078			\$225,078
4. Care of Other Animals						
5. Holding Period			\$90,302			\$90,302
6. Feral Cats						
7. Lost and Found Lists						
8. Non-Medical Records						
9. Veterinary Care						
10. Procuring Equipment						
(05) Total Direct Costs			\$315,381			\$315,381

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	\$315,381

Cost Reductions

(09) Less: Offsetting Savings, if applicable	(Lakewood's costs which they are claiming directly)	\$22,500
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10))	\$292,881

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2002-03

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ **Care of Dogs & Cats**
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,665									
Total Cats Held = 11,781									
Total Other Animals Held = 1,498									
at an average daily census of 109,715									
 Total STRAY Dogs Euthanized= 3,828									
Total STRAY Cats Euthanized = 10,077									
(mandated added 2 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
 Total Costs for STRAY Dogs Euthanized =						\$61,963			
Total Costs for STRAY Cats Euthanized =						\$163,115			
 Total Shelter and Kennel Costs =									
Shelter Division Expends= \$472,352									
Kennel Division Expend. = \$198,616									
Overhead Share/Admin Char. \$239,185									
(less disposal fee) = -\$6,500									
(less Euthanasia supplies) = -\$15,682									
TOTAL \$887,971									
 Cost per animal = \$40.47									
Cost per animal/per day \$8.09									
 Total Mandate Related Costs =									
Eligible Pop. Extra Days (2) 27,810									
Total Animal Days of Service 109,715									
 or $\frac{27,810}{109,715}$ Strays Euthanized									
Total Care & Maint									
 = 25% of total Shelter & Kennel costs relate to eligible Care & Maint. mandated costs.									
(05) Total						\$225,078			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: **Southeast Area Animal Control Agency** (02) Fiscal Year Costs Were Incurred: **2002-03**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☐ Care of Other Animals ☒ **Holding Period** ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
<p><u>Cost of Increasing Hours of Operation per Hayden Bill</u></p> <p>Number of additional hours facility operating hours pursuant to Hayden Bill = 6 additional hrs/week</p> <p><u>Total Shelter and Kennel Costs =</u> \$887,971</p> <p><u>Total hours of facility ops.=</u> 3,068 (8am - 6pm Mon-Fri., plus Sat. 8-5 pm)</p> <p><u>Additional Hours mandated =</u> 312</p> <p><u>Cost per hour =</u> \$289</p> <p><u>Cost of Addit. Hours mandated =</u> \$90,302 (6 additional hrs. per week mandated by staying open) one weekend day</p>						\$90,302			
(05) Total						\$90,302			

DISTRIBUTION OF COST RECOVERY (SB90 CLAIM) TO USER AGENCIES

Bell Gardens	Bellflower	Downey	Lakewood **	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Spr	S. El Monte	South Gate	Vernon	Out of Dist	SEACA S	TOTALS
1,732	2,578	4,552	1,984	2,012	3,810	2,404	2,498	882	674	4,034	144	88	418	27,810
6.23%	9.27%	16.37%	7.13%	7.23%	13.70%	8.64%	8.98%	3.17%	2.42%	14.51%	0.52%	0.32%	1.50%	100.00%
\$19,641.82	\$29,235.92	\$51,622.15	\$22,499.64	\$22,817.17	\$43,207.47	\$27,262.67	\$28,328.68	\$10,002.36	\$7,643.53	\$45,747.75	\$1,633.04	\$997.97	\$4,740.35	\$315,381

**CLAIMED
SEPARATELY
BY LAKEWOOD

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE ONE**

- STRAY ONLY

MONTH OF JUNE 2003																
	Bell Gardens	Bellflower	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total	
LIVE ANIMALS IMPOUNDED + June animals on attached report																
Dogs	42	56	82	41	34	26	47	43	30	4	87	-	6	11	509	
Cats	78	91	239	176	114	143	115	135	29	47	246	5	9	36	1,463	
Miscellaneous	2	21	23	11	18	14	8	22	6	2	9	-	1	-	137	
Dogs Year To Date	389	589	1,127	486	416	917	570	609	272	185	1,144	55	66	65	6,890	
Cats Year To Date	630	1,007	1,792	890	795	1,384	887	905	315	229	1,381	41	42	175	10,473	
Miscellaneous Year To Date	28	169	292	154	94	205	109	109	61	15	88	12	5	30	1,371	
Dogs YTD Last Year	443	545	1,148	535	466	1,017	668	634	226	228	1,136	64	24	108	7,242	
Cats YTD Last Year	528	935	1,530	624	724	1,279	908	941	397	241	1,119	32	16	171	9,445	
Misc. YTD Last Year	35	116	232	142	106	128	99	86	46	28	62	5	2	17	1,104	
DEAD ANIMALS IMPOUNDED																
Dogs	6	13	15	10	9	79	12	10	3	27	16	4	-	-	204	
Cats	17	27	79	30	27	54	-	34	14	10	48	-	-	-	340	
Miscellaneous	5	14	33	20	9	13	2	15	14	4	13	-	1	-	143	
Dogs Year To Date	95	139	223	109	109	350	117	196	67	73	228	6	16	2	1,730	
Cats Year To Date	197	332	543	327	283	525	218	337	182	117	426	-	7	4	3,498	
Miscellaneous Year To Date	62	187	328	240	116	151	86	150	71	43	71	2	2	-	1,509	
Dogs YTD Last Year	119	120	193	119	127	294	116	200	90	72	269	2	6	3	1,730	
Cats YTD Last Year	252	306	550	343	318	497	296	387	176	145	448	3	1	3	3,725	
Misc. YTD Last Year	57	175	312	279	146	153	90	125	62	24	75	-	4	3	1,505	
ANIMALS EUTHANIZED - stray only (see attached print outs for other requested euthanizations)																
Dogs	22	35	75	27	36	68	40	46	14	16	102	5	2	6	494	
Cats	132	189	348	166	152	287	166	207	48	51	227	7	13	46	2,039	
Miscellaneous	9	43	48	13	9	51	12	24	8	5	6	2	-	3	233	
Dogs Year To Date	230	286	571	217	241	498	343	333	137	129	757	33	12	41	3,828	
Cats Year To Date	636	1,003	1,705	775	765	1,407	859	916	304	208	1,260	39	32	168	10,077	
Miscellaneous Year To Date	26	135	199	135	73	171	81	79	30	16	57	8	4	14	1,028	
Dogs YTD Last Year	342	339	678	283	289	693	480	410	146	172	840	58	7	71	4,808	
Cats YTD Last Year	470	839	1,405	563	684	1,173	851	868	376	220	1,047	31	8	159	8,694	
Misc. YTD Last Year	26	84	151	107	91	102	52	44	24	11	41	3	1	10	747	

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS. PAGE TWO**

MONTH OF JUNE 2003															
	Bel Gardens	Bellflower	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Riviera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEACCA Street	Total
ANIMALS PLACED IN NEW HOMES															
Dogs	13	25	37	15	20	41	35	23	9	5	53	3	3	1	283
Cats	9	17	25	11	3	13	11	7	6	13	9	-	3	2	129
Miscellaneous	-	7	10	2	-	2	-	2	-	-	4	-	-	-	27
Dogs Year To Date	99	189	339	98	105	291	173	191	60	47	324	24	104	13	2,057
Cats Year To Date	35	85	134	47	32	73	53	45	25	36	78	4	33	9	689
Miscellaneous Year To Date	3	20	46	14	1	35	4	15	9	2	14	-	7	3	173
Dogs YTD Last Year	65	104	244	82	86	175	124	115	40	37	179	1	7	26	1,285
Cats YTD Last Year	43	45	89	32	27	76	38	52	13	16	75	1	1	15	523
Misc. YTD Last Year	7	16	33	8	6	22	31	6	12	22	10	1	1	3	178
ANIMALS RETURNED TO THEIR OWNERS															
Dogs	6	21	39	26	8	41	7	17	8	4	19	2	3	3	204
Cats	-	2	14	1	4	1	2	1	1	-	3	-	1	-	30
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dogs Year To Date	40	121	252	165	78	222	72	105	51	22	117	8	11	5	1,269
Cats Year To Date	1	11	54	13	16	9	7	7	2	-	12	-	1	3	136
Miscellaneous Year To Date	1	22	37	14	9	17	20	8	14	1	5	1	-	5	154
Dogs YTD Last Year	25	92	212	152	69	166	63	81	31	23	111	4	4	11	1,044
Cats YTD Last Year	8	17	13	14	-	8	6	7	5	1	1	-	-	-	80
Misc. YTD Last Year	6	17	23	5	4	17	15	10	6	4	3	-	1	-	111
ANIMALS THAT DIED IN CUSTODY															
Dogs	-	1	1	1	1	3	-	-	1	-	1	-	-	-	9
Cats	4	1	4	1	1	1	2	-	3	-	3	-	-	5	25
Miscellaneous	-	-	4	-	-	-	-	-	-	-	-	-	-	2	6
Dogs Year To Date	3	7	5	2	5	7	4	6	3	1	9	-	1	2	55
Cats Year To Date	7	10	19	6	5	13	7	2	9	1	11	-	-	11	101
Miscellaneous Year To Date	1	4	15	3	1	1	2	1	-	-	2	2	1	3	36
Dogs YTD Last Year	3	4	6	3	6	5	6	13	5	1	15	-	-	-	67
Cats YTD Last Year	7	9	8	3	2	16	6	8	2	1	3	-	-	-	65
Misc. YTD Last Year	-	-	5	13	1	7	-	6	-	1	-	-	-	2	35
Animals are accounted for under the City they originally came from. I.E. An animal impounded from Norwalk would show a disposition under Norwalk even though adopted to a family in Downey or claimed by an owner that does not live in the SEACCA district.															

SOUTHEAST AREA ANIMAL CONTROL AUTHORITY SUMMARY OF VETERINARY DIVISION STATISTICS

MONTH OF JUNE 2003

MONTH OF JUNE 2003									
	Dog Spay	Dog Neuter	Cat Spay	Cat Neuter	Total Spay & Neuters	Other Procedures			
This Month	81	78	36	33	228	-			
Year To Date	778	733	386	339	2,165	47			
Year to Date Last Year	139	167	218	186	710	123			

As of 07/15/03

Impound Activity by Animal / Impound
Period : 07/01/02 to 06/30/03IMPRECUM
Page 1

EUTHANASIA REQUESTS

total = 3017

Type	City	Description	Total	Percent
Cat(s)	ANA	EUTHANASIA REQUEST	1	0.03%
	BG	EUTHANASIA REQUEST	40	1.30%
	BLF	DOA - RELINQUISHED BY OWNER	1	0.03%
	BLF	EUTHANASIA REQUEST	94	3.06%
	BLF	RELINQUISHED BY OWNER	1	0.03%
	DO	EUTHANASIA REQUEST	160	5.21%
	DO	INJURED RELINQUISHED	1	0.03%
	LA	EUTHANASIA REQUEST	4	0.13%
	LB	EUTHANASIA REQUEST	3	0.10%
	LK	DOA - RELINQUISHED BY OWNER	1	0.03%
	LK	EUTHANASIA REQUEST	101	3.29%
	LK	STRAY THAT WAS INVOLVED IN A BITE	1	0.03%
	LM	EUTHANASIA REQUEST	3	0.10%
	LT	EUTHANASIA REQUEST	12	0.39%
	MO	EUTHANASIA REQUEST	21	0.68%
	MYW	EUTHANASIA REQUEST	1	0.03%
	NO	EUTHANASIA REQUEST	127	4.13%
	NO	RELINQUISHED BY OWNER	18	0.59%
	ONC	EUTHANASIA REQUEST	1	0.03%
	PA	EUTHANASIA REQUEST	68	2.21%
	PA	RELINQUISHED THAT WAS INVOLVED IN A BITE	1	0.03%
	PR	EUTHANASIA REQUEST	48	1.56%
	SA	EUTHANASIA REQUEST	25	0.81%
	SE	EUTHANASIA REQUEST	3	0.10%
	SG	EUTHANASIA REQUEST	87	2.83%
	SG	RELINQUISHED BY OWNER	2	0.07%

TOR EUTHANASIA REQUEST

1 0.03%

WH EUTHANASIA REQUEST

9 0.29%

WH RELINQUISHED BY OWNER

1 0.03%

Total Cat(s)

836 27.21%

836

-2 DOA

834

Dog(s) AA EUTHANASIA REQUEST

2 0.07%

As of 07/15/03

Impound Activity by Animal / Impound
Period : 07/01/02 to 06/30/03IMRECSUM
Page 2

Type	City	Description	Total	Percent
------	------	-------------	-------	---------

AA VOIDED NUMBER

1 0.03%

ART EUTHANASIA REQUEST

1 0.03%

BEL EUTHANASIA REQUEST

1 0.03%

BG EUTHANASIA REQUEST

109 3.55%

BG INJURED RELINQUISHED

1 0.03%

BG RELINQUISHED THAT WAS INVOLVED IN A BITE

1 0.03%

BLF EUTHANASIA REQUEST

186 6.05%

BLF RELINQUISHED BY OWNER

2 0.07%

BLF RELINQUISHED THAT WAS INVOLVED IN A BITE

2 0.07%

BLF STRAY ANIMAL

1 0.03%

CAR EUTHANASIA REQUEST

1 0.03%

CE EUTHANASIA REQUEST

4 0.13%

CH EUTHANASIA REQUEST

1 0.03%

COM EUTHANASIA REQUEST

1 0.03%

CTN EUTHANASIA REQUEST

2 0.07%

DO DOA - STRAY

1 0.03%

DO EUTHANASIA REQUEST

262 8.53%

DO RELINQUISHED THAT WAS INVOLVED IN A BITE

5 0.16%

DO VOIDED NUMBER

1 0.03%

FM EUTHANASIA REQUEST

3 0.10%

HAW EUTHANASIA REQUEST

1 0.03%

HB EUTHANASIA REQUEST

2 0.07%

HH EUTHANASIA REQUEST

1 0.03%

LA EUTHANASIA REQUEST

7 0.23%

LB EUTHANASIA REQUEST

9 0.29%

LK EUTHANASIA REQUEST

196 6.39%

LN	RELINQUISHED THAT WAS INVOLVED IN A BITE	3	0.10%
LM	EUTHANASIA REQUEST	3	0.10%
PH	EUTHANASIA REQUEST	1	0.03%
MD	EUTHANASIA REQUEST	101	3.29%
ND	RELINQUISHED BY OWNER	3	0.10%

Type	City Description	Total	Percent	
MV	EUTHANASIA REQUEST	1	0.03%	
NO	DOA - STRAY	1	0.03%	-1
NO	EUTHANASIA REQUEST	367	11.95%	
NO	RELINQUISHED BY OWNER	4	0.13%	
NO	RELINQUISHED THAT WAS INVOLVED IN A BITE	1	0.03%	
NO	STRAY ANIMAL	2	0.07%	
PA	EUTHANASIA REQUEST	129	4.20%	
PA	RELINQUISHED BY OWNER	1	0.03%	
PA	RELINQUISHED THAT WAS INVOLVED IN A BITE	2	0.07%	
PR	EUTHANASIA REQUEST	202	6.58%	
PR	RELINQUISHED BY OWNER	3	0.10%	
SA	DOA - STRAY	1	0.03%	-1
SA	EUTHANASIA REQUEST	48	1.56%	
SA	RELINQUISHED BY OWNER	1	0.03%	
SA	RELINQUISHED THAT WAS INVOLVED IN A BITE	2	0.07%	
SE	EUTHANASIA REQUEST	42	1.37%	
SE	STRAY ANIMAL	1	0.03%	
SG	DOA - RELINQUISHED BY OWNER	1	0.03%	-1
SG	EUTHANASIA REQUEST	306	9.96%	
SG	RELINQUISHED THAT WAS INVOLVED IN A BITE	2	0.07%	
SH	EUTHANASIA REQUEST	1	0.03%	
TAR	EUTHANASIA REQUEST	1	0.03%	
TOR	EUTHANASIA REQUEST	1	0.03%	
WC	EUTHANASIA REQUEST	1	0.03%	
WH	EUTHANASIA REQUEST	11	0.36%	
WH	RELINQUISHED BY OWNER	1	0.03%	
Total Dog(s)		2,048	66.67%	2048 - 6 DOA 2042
Other(s) AA	VOIDED NUMBER	42	1.37%	-42
BG	EUTHANASIA REQUEST	2	0.07%	
BLF	EUTHANASIA REQUEST	1A	0.52%	

DO EUTHANASIA REQUEST

14 0.46%

LK EUTHANASIA REQUEST

18 0.59%

MO EUTHANASIA REQUEST

1 0.03%

Type	City	Description	Total	Percent
NO		EUTHANASIA REQUEST	43	1.40%
PA		EUTHANASIA REQUEST	22	0.72%
PR		EUTHANASIA REQUEST	11	0.36%
SE		EUTHANASIA REQUEST	3	0.10%
SG		EUTHANASIA REQUEST	15	0.49%
WH		EUTHANASIA REQUEST	1	0.03%
Total Other(s)			188	6.12%

Total Impounded

3,072

- 8 DOA

- 42 VOIDED#

3022

Type	City	Description	Total	Percent
Cat(s)	ANA	EUTHANASIA REQUEST	1	0.03%

	BG	EUTHANASIA REQUEST	40	1.31%
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	BLF	DEAD ON ARRIVAL	1	0.03%
	BLF	EUTHANASIA REQUEST	95	3.10%

	DD	EUTHANASIA REQUEST	160	5.22%
--	----	--------------------	-----	-------

	LA	EUTHANASIA REQUEST	4	0.13%
--	----	--------------------	---	-------

	LB	EUTHANASIA REQUEST	3	0.10%
--	----	--------------------	---	-------

	LK	DEAD ON ARRIVAL	1	0.03%
	LK	EUTHANASIA REQUEST	102	3.33%

	LM	EUTHANASIA REQUEST	3	0.10%
--	----	--------------------	---	-------

	LT	EUTHANASIA REQUEST	12	0.39%
--	----	--------------------	----	-------

	MO	EUTHANASIA REQUEST	21	0.69%
--	----	--------------------	----	-------

	MYW	EUTHANASIA REQUEST	1	0.03%
--	-----	--------------------	---	-------

	NO	EUTHANASIA REQUEST	127	4.14%
	NO	EUTHANIZED SICK	18	0.59%

	ONC	EUTHANASIA REQUEST	1	0.03%
--	-----	--------------------	---	-------

	PA	EUTHANASIA REQUEST	68	2.22%
	PA	EUTHANIZED, TIME UP,	1	0.03%

	PR	EUTHANASIA REQUEST	48	1.57%
--	----	--------------------	----	-------

	SA	EUTHANASIA REQUEST	25	0.82%
--	----	--------------------	----	-------

	SE	EUTHANASIA REQUEST	3	0.10%
--	----	--------------------	---	-------

	SG	EUTHANASIA REQUEST	88	2.87%
	SG	ESCAPED	1	0.03%

	TOR	EUTHANASIA REQUEST	1	0.03%
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WH EUTHANASIA REQUEST
WH EUTHANIZED, TIME UP.

9 0.29%
1 0.03%

Total Calls 835 27.24%

835
- 1 DoA
834

Dog(s) AA EUTHANASIA REQUEST
AA VOIDED NUMBER

2 0.07%
1 0.03%

ART EUTHANASIA REQUEST

1 0.03%

Type	City Description	Total	Percent	
BEL	EUTHANASIA REQUEST	1	0.03%	
BG	EUTHANASIA REQUEST	110	3.59%	
BG	EUTHANIZED, TIME UP.	1	0.03%	
BLF	EUTHANASIA REQUEST	188	6.13%	
BLF	EUTHANIZED, TIME UP.	1	0.03%	
CAR	EUTHANASIA REQUEST	1	0.03%	
CE	EUTHANASIA REQUEST	4	0.13%	
CH	EUTHANASIA REQUEST	1	0.03%	
COM	EUTHANASIA REQUEST	1	0.03%	
CYN	EUTHANASIA REQUEST	2	0.07%	
DO	DEAD ON ARRIVAL	1	0.03%	-1
DO	EUTHANASIA REQUEST	263	8.58%	
DO	EUTHANIZED, TIME UP.	2	0.07%	
DO	VOIDED NUMBER	1	0.03%	1
FM	EUTHANASIA REQUEST	3	0.10%	
HAW	EUTHANASIA REQUEST	1	0.03%	
HB	EUTHANASIA REQUEST	2	0.07%	
HH	EUTHANASIA REQUEST	1	0.03%	
LA	EUTHANASIA REQUEST	7	0.23%	
LB	EUTHANASIA REQUEST	9	0.29%	
LK	CLAIMED BY OWNER	1	0.03%	
LK	EUTHANASIA REQUEST	196	6.39%	
LK	EUTHANIZED, TIME UP.	2	0.07%	
LM	EUTHANASIA REQUEST	3	0.10%	

MM	EUTHANASIA REQUEST	1	0.03%
NO	EUTHANASIA REQUEST	103	3.36%
NO	EUTHANIZED, TIME UP.	1	0.03%
MV	EUTHANASIA REQUEST	1	0.03%
NO	DEAD ON ARRIVAL	1	0.03%
NO	EUTHANASIA REQUEST	370	12.07%

Type	City	Description	Total	Percent
NO		EUTHANIZED SICK	2	0.07%
NO		EUTHANIZED, TIME UP.	2	0.07%
PA		EUTHANASIA REQUEST	130	4.24%
PA		EUTHANIZED, TIME UP.	1	0.03%
PR		EUTHANASIA REQUEST	204	6.66%
PR		EUTHANIZED, TIME UP.	1	0.03%
SA		CLAIMED BY OWNER	1	0.03%
SA		DEAD ON ARRIVAL	1	0.03%
SA		EUTHANASIA REQUEST	49	1.60%
SA		EUTHANIZED, TIME UP.	1	0.03%
SE		EUTHANASIA REQUEST	42	1.37%
SE		EUTHANIZED, TIME UP.	1	0.03%
SG		ADOPTED TO ADOPTION PARTNER	1	0.03%
SG		DEAD ON ARRIVAL	1	0.03%
SG		EUTHANASIA REQUEST	306	9.98%
SG		EUTHANIZED, TIME UP.	1	0.03%
SH		EUTHANASIA REQUEST	1	0.03%
TAR		EUTHANASIA REQUEST	1	0.03%
TOR		EUTHANASIA REQUEST	1	0.03%
WC		EUTHANASIA REQUEST	1	0.03%
WH		EUTHANASIA REQUEST	12	0.39%
Total Dog(s)			2,043	66.66%
Other(s) AA		VOIDED NUMBER	41	1.34%
BG		EUTHANASIA REQUEST	2	0.07%
BLF		EUTHANASIA REQUEST	16	0.52%
DO		EUTHANASIA REQUEST	14	0.46%
LK		EUTHANASIA REQUEST	18	0.59%
MT		EUTHANASIA REQUEST	1	0.03%

2043
- 6 DOA
2037

NO EUTHANASIA REQUEST

43 1.40%

PA EUTHANASIA REQUEST

22 0.72%

PR EUTHANASIA REQUEST

11 0.36%

SE EUTHANASIA REQUEST

3 0.10%

Type	City	Description	Total	Percent
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SG		EUTHANASIA REQUEST	15	0.49%
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WH		EUTHANASIA REQUEST	1	0.03%
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Total Other(s)			187	6.10%
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Total Disposition			3,065	
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187
 - 41 VOIDED #'s
 146

3065
 - 41
 - 6
 - 1
 3017

total e# 3017

06-10-2003

E03-2850	832	E03-2887	VI	E03-2924	828	E03-2961	006	E03-2998	DM	E03-3035	224	E03-3072	DM	E03-3109		E03-3146		E03-3183		E03-3220	
E03-2851	MC	E03-2888	PM	E03-2925	828	E03-2962	015	E03-2999	EL	E03-3036	EL	E03-3073	205	E03-3110		E03-3147		E03-3184		E03-3221	
E03-2852	EL	E03-2889	ML	E03-2926	828	E03-2963	EL	E03-3000	EL	E03-3037	EL	E03-3074	205	E03-3111		E03-3148		E03-3185		E03-3222	
E03-2853	878	E03-2890	ML	E03-2927	828	E03-2964	226	E03-3001	LYN	E03-3038	EL	E03-3075	219	E03-3112		E03-3149		E03-3186		E03-3223	
E03-2854	EL	E03-2891	EL	E03-2928	828	E03-2965	226	E03-3002	424	E03-3039	EL	E03-3076	222	E03-3113		E03-3150		E03-3187		E03-3224	
E03-2855	853	E03-2892	EL	E03-2929	855	E03-2966	226	E03-3003	20	E03-3040	EL	E03-3077		E03-3114		E03-3151		E03-3188		E03-3225	
E03-2856	ML	E03-2893	DM	E03-2930	Am	E03-2967	226	E03-3004	Am	E03-3041	Am	E03-3078		E03-3115		E03-3152		E03-3189		E03-3226	
E03-2857	ML	E03-2894	COB	E03-2931	828	E03-2968	226	E03-3005	Am	E03-3042	Am	E03-3079		E03-3116		E03-3153		E03-3190		E03-3227	
E03-2858	ML	E03-2895	COB	E03-2932	819	E03-2969	226	E03-3006	Am	E03-3043	CO	E03-3080		E03-3117		E03-3154		E03-3191		E03-3228	
E03-2859	087	E03-2896	COB	E03-2933	819	E03-2970	796	E03-3007	EL	E03-3044	Am	E03-3081		E03-3118		E03-3155		E03-3192		E03-3229	
E03-2860	EL	E03-2897	COB	E03-2934	819	E03-2971	FS	E03-3008	EL	E03-3045	EL	E03-3082		E03-3119		E03-3156		E03-3193		E03-3230	
E03-2861	ML	E03-2898	COB	E03-2935	V	E03-2972	Am	E03-3009	Am	E03-3046	Am	E03-3083		E03-3120		E03-3157		E03-3194		E03-3231	
E03-2862	138	E03-2899	CO	E03-2936	V	E03-2973	15	E03-3010	433	E03-3047	EL	E03-3084		E03-3121		E03-3158		E03-3195		E03-3232	
E03-2863	ML	E03-2900	DM	E03-2937	ML	E03-2974	ML	E03-3011	446	E03-3048	224	E03-3085		E03-3122		E03-3159		E03-3196		E03-3233	
E03-2864	143	E03-2901	524	E03-2938	EL	E03-2975	127	E03-3012	509	E03-3049	224	E03-3086		E03-3123		E03-3160		E03-3197		E03-3234	
E03-2865	143	E03-2902	DM	E03-2939	ML	E03-2976	EL	E03-3013	518	E03-3050	910	E03-3087		E03-3124		E03-3161		E03-3198		E03-3235	
E03-2866	210	E03-2903	DM	E03-2940	ML	E03-2977	155	E03-3014	EL	E03-3051	910	E03-3088		E03-3125		E03-3162		E03-3199		E03-3236	
E03-2867	147	E03-2904	DM	E03-2941	Am	E03-2978	155	E03-3015	592	E03-3052	ML	E03-3089		E03-3126		E03-3163		E03-3200		E03-3237	
E03-2868	235	E03-2905	COB	E03-2942	ML	E03-2979	EL	E03-3016	Am	E03-3053	ML	E03-3090		E03-3127		E03-3164		E03-3201		E03-3238	
E03-2869	ML	E03-2906	DM	E03-2943	EL	E03-2980	144	E03-3017	Am	E03-3054	ML	E03-3091		E03-3128		E03-3165		E03-3202		E03-3239	
E03-2870	20	E03-2907	DM	E03-2944	Am	E03-2981	130	E03-3018	Am	E03-3055	ML	E03-3092		E03-3129		E03-3166		E03-3203		E03-3240	
E03-2871	20	E03-2908	DM	E03-2945	.	E03-2982	EL	E03-3019	EL	E03-3056	Am	E03-3093		E03-3130		E03-3167		E03-3204		E03-3241	
E03-2872	EL	E03-2909	222	E03-2946	.	E03-2983	199	E03-3020	Am	E03-3057	910	E03-3094		E03-3131		E03-3168		E03-3205		E03-3242	
E03-2873	239	E03-2910	EL	E03-2947	.	E03-2984	ML	E03-3021	ML	E03-3058	EL	E03-3095		E03-3132		E03-3169		E03-3206		E03-3243	
E03-2874	ML	E03-2911	616	E03-2948	.	E03-2985	ML	E03-3022	2	E03-3059	EL	E03-3096		E03-3133		E03-3170		E03-3207		E03-3244	
E03-2875	JOV	E03-2912	EL	E03-2949	.	E03-2986	ML	E03-3023	LYN	E03-3060	Am	E03-3097		E03-3134		E03-3171		E03-3208		E03-3245	
E03-2876	EL	E03-2913	301	E03-2950	Am	E03-2987	224	E03-3024	ML	E03-3061	Am	E03-3098		E03-3135		E03-3172		E03-3209		E03-3246	
E03-2877	Am	E03-2914	Am	E03-2951	999	E03-2988	EL	E03-3025	ML	E03-3062	CO	E03-3099		E03-3136		E03-3173		E03-3210		E03-3247	
E03-2878	ML	E03-2915	Am	E03-2952	EL	E03-2989	DM	E03-3026	Am	E03-3063	909	E03-3100		E03-3137		E03-3174		E03-3211		E03-3248	
E03-2879	ML	E03-2916	ML	E03-2953	EL	E03-2990	DM	E03-3027	217	E03-3064	203	E03-3101		E03-3138		E03-3175		E03-3212		E03-3249	
E03-2880	Am	E03-2917	721	E03-2954	Am	E03-2991	DM	E03-3028	EL	E03-3065	DM	E03-3102		E03-3139		E03-3176		E03-3213		E03-3250	
E03-2881	Am	E03-2918	721	E03-2955	ML	E03-2992	DM	E03-3029	C	E03-3066	DM	E03-3103		E03-3140		E03-3177		E03-3214		E03-3251	
E03-2882	Am	E03-2919	727	E03-2956	ML	E03-2993	DM	E03-3030	7	E03-3067	COB	E03-3104		E03-3141		E03-3178		E03-3215		E03-3252	
E03-2883	Am	E03-2920	Am	E03-2957	221	E03-2994	DM	E03-3031	7	E03-3068	COB	E03-3105		E03-3142		E03-3179		E03-3216		E03-3253	
E03-2884	ML	E03-2921	828	E03-2958	PM	E03-2995	DM	E03-3032	217	E03-3069	084	E03-3106		E03-3143		E03-3180		E03-3217		E03-3254	
E03-2885	Am	E03-2922	828	E03-2959	DM	E03-2996	12	E03-3033	Am	E03-3070	084	E03-3107		E03-3144		E03-3181		E03-3218		E03-3255	
E03-2886	EL	E03-2923	828	E03-2960	COB	E03-2997	27	E03-3034	EL	E03-3071	142	E03-3108		E03-3145		E03-3182		E03-3219			

EUTHANASIA NUMBERS

SEAACA
ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION
Based on Actual FY 2002-03 actual data

Department	Total Costs	% of Total	Allowable Indirect Costs	Allowable Direct Costs
Administration Support	\$984,532	36%	\$984,532	
Animal Control	\$587,138	21%		\$587,138
Animal Shelter	\$472,352	17%		\$472,352
Animal Kennel	\$198,616	7%		\$198,616
Veterinary Services	\$282,292	10%		\$282,292
License Canvassing	\$236,901	9%		\$236,901
Totals:	\$2,761,831	100%	\$984,532	\$1,777,299

Animal Shelter & Kennel Share ==

$$\frac{\text{Shelter \& Kennel Costs}}{\text{Total Expenditures}} = \frac{\$670,968}{\$2,761,831} = 24.29\% \text{ of Admin Support Costs Allocable to Shelter \& Kennel Functions}$$

$$\begin{array}{rcl} 24.29\% \times \$984,532 & = & \$239,185 \\ \text{Shelter \& Kennel Share} \times \text{Admin Division Expenditures} & = & \text{Admin Overhead} \end{array}$$

5 SEACA
000 PUBLIC SAFETY
500 ANIMAL CONTROL
510 ANIMAL CONT/ADM SUP.

Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
000 PERSONNEL SERVICES						
010 REGULAR SALARIES	224,323.00	206,626.20	206,626.20	0.00	17,696.80	92.1
060 LEAVE TIME APPLIED %	0.00	3,466.92	3,466.92	0.00	-3,466.92	*****
070 RET/PR INS-APPD %	35,892.00	26,389.18	26,389.18	0.00	9,502.82	73.5
080 VACATION	0.00	12,743.74	12,743.74	0.00	-12,743.74	*****
081 HOLIDAY	0.00	5,366.03	5,366.03	0.00	-5,366.03	*****
082 SICK REGULAR	0.00	1,196.51	1,196.51	0.00	-1,196.51	*****
083 SICK FAMILTY	0.00	297.20	297.20	0.00	-297.20	*****
094 MEDICARE EMPLOYER TAX	20,443.00	19,345.64	19,345.64	0.00	1,097.36	94.6
PERSONNEL SERVICES	280,658.00	275,431.42	275,431.42	0.00	5,226.58	98.1
130 OFFICE SUPPLIES	3,500.00	6,224.73	6,224.73	0.00	-2,724.73	177.8
140 SPECIAL ACT SUPPLIES	3,500.00	6,803.46	6,803.46	0.00	-3,303.46	194.4
160 BOOKS & PUBLICATIONS	300.00	116.44	116.44	0.00	183.56	38.8
290 SMALL TOOLS AND IMPLEMENTS	300.00	-38.38	-38.38	0.00	338.38	-12.8
310 ADVERTISING	700.00	634.49	634.49	0.00	65.51	90.6
320 PRINTING & BINDING	2,000.00	3,263.25	3,263.25	0.00	-1,263.25	163.2
340 PRINTSHOP CHARGES	2,000.00	1,087.78	1,087.78	0.00	912.22	54.4
361 BUILDING RENTAL	32,114.00	32,113.88	32,113.88	0.00	0.12	100.0
450 AUDITING SERVICES	4,200.00	4,200.00	4,200.00	0.00	0.00	100.0
451 ADMINISTRATIVE OVERHEAD	40,000.00	40,000.08	40,000.08	0.00	-0.08	100.0
470 LEGAL SRVCS-RETAINER	3,000.00	20,013.08	20,013.08	0.00	-17,013.08	667.1
580 TRAVEL & MEET EXPENSES	6,300.00	7,845.96	7,845.96	0.00	-1,545.96	124.5
590 TRAVEL & MEET EXP-SPC	20,500.00	20,000.00	20,000.00	0.00	500.00	97.6
630 UNEMPLOYMENT INSURANCE	12,000.00	29,030.00	29,030.00	0.00	-17,030.00	241.9
640 POSTAGE	2,500.00	2,375.76	2,375.76	0.00	124.24	95.0
670 PROF & TECH SERVICES FEES	1,800.00	2,436.40	2,436.40	0.00	-636.40	135.4
690 MEDICAL EXAM FEES	600.00	620.00	620.00	0.00	-20.00	103.3
700 CONTRACT SERVICES-MOC	17,200.00	31,828.79	31,828.79	0.00	-14,628.79	185.1
710 PUBLIC LIABILITY INSURANCE	56,024.00	60,765.80	60,765.80	0.00	-4,741.80	108.5
712 RETRO LIABILITY	37,502.00	0.00	0.00	0.00	37,502.00	0.0
740 HEALTH INSURANCE	186,627.00	198,341.54	198,341.54	0.00	-11,714.54	106.3
760 WORKERS COMP INSURANCE	210,079.00	210,831.00	210,831.00	0.00	-752.00	100.4
762 RETRO WORKER S COMP	0.00	-9,676.00	-9,676.00	0.00	9,676.00	*****
765 LTD INSURANCE	14,000.00	13,045.98	13,045.98	0.00	954.02	93.2
780 RETIREMENT-PERS	0.00	4,457.22	4,457.22	0.00	-4,457.22	*****
870 EQUIPMENT RENT-PRIVATE	10,000.00	8,968.77	8,968.77	0.00	1,031.23	89.7

95 SEAACA
2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2510 ANIMAL CONT/ADM SUP.

Title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
0900 OFFICE EQUIPMENT						
0900 OFFICE EQUIPMENT	0.00	13,810.94	13,810.94	0.00	-13,810.94	*****
OFFICE EQUIPMENT	666,746.00	709,100.97	709,100.97	0.00	-42,354.97	106.4
ANIMAL CONT/ADM SUP.	947,404.00	984,532.39	984,532.39	0.00	-37,128.39	103.9

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Expenditure Status Report
City of Downey
07/01/2002 through 06/30/2003

SEAACA
PUBLIC SAFETY
ANIMAL CONTROL
ANIMAL CONT/PATROL

75
2000
2500
2520

Title/Account number

	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
0000 PERSONNEL SERVICES				0.00	71,646.23	84.5
0000 PERSONNEL SERVICES	462,746.00	391,099.77	391,099.77	0.00	-24,641.53	*****
0010 REGULAR SALARIES	0.00	24,641.53	24,641.53	0.00	-8,018.52	150.1
0020 TEMPORARY PERSONNEL	16,000.00	24,018.52	24,018.52	0.00	35,577.64	45.1
0030 OVERTIME	64,787.00	29,209.36	29,209.36	0.00	-13,643.69	*****
0070 RET/PR INS-APPD %	0.00	13,643.69	13,643.69	0.00	-10,889.65	*****
0080 VACATION	0.00	10,889.65	10,889.65	0.00	-8,902.75	*****
0081 HOLIDAY	0.00	8,902.75	8,902.75	0.00	-1,479.78	*****
0082 SICK REGULAR	0.00	1,479.78	1,479.78	0.00	-6,497.63	*****
0083 SICK FAMILY	0.00	6,497.63	6,497.63	0.00	-175.90	*****
0085 HOLIDAY OVERTIME	0.00	175.90	175.90	0.00	32,974.42	93.9
0089 COMP TIME USED	543,533.00	510,558.58	510,558.58	0.00		
PERSONNEL SERVICES				0.00	-2,791.57	193.1
0140 SPECIAL ACT SUPPLIES	3,000.00	5,791.57	5,791.57	0.00	-1,359.72	122.7
0180 CLOTHING	6,000.00	7,359.72	7,359.72	0.00	500.00	0.0
0320 PRINTING & BINDING	500.00	0.00	0.00	0.00	55.17	84.2
0330 PHOTO & BLUEPRINTING	350.00	294.83	294.83	0.00	236.53	21.2
0340 PRINTSHOP CHARGES	300.00	63.47	63.47	0.00	346.85	65.3
0480 STAFF DEVELOPMENT	1,000.00	653.15	653.15	0.00	0.00	100.0
0700 CONTRACT SERVICES-HOC	14,000.00	14,000.00	14,000.00	0.00	-5,416.94	112.6
0860 EQUIPMENT RENT-CITY	43,000.00	48,416.94	48,416.94	0.00	34,000.00	0.0
0861 EQUIPMENT RENT-REPLACEMENT	34,000.00	0.00	0.00	0.00		
ANIMAL CONT/PATROL	645,683.00	587,138.26	587,138.26	0.00	58,544.74	90.9

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Expenditure Status Report
City of Downey
07/01/2002 through 06/30/2003

Page: 290

SEACA
1 PUBLIC SAFETY
3 ANIMAL CONTROL
3 ANIMAL SHELTER

le/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
10 PERSONNEL SERVICES						
10 PERSONNEL SERVICES						
10 REGULAR SALARIES	415,460.00	188,293.07	188,293.07	0.00	227,166.93	45.3
20 TEMPORARY PERSONNEL	0.00	20,153.76	20,153.76	0.00	-20,153.76	*****
30 OVERTIME	9,000.00	5,313.06	5,313.06	0.00	3,686.94	59.0
40 RET/PR INS-APPO %	52,491.00	29,789.84	29,789.84	0.00	22,701.16	56.8
50 VACATION	0.00	9,781.60	9,781.60	0.00	-9,781.60	*****
61 HOLIDAY	0.00	4,732.57	4,732.57	0.00	-4,732.57	*****
82 SICK REGULAR	0.00	5,153.40	5,153.40	0.00	-5,153.40	*****
83 SICK FAMILY	0.00	429.50	429.50	0.00	-429.50	*****
85 HOLIDAY OVERTIME	0.00	3,896.46	3,896.46	0.00	-3,896.46	*****
89 COMP TIME USED	0.00	308.21	308.21	0.00	-308.21	*****
PERSONNEL SERVICES	476,951.00	267,851.47	267,851.47	0.00	209,099.53	56.2
40 SPECIAL ACT SUPPLIES	30,000.00	35,556.03	35,556.03	0.00	-5,556.03	118.5
41 INDUSTRIAL GAS-SEAACA	12,000.00	15,682.81	15,682.81	0.00	-3,682.81	130.7
42 ANIMAL LICENSE SUPPLIES	4,000.00	1,874.70	1,874.70	0.00	2,125.30	46.9
180 CLOTHING	3,000.00	3,007.27	3,007.27	0.00	-7.27	100.2
320 PRINTING & BINDING	2,000.00	2,003.96	2,003.96	0.00	-3.96	100.2
340 PRINTSHOP CHARGES	1,200.00	963.65	963.65	0.00	236.35	80.3
360 SVCS MAINTAIN BLDGS	8,000.00	8,624.01	8,624.01	0.00	-624.01	107.8
410 SVCS MAINT COMM EQUIPMENT	12,500.00	10,907.75	10,907.75	0.00	1,592.25	87.3
480 STAFF DEVELOPMENT	1,500.00	400.00	400.00	0.00	1,100.00	26.7
550 ELECTRICITY BILLS	35,000.00	42,025.12	42,025.12	0.00	-7,025.12	120.1
556 GAS BILLS	8,000.00	111.36	111.36	0.00	7,888.64	1.4
560 TELEPHONE	22,500.00	25,844.23	25,844.23	0.00	-3,344.23	114.9
570 WATER	13,000.00	2,501.14	2,501.14	0.00	10,498.86	19.2
1700 CONTRACT SERVICES-MOC	28,260.00	54,978.19	54,978.19	0.00	-26,718.19	194.5
1870 EQUIPMENT RENT-PRIVATE	500.00	20.00	20.00	0.00	480.00	4.0
ANIMAL SHELTER	658,411.00	472,351.69	472,351.69	0.00	186,059.31	71.7

95
2000
2500
2531

SEAACA
PUBLIC SAFETY
ANIMAL CONTROL
KENNEL

Title/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
0000 PERSONNEL SERVICES						
0000 PERSONNEL SERVICES						
0010 REGULAR SALARIES						
0020 TEMPORARY PERSONNEL	0.00	158,335.74	158,335.74		-158,335.74 *****	
0030 OVERTIME	0.00	17,890.12	17,890.12	0.00	-17,890.12 *****	
0080 VACATION	0.00	8,991.91	8,991.91	0.00	-8,991.91 *****	
0081 HOLIDAY	0.00	4,304.21	4,304.21	0.00	-4,304.21 *****	
0082 SICK REGULAR	0.00	4,284.15	4,284.15	0.00	-4,284.15 *****	
0083 SICK FAMILY	0.00	1,135.17	1,135.17	0.00	-1,135.17 *****	
0085 HOLIDAY OVERTIME	0.00	609.02	609.02	0.00	-609.02 *****	
0089 COMP TIME USED	0.00	3,062.61	3,062.61	0.00	-3,062.61 *****	
	0.00	2.89	2.89	0.00	-2.89 *****	
KENNEL	0.00	198,615.82	198,615.82	0.00	-198,615.82 *****	

SEAACA
PUBLIC SAFETY
ANIMAL CONTROL
VETERINARY SERVICES

count number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
SONNEL SERVICES						
SONNEL SERVICES						
ULAR SALARIES	174,229.00	160,071.77	160,071.77	0.00	14,157.23	91.9
RTIME	500.00	775.43	775.43	0.00	-275.43	155.1
/PR TNS-APPD %	26,028.00	19,159.47	19,159.47	0.00	6,868.53	73.6
ATION	0.00	9,209.18	9,209.18	0.00	-9,209.18	*****
IDAY	0.00	4,320.35	4,320.35	0.00	-4,320.35	*****
K REGULAR	0.00	2,371.41	2,371.41	0.00	-2,371.41	*****
K FAMILY	0.00	122.70	122.70	0.00	-122.70	*****
IDAY OVERTIME	0.00	1,174.28	1,174.28	0.00	-1,174.28	*****
IP TIME USED	0.00	178.22	178.22	0.00	-178.22	*****
SONNEL SERVICES	200,757.00	197,382.81	197,382.81	0.00	3,374.19	98.3
OTAL ACT SUPPLIES	43,000.00	65,321.65	65,321.65	0.00	-22,321.65	151.9
THING	1,000.00	948.91	948.91	0.00	51.09	94.9
ILL TOOLS AND IMPLEMENTS	1,200.00	0.00	0.00	0.00	1,200.00	0.0
IFF DEVELOPMENT	1,200.00	425.00	425.00	0.00	775.00	35.4
ITRACT SERVICES-MOC	26,000.00	18,213.56	18,213.56	0.00	7,786.44	70.1
ETERINARY SERVICES	273,157.00	282,291.93	282,291.93	0.00	-9,134.93	103.3

**Claim for Payment
Pursuant to Government Code Section 17561
ANIMAL ADOPTION**

For State Controller Use Only

(19) Program Number: 00213

(20) Date Filed ____/____/____

(21) LRS Input ____/____/____

Program

213

(01) Claimant Identification Number 5619001

(02) Claimant Name Southeast Area Animal Control Agency
Mailing Address 9777 SEAACA Street
Street Address or P.O. Box
City Downey
State CA Zip Code 90241

(22) AA-1 (04)(A)(1)(f)

(23) AA-1 (04)(A)(2)(f)

(24) AA-1 (04)(A)(3)(f)

Type of Claim	Estimated Claim	Reimbursement Claim
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	

(25) AA-1 (04)(B)(1)(f)

(26) AA-1 (04)(B)(2)(f)

(27) AA-1 (04)(B)(3)(f)

(28) AA-1 (04)(B)(4)(f)

Fiscal Year of Cost (06) 2007-08 (12) 2006-07

(29) AA-1 (04)(B)(5)(f)

Total Claimed (07) \$500,000 (13) \$524,800

(30) AA-1 (04)(B)(6)(f)

Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)

(31) AA-1 (04)(B)(7)(f)

Less: Estimated Claim Payment Received

(32) AA-1 (04)(B)(8)(f)

Net Claimed Amount (16) \$524,800

(33) AA-1 (04)(B)(9)(f)

Due from State (08) \$500,000 (17) \$524,800

(34) AA-1 (04)(B)(10)(f)

Due to State (09)

(35) AA-1 (06)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file mandate cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive.

I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and set forth in the parameters and guidelines are identified, all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date

Dan Morrison

January 15, 2008

Dan Morrison

Executive Director

Copy of Print Name

Title

Name of Contact Person for Claim

Telephone Number

E-Mail Address

Annette S. Chinn (CRS)

(916) 939-7901

ACHinnCRS@aol.com

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-1**

(01) Claimant Southeast Area Animal Control Agency	(02) Type of Claim Reimbursement <input checked="" type="checkbox"/> Estimated <input checked="" type="checkbox"/>	Fiscal Year 2006-07 2007-08 (see FAM-27 for estimate)
--	---	--

Claim Statistics

(03) Department	SEAACA
------------------------	---------------

Direct Costs

	(a)	(b)	(c & d)	(e)	(f)	(g)
	Salaries	Benefits	Services and Supplies	Fixed Assets	Travel and Training	Total
(04) Reimbursable Components						
A. ONE-TIME COSTS						
1. Policies and Procedures						
2. Training						
3. Computer Software						
B. ON-GOING COSTS						
1. Acquiring Space / Facilities						
2. Renovating Facilities						
3. Care of Dogs and Cats			\$397,159			\$397,159
4. Care of Other Animals			\$6,593			\$6,593
5. Holding Period			\$164,993			\$164,993
6. Feral Cats						
7. Lost and Found Lists						
8. Non-Medical Records						
9. Veterinary Care						
10. Procuring Equipment						
(05) Total Direct Costs			\$568,744			\$568,744

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	\$568,744

Cost Reductions

(09) Less: Offsetting Savings, if applicable	(Lakewood's costs which they are claiming directly)	\$43,943
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10))	\$524,800

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2006-07

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ **Care of Dogs & Cats**
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 6,181									
Total Cats Held = 10,647									
Total Other Animals Held = 1,400									
at an average daily census of 127,596									
Total STRAY Dogs Euthanized= 2,782									
Total STRAY Cats Euthanized = 6,595									
(mandate added 2 extra holding days)									
Total STRAY FERAL Cats Euth.= 2,983									
(mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =						\$79,767			
Total Costs for STRAY Cats Euthanized =						\$189,096			
Total Costs for STRAY Feral Cats Euthanized =						\$128,296			
Total Animal Care Costs:									
Shelter Division Expends= \$474,578									
Kennel Division Expend. = \$223,490									
Veterinary Division Expend.= \$462,174									
Overhead Share/Admin Charges : \$677,877									
(less Euthanasia supplies) = -\$8,864									
TOTAL \$1,829,255									
Cost per animal = \$100.35									
Cost per animal/per day \$14.34									
Total Mandate Related Costs =									
Eligible Pop. Extra Days Mandate 28,163									
Total Animal Days of Service 127,596									
or 28,163 Strays Euthanized									
127,596 Total Care & Maint									
= 22% of total Shelter & Kennel costs relate to eligible Care & Maint. mandated costs.									
(05) Total						\$397,159			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2006-07

Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☒ **Care of Other Animals** ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 6,181									
Total Cats Held = 10,647									
Total Other Animals Held = 1,400									
at an average daily census of 127,596									
Total STRAY Other Euthanized = 115						\$6,593			
(mandate added 4 extra holding days)									
(Owner Turn-in animals not included in number above)									
Total Animal Care Costs:									
Shelter Division Expend.= \$474,578									
Kennel Division Expend. = \$223,490									
Veterinary Division Expend.= \$462,174									
Overhead Share/Admin Charge \$677,877									
(less Euthanasia supplies) = -\$8,864									
TOTAL \$1,829,255									
Cost per animal = \$100.35									
Cost per animal/per day \$14.34									
(05) Total						\$6,593			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2006-07

3) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☐ Care of Other Animals ☒ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
<p>Cost of Increasing Hours of Operation per Hayden Bill</p> <p>Number of additional hours facility operating hours pursuant to Hayden Bill = 7 additional hrs/week</p> <p>Total Shelter and Kennel Costs \$1,367,081 (less Veterinary costs)</p> <p>Total hours of facility ops.= 3,016 (8am-5pm Mon, 8am-6pm Tue.-Fri., plus Sat. 8-5 pm)</p> <p>Additional Hours mandated = 364 open to public 10 am - 5 pm Sat.</p> <p>Cost per hour = \$453</p> <p>Cost of Addit. Hours mandated : \$164,993 (7 additional hrs. per week mandated by staying open) one weekend day = Sat. 10 am - 5 pm)</p>						\$164,993			
(05) Total						\$164,993			

DISTRIBUTION OF COST RECOVERY (SB90 CLAIM) TO USER AGENCIES

	Bell Gardens	Beilflower	Downey	Lakewood **	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Spr	S. El Monte	South Gate	Vernon	Out of Dist	SEAACA S	TOTALS
	1,675	2,930	5,355	2,388	2,290	4,784	2,799	2,936	1,040	640	3,745	133	126	66	30,907
	5.42%	9.48%	17.33%	7.726%	7.41%	15.48%	9.06%	9.50%	3.36%	2.07%	12.12%	0.43%	0.41%	0.21%	100.00%
\$30,822.99	\$53,917.22	\$98,541.55	\$43,943.46	\$42,140.08	\$88,034.13	\$51,506.59	\$54,027.63	\$19,137.85	\$11,777.14	\$68,914.68	\$2,447.44	\$2,318.62	\$1,214.52	\$568,744	\$524,800.45

****CLAIMED
SEPARATELY
BY LAKEWOOD**

SEAACA
ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION
Based on Actual FY 2006-07 actual data

Department	Total Costs	% of Total	Allowable Indirect Costs	Allowable Direct Costs
Administration Support	\$1,165,920		\$1,165,920	
Animal Control/Patrol	\$536,103	27%		\$536,103
<i>Animal Shelter</i>	<i>\$474,578</i>	24%		<i>\$474,578</i>
<i>Animal Kennel</i>	<i>\$223,490</i>	11%		<i>\$223,490</i>
<i>Veterinary Services</i>	<i>\$462,174</i>	23%		<i>\$462,174</i>
License Canvassing	\$299,222	15%		\$299,222
Division Totals	\$1,995,567	100%	\$1,165,920	\$1,995,567

Animal Shelter & Kennel Share ==

Shelter, Kennel & Vet Costs	=	\$1,160,242	=	58.14% of Admin Support Costs Allocable
Total Expenditures (less admin)		\$1,995,567		to Shelter & Kennel Functions

58.14% x	\$1,165,920	=	\$677,877
Shelter & Kennel Share	x Admin Division Expenditures	=	Admin Overhead

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE ONE**

MONTH OF JUNE 2007																
	Bell Gardens	Bellflower	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total	
LIVE ANIMALS IMPOUNDED																
Dogs	15	55	132	37	30	84	55	34	10	14	62	2	3	5	538	
Cats	84	111	194	74	68	144	56	67	32	26	93	2	1	5	957	
Miscellaneous	3	11	41	25	7	25	8	14	2	3	44	2	-	4	189	
Feral Cats	12	60	66	29	32	53	51	47	20	5	49	1	-	-	425	
Dogs Year To Date	286	554	1,249	406	330	868	650	515	185	145	851	31	58	53	6,181	
Cats Year To Date	469	770	1,298	512	609	1,177	645	695	246	173	899	18	35	53	7,599	
Miscellaneous Year To Date	49	143	400	133	84	191	70	110	36	25	133	11	3	12	1,400	
Feral Cats Year To Date	140	322	397	272	225	521	297	317	123	42	351	12	6	23	3,048	
Dogs YTD Last Year	277	503	1,198	458	339	902	566	555	230	156	872	33	67	77	6,233	
Cats YTD Last Year	347	629	1,454	512	552	1,079	670	723	241	211	746	22	68	73	7,327	
Misc. YTD Last Year	52	146	350	154	86	276	77	102	44	15	89	5	12	23	1,431	
Feral YTD Last Year	159	366	557	312	342	561	368	407	195	123	414	11	-	37	3,852	
DEAD ANIMALS IMPOUNDED																
Dogs	6	6	22	9	8	26	9	21	10	5	18	-	1	4	145	
Cats	19	33	43	32	30	41	20	24	11	6	19	-	1	-	279	
Miscellaneous	4	13	40	27	21	16	11	19	9	3	41	-	1	3	208	
Feral Cats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dogs Year To Date	100	127	235	137	138	401	144	213	60	67	268	-	32	8	1,930	
Cats Year To Date	150	313	496	288	283	475	261	314	144	107	318	2	5	2	3,158	
Miscellaneous Year To Date	45	207	475	301	187	268	142	159	60	48	113	1	4	3	2,013	
Feral Cats Year To Date	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dogs YTD Last Year	94	144	245	136	114	327	115	205	67	61	235	3	24	6	1,776	
Cats YTD Last Year	119	311	479	309	238	434	214	334	116	83	339	2	23	4	3,005	
Misc. YTD Last Year	37	212	435	312	142	226	128	162	61	28	82	3	2	-	1,830	
ANIMALS EUTHANIZED																
Dogs	10	22	51	14	17	34	42	20	3	9	28	1	2	-	253	
Cats	78	91	157	67	53	135	55	61	26	25	85	2	3	-	838	
Miscellaneous	3	10	32	21	4	24	5	12	2	3	33	2	-	-	151	
Feral Cats	11	60	65	29	31	53	51	47	20	5	49	1	-	-	422	
Dogs Year To Date	149	248	497	174	169	370	318	254	99	81	387	18	18	-	2,782	
Cats Year To Date	417	604	1,157	426	532	1,041	570	609	208	155	817	18	34	7	6,595	
Miscellaneous Year To Date	36	71	202	99	60	108	36	70	18	12	80	7	1	1	801	
Feral Cats Year To Date	133	314	413	264	216	510	293	310	118	40	339	11	6	16	2,983	
Dogs YTD Last Year	164	243	505	215	202	419	301	268	107	97	505	24	17	-	3,067	
Cats YTD Last Year	312	484	1,300	455	484	945	617	640	211	187	756	23	61	7	6,482	
Misc. YTD Last Year	29	79	170	76	35	158	41	72	29	17	53	2	2	-	763	
Feral YTD Last Year	158	348	570	308	331	582	373	390	196	103	431	8	2	2	3,802	

SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE TWO

MONTH OF JUNE 2007	Bell Gardens	Bellflower	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total
ANIMALS PLACED IN NEW HOMES															
Dogs	4	15	39	11	10	5	12	7	-	3	16	1	2	1	126
Cats	5	8	14	1	3	9	4	2	5	7	10	-	1	-	69
Miscellaneous	-	-	2	-	3	-	-	2	-	-	-	-	-	-	7
Feral Cats	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1
Dogs Year To Date	86	165	356	1	88	227	207	154	2	37	267	7	24	16	1,637
Cats Year To Date	30	61	154	53	47	109	43	49	22	24	90	-	9	3	694
Miscellaneous Year To Date	10	11	53	9	23	26	14	11	5	11	15	1	-	-	189
Feral Cats Year To Date	-	3	5	8	2	4	2	4	1	-	4	-	-	-	33
Dogs YTD Last Year	64	124	293	1	76	217	139	144	-	37	227	4	31	25	1,382
Cats YTD Last Year	33	64	156	49	69	92	47	52	19	9	60	-	9	16	675
Misc. YTD Last Year	25	28	110	18	25	67	25	18	6	4	30	2	9	4	371
Feral YTD Last Year	1	4	4	1	6	6	3	10	5	-	3	-	-	-	42
ANIMALS RETURNED TO THEIR OWNERS															
Dogs	3	5	25	10	5	19	3	7	2	3	16	1	2	1	102
Cats	-	4	-	2	-	2	1	2	5	7	10	-	1	-	34
Miscellaneous	-	-	11	2	-	6	-	3	-	-	2	-	-	-	24
Feral Cats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dogs Year To Date	39	117	301	107	49	192	95	93	44	14	106	2	4	11	1,174
Cats Year To Date	2	26	43	21	12	44	13	14	6	11	22	-	2	1	217
Miscellaneous Year To Date	4	46	130	15	5	49	2	20	6	-	21	1	1	2	302
Feral Cats Year To Date	-	-	1	1	-	-	-	1	-	-	-	-	-	-	3
Dogs YTD Last Year	44	120	302	142	60	187	78	98	57	16	102	2	2	4	1,214
Cats YTD Last Year	3	16	44	16	2	14	14	10	8	2	10	-	1	1	141
Misc. YTD Last Year	10	12	79	15	6	30	11	10	7	-	5	-	2	2	189
Feral Cats YTD Last Year	-	-	-	1	-	1	-	-	-	-	-	-	-	-	2
ANIMALS THAT DIED IN CUSTODY															
Dogs	-	1	6	-	-	-	-	-	-	-	-	-	-	-	7
Cats	-	1	-	1	-	1	2	-	-	-	-	-	-	-	5
Miscellaneous	-	-	-	1	-	-	-	-	-	-	1	-	-	2	4
Feral Cats	-	-	-	-	-	-	-	1	-	-	1	-	-	-	2
Dogs Year To Date	5	5	19	2	1	6	11	3	1	1	8	-	-	3	65
Cats Year To Date	2	6	16	6	1	4	4	1	-	-	3	-	-	2	45
Miscellaneous Year To Date	1	3	12	6	1	2	2	-	2	1	4	-	-	2	36
Feral Cats Year To Date	2	4	3	4	2	3	-	2	-	4	4	-	-	1	29
Dogs YTD Last Year	4	7	12	5	4	10	6	7	3	3	8	3	1	3	76
Cats YTD Last Year	4	3	17	7	7	12	4	11	1	5	11	1	-	10	93
Misc. YTD Last Year	6	4	13	28	6	5	4	4	-	-	3	1	-	2	76
Feral Cats YTD Last Year	1	1	3	2	5	2	7	5	-	1	2	-	-	1	30

Totals

$$3414 = 15$$

5/10/1

23

10/2

15

7

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280

8/27/20

[illegible]

Breed	Total Of Impound	<=>	10-5	ADOPT	CBO	DIED	DIS	DIU	DOA	EAA	EI	EOR	ES	ESC	ET	EVS	EW	EY	RTW	STOLEN	TRANSFER	VOID
Skunk	42								35				3				4					
Snake	31	2		10	2		1		13										2			
Squirrel	40			1					32		2		1						4			
Turtle	27		1	15	1		1		5		3									1		
Z-Do Not Use	6								5								1					
Z-Do Not Use	151	1			1	1	3		91		27		9	1	4			6	7			

15 2 194 15 45 20 6 2012 1 25 15 105 6 7 282 745 1 55 1

3414

V = personal property animals

Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2510 ANIMAL CONT/ADM SUP.						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	276,944.00	237,364.84	237,364.84	0.00	39,579.16	85.71
0020 TEMPORARY PERSONNEL	0.00	27,015.00	27,015.00	0.00	-27,015.00	0.00
0060 LEAVE TIME APPLIED %	0.00	28,014.80	28,014.80	0.00	-28,014.80	0.00
0070 RET/PR INS-APPD %	41,010.00	34,895.24	34,895.24	0.00	6,114.76	85.09
0080 VACATION	0.00	15,942.47	15,942.47	0.00	-15,942.47	0.00
0081 HOLIDAY	0.00	9,057.20	9,057.20	0.00	-9,057.20	0.00
0082 SICK REGULAR	0.00	1,772.43	1,772.43	0.00	-1,772.43	0.00
0094 MEDICARE EMPLOYER TAX	24,672.00	22,247.40	22,247.40	0.00	2,424.60	90.17
Total PERSONNEL SERVICES	342,626.00	376,309.38	376,309.38	0.00	-33,683.38	109.83
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	5,600.00	13,680.63	13,680.63	0.00	-8,080.63	244.30
0140 SPECIAL ACT SUPPLIES	4,750.00	5,891.76	5,891.76	0.00	-1,141.76	124.04
0160 BOOKS & PUBLICATIONS	300.00	1,062.80	1,062.80	0.00	-762.80	354.27
0180 CLOTHING	0.00	76.52	76.52	0.00	-76.52	0.00
0310 ADVERTISING	1,600.00	6,574.49	6,574.49	0.00	-4,974.49	410.91
0320 PRINTING & BINDING	3,100.00	3,936.03	3,936.03	0.00	-836.03	126.97
0340 PRINTSHOP CHARGES	4,000.00	3,148.43	3,148.43	0.00	851.57	78.71
0361 BUILDING RENTAL	30,000.00	0.00	0.00	0.00	30,000.00	0.00
0450 AUDITING SERVICES	4,500.00	4,000.00	4,000.00	0.00	500.00	88.89
0451 ADMINISTRATIVE OVERHEAD	40,000.00	40,000.08	40,000.08	0.00	-0.08	100.00
0470 LEGAL SRVCS-RETAINER	2,000.00	10,325.85	10,325.85	0.00	-8,325.85	516.29
0480 STAFF DEVELOPMENT	0.00	300.00	300.00	0.00	-300.00	0.00
0580 TRAVEL & MEET EXPENSES	6,500.00	11,328.18	11,328.18	0.00	-4,828.18	174.28
0590 TRAVEL & MEET EXP-SPC	20,800.00	19,350.00	19,350.00	0.00	1,450.00	93.03
0630 UNEMPLOYMENT INSURANCE	12,000.00	25,050.00	25,050.00	0.00	-13,050.00	208.75

Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

Account Number		Adjusted	Expenditures	Year-to-date	Year-to-date	Balance	Pct
		Appropriation	Expenditures	Expenditures	Encumbrances		Used
95	SEAACA						
2000	PUBLIC SAFETY						
2500	ANIMAL CONTROL						
2510	ANIMAL CONT/ADM SUP.						
0640	POSTAGE	2,300.00	2,359.90	2,359.90	0.00	-59.90	102.60
0670	PROF & TECH SERVICES FEES	1,200.00	2,884.00	2,884.00	0.00	-1,684.00	240.33
0690	MEDICAL EXAM FEES	1,000.00	1,740.00	1,740.00	0.00	-740.00	174.00
0700	CONTRACT SERVICES-MOC	58,000.00	123,668.31	123,668.31	0.00	-65,668.31	213.22
0710	PUBLIC LIABILITY INSURANCE	132,209.00	133,037.20	133,037.20	0.00	-828.20	100.63
0740	HEALTH INSURANCE	230,000.00	202,120.82	202,120.82	0.00	27,879.18	87.88
0760	WORKERS COMP INSURANCE	133,765.00	133,765.00	133,765.00	0.00	0.00	100.00
0765	LTD INSURANCE	14,000.00	9,024.93	9,024.93	0.00	4,975.07	64.46
0780	RETIREMENT-PERS	0.00	9,512.32	9,512.32	0.00	-9,512.32	0.00
0861	EQUIPMENT RENT-REPLACEMENT	25,000.00	0.00	0.00	0.00	25,000.00	0.00
0870	EQUIPMENT RENT-PRIVATE	10,000.00	3,307.93	3,307.93	0.00	6,692.07	33.08
	Total OPR MATL & SUPPLIES	742,624.00	766,145.18	766,145.18	0.00	-23,521.18	103.17
00	OFFICE EQUIPMENT						
0900	OFFICE EQUIPMENT						
	Total	26,000.00	23,465.38	23,465.38	0.00	2,534.62	90.25
	Total	26,000.00	23,465.38	23,465.38	0.00	2,534.62	90.25
	Total ANIMAL CONT/ADM SUP.	1,111,250.00	1,165,919.94	1,165,919.94	0.00	-54,669.94	104.92

Expenditure Status Report

City of Downey
7/1/2006 through 6/30/2007

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
95 SEAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2520 ANIMAL CONT/PATROL						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	474,837.00	261,386.31	261,386.31	0.00	213,450.69	55.05
0020 TEMPORARY PERSONNEL	0.00	89,197.36	89,197.36	0.00	-89,197.36	0.00
0030 OVERTIME	17,000.00	56,881.59	56,881.59	0.00	-39,881.59	334.60
0070 RET/PR INS-APPD %	68,472.00	31,490.17	31,490.17	0.00	36,981.83	45.99
0080 VACATION	0.00	6,949.06	6,949.06	0.00	-6,949.06	0.00
0081 HOLIDAY	0.00	8,926.79	8,926.79	0.00	-8,926.79	0.00
0082 SICK REGULAR	0.00	5,001.70	5,001.70	0.00	-5,001.70	0.00
0083 SICK FAMILY	0.00	162.39	162.39	0.00	-162.39	0.00
0085 HOLIDAY OVERTIME	0.00	3,219.56	3,219.56	0.00	-3,219.56	0.00
Total PERSONNEL SERVICES	560,309.00	463,214.93	463,214.93	0.00	97,094.07	82.67
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	7,000.00	2,908.35	2,908.35	0.00	4,091.65	41.55
0180 CLOTHING	5,000.00	8,306.65	8,306.65	0.00	-3,306.65	166.13
0330 PHOTO & BLUEPRINTING	400.00	709.02	709.02	0.00	-309.02	177.26
0340 PRINTSHOP CHARGES	0.00	22.43	22.43	0.00	-22.43	0.00
0480 STAFF DEVELOPMENT	2,400.00	1,278.06	1,278.06	0.00	1,121.94	53.25
0700 CONTRACT SERVICES-MOC	14,160.00	0.00	0.00	0.00	14,160.00	0.00
0860 EQUIPMENT RENT-CITY	55,000.00	55,404.02	55,404.02	0.00	-404.02	100.73
0861 EQUIPMENT RENT-REPLACEMENT	43,000.00	0.00	0.00	0.00	43,000.00	0.00
Total OPR MATL & SUPPLIES	126,960.00	68,628.53	68,628.53	0.00	58,331.47	54.06
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total ANIMAL CONT/PATROL	687,269.00	531,843.46	531,843.46	0.00	155,425.54	77.39

Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEAAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2530 ANIMAL SHELTER						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	491,536.00	181,336.13	181,336.13	0.00	310,199.87	36.89
0020 TEMPORARY PERSONNEL	0.00	54,352.54	54,352.54	0.00	-54,352.54	0.00
0030 OVERTIME	10,000.00	13,208.15	13,208.15	0.00	-3,208.15	132.08
0070 RET/PR INS-APPD %	68,815.00	35,673.01	35,673.01	0.00	33,141.99	51.84
0080 VACATION	0.00	13,527.28	13,527.28	0.00	-13,527.28	0.00
0081 HOLIDAY	0.00	7,473.73	7,473.73	0.00	-7,473.73	0.00
0082 SICK REGULAR	0.00	9,855.49	9,855.49	0.00	-9,855.49	0.00
0083 SICK FAMILY	0.00	300.65	300.65	0.00	-300.65	0.00
0085 HOLIDAY OVERTIME	0.00	1,020.15	1,020.15	0.00	-1,020.15	0.00
0089 COMP TIME USED	0.00	2,717.65	2,717.65	0.00	-2,717.65	0.00
Total PERSONNEL SERVICES	570,351.00	319,464.78	319,464.78	0.00	250,886.22	56.01
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	0.00	331.70	331.70	0.00	-331.70	0.00
0140 SPECIAL ACT SUPPLIES	30,000.00	50,248.19	50,248.19	0.00	-20,248.19	167.49
0141 INDUSTRIAL GAS-SEAACA	8,500.00	6,371.23	6,371.23	0.00	2,128.77	74.96
0142 ANIMAL LICENSE SUPPLIES	2,500.00	2,493.37	2,493.37	0.00	6.63	99.73
0180 CLOTHING	2,820.00	4,346.51	4,346.51	0.00	-1,526.51	154.13
0320 PRINTING & BINDING	0.00	581.50	581.50	0.00	-581.50	0.00
0360 SVCS MAINTAIN BLDGS	30,000.00	3,528.57	3,528.57	0.00	26,471.43	11.76
0410 SVCS MAINT COMM EQUIPMENT	4,500.00	8,394.23	8,394.23	0.00	-3,894.23	186.54
0480 STAFF DEVELOPMENT	1,200.00	2,393.00	2,393.00	0.00	-1,193.00	199.42
0550 ELECTRICITY BILLS	40,000.00	39,879.07	39,879.07	0.00	120.93	99.70
0556 GAS BILLS	200.00	237.56	237.56	0.00	-37.56	118.78
0560 TELEPHONE	23,000.00	33,635.31	33,635.31	0.00	-10,635.31	146.24
0570 WATER	3,840.00	2,673.10	2,673.10	0.00	1,166.90	69.61

Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2530 ANIMAL SHELTER						
0870 EQUIPMENT RENT-PRIVATE	500.00	0.00	0.00	0.00	500.00	0.00
Total OPR MATL & SUPPLIES	147,060.00	155,113.34	155,113.34	0.00	-8,053.34	105.48
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total ANIMAL SHELTER	717,411.00	474,578.12	474,578.12	0.00	242,832.88	66.15

Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95	SEAACA						
2000	PUBLIC SAFETY						
2500	ANIMAL CONTROL						
2531	KENNEL						
<hr/>							
00	PERSONNEL SERVICES						
00	PERSONNEL SERVICES						
0010	REGULAR SALARIES	0.00	118,835.67	118,835.67	0.00	-118,835.67	0.00
0020	TEMPORARY PERSONNEL	0.00	60,909.96	60,909.96	0.00	-60,909.96	0.00
0030	OVERTIME	0.00	24,943.95	24,943.95	0.00	-24,943.95	0.00
0080	VACATION	0.00	7,252.75	7,252.75	0.00	-7,252.75	0.00
0081	HOLIDAY	0.00	4,374.68	4,374.68	0.00	-4,374.68	0.00
0082	SICK REGULAR	0.00	5,687.90	5,687.90	0.00	-5,687.90	0.00
0083	SICK FAMILY	0.00	593.43	593.43	0.00	-593.43	0.00
0085	HOLIDAY OVERTIME	0.00	620.41	620.41	0.00	-620.41	0.00
0089	COMP TIME USED	0.00	271.07	271.07	0.00	-271.07	0.00
Total	PERSONNEL SERVICES	0.00	223,489.82	223,489.82	0.00	-223,489.82	0.00
Total	KENNEL	0.00	223,489.82	223,489.82	0.00	-223,489.82	0.00

Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

95 SEAAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2540 VETERINARY SERVICES

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	260,134.00	188,452.79	188,452.79	0.00	71,681.21	72.44
0020 TEMPORARY PERSONNEL	0.00	20,828.04	20,828.04	0.00	-20,828.04	0.00
0030 OVERTIME	1,000.00	6,495.23	6,495.23	0.00	-5,495.23	649.52
0070 RET/PR INS-APPD %	38,179.00	29,768.23	29,768.23	0.00	8,410.77	77.97
0080 VACATION	0.00	8,438.85	8,438.85	0.00	-8,438.85	0.00
0081 HOLIDAY	0.00	6,798.17	6,798.17	0.00	-6,798.17	0.00
0082 SICK REGULAR	0.00	1,344.16	1,344.16	0.00	-1,344.16	0.00
0083 SICK FAMILY	0.00	4.95	4.95	0.00	-4.95	0.00
0085 HOLIDAY OVERTIME	0.00	248.08	248.08	0.00	-248.08	0.00
0089 COMP TIME USED	0.00	264.11	264.11	0.00	-264.11	0.00
Total PERSONNEL SERVICES	299,313.00	262,642.61	262,642.61	0.00	36,670.39	87.75
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	55,000.00	178,627.65	178,627.65	0.00	-123,627.65	324.78
0180 CLOTHING	1,100.00	1,017.86	1,017.86	0.00	82.14	92.53
0290 SMALL TOOLS AND IMPLEMENTS	500.00	206.69	206.69	0.00	293.31	41.34
0480 STAFF DEVELOPMENT	2,000.00	1,056.29	1,056.29	0.00	943.71	52.81
0700 CONTRACT SERVICES-MOC	15,000.00	18,623.04	18,623.04	0.00	-3,623.04	124.15
Total OPR MATL & SUPPLIES	73,600.00	199,531.53	199,531.53	0.00	-125,931.53	271.10
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total VETERINARY SERVICES	372,913.00	462,174.14	462,174.14	0.00	-89,261.14	123.94

Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

95	SEAACA																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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Expenditure Status Report

City of Downey

7/1/2006 through 6/30/2007

95 SEAACA
 2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2560 LICENSE CANVASSING

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	112,953.00	103,686.10	103,686.10	0.00	9,266.90	91.80
0020 TEMPORARY PERSONNEL	85,112.00	120,755.42	120,755.42	0.00	-35,643.42	141.88
0030 OVERTIME	1,200.00	2,412.16	2,412.16	0.00	-1,212.16	201.01
0070 RET/PR INS-APPD %	16,978.00	17,119.40	17,119.40	0.00	-141.40	100.83
0080 VACATION	0.00	5,597.97	5,597.97	0.00	-5,597.97	0.00
0081 HOLIDAY	0.00	3,927.87	3,927.87	0.00	-3,927.87	0.00
0082 SICK REGULAR	0.00	1,315.97	1,315.97	0.00	-1,315.97	0.00
0083 SICK FAMILY	0.00	447.87	447.87	0.00	-447.87	0.00
Total PERSONNEL SERVICES	216,243.00	255,262.76	255,262.76	0.00	-39,019.76	118.04
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	300.00	880.98	880.98	0.00	-580.98	293.66
0140 SPECIAL ACT SUPPLIES	2,550.00	2,189.27	2,189.27	0.00	360.73	85.85
0180 CLOTHING	3,500.00	2,770.91	2,770.91	0.00	729.09	79.17
0320 PRINTING & BINDING	6,000.00	7,146.79	7,146.79	0.00	-1,146.79	119.11
0600 MILAGE	6,240.00	6,447.08	6,447.08	0.00	-207.08	103.32
0640 POSTAGE	16,000.00	20,620.89	20,620.89	0.00	-4,620.89	128.88
0690 MEDICAL EXAM FEES	300.00	820.00	820.00	0.00	-520.00	273.33
0700 CONTRACT SERVICES-MOC	6,500.00	3,083.11	3,083.11	0.00	3,416.89	47.43
Total OPR MATL & SUPPLIES	41,390.00	43,959.03	43,959.03	0.00	-2,569.03	106.21
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total	257,633.00	299,221.79	299,221.79	0.00	-41,588.79	116.14
Total	3,146,476.00	3,161,486.87	3,161,486.87	0.00	-15,010.87	100.48

Claim for Payment **Pursuant to Government Code Section 17561** **ANIMAL ADOPTION**

For State Controller Use Only

(19) Program Number: 00213

(20) Date Filed ____/____/____

(21) LRS Input ____/____/____

Program

213

(01) Claimant Identification Number 5619001

(02) Claimant Name Southeast Area Animal Control Agency

Mailing Address 9777 SEAACA Street

Street Address or P.O. Box

City Downey

State CA Zip Code 90241

Type of Claim

Estimated Claim

Reimbursement Claim

(03) Estimated ☐

(09) Reimbursement ☒

(04) Combined ☐

(10) Combined ☐

(05) Amended ☐

(11) Amended ☐

Fiscal Year of Cost

(06)

(12)

2007-08

Total Claimed

(07)

(13)

\$569,725

Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)

(14)

Less: Estimated Claim Payment Received

(15)

Net Claimed Amount

(16)

\$569,725

Due from State

(08)

(17)

\$569,725

Due to State

(09)

(18)

(35) AA-1 (06)

(22) AA-1 (04)(A)(1)(f)

(23) AA-1 (04)(A)(2)(f)

(24) AA-1 (04)(A)(3)(f)

(25) AA-1 (04)(B)(1)(f)

(26) AA-1 (04)(B)(2)(f)

(27) AA-1 (04)(B)(3)(f)

(28) AA-1 (04)(B)(4)(f)

(29) AA-1 (04)(B)(5)(f)

(30) AA-1 (04)(B)(6)(f)

(31) AA-1 (04)(B)(7)(f)

(32) AA-1 (04)(B)(8)(f)

(33) AA-1 (04)(B)(9)(f)

(34) AA-1 (04)(B)(10)(f)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file mandate cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive.

I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and set forth in the parameters and guidelines are identified, all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date

Dan Morrison

January 22, 2009

Dan Morrison

Executive Director

Type of Print Name

Title

Name of Contact Person for Claim

Telephone Number

E-Mail Address

Annette S. Chinn (CRS)

(916) 939-7901

ACHinnCRS@aol.com

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-1**

(01) Claimant Southeast Area Animal Control Agency	(02) Type of Claim Reimbursement <input checked="checked" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2007-08 (see FAM-27 for estimate)
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Claim Statistics

(03) Department	SEAACA
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Direct Costs	Object Accounts					
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(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel and Training	(g) Total
A. ONE-TIME COSTS						
1. Policies and Procedures						
2. Training						
3. Computer Software						
B. ON-GOING COSTS						
1. Acquiring Space / Facilities						
2. Renovating Facilities						
3. Care of Dogs and Cats			\$435,436			\$435,436
4. Care of Other Animals			\$7,969			\$7,969
5. Holding Period			\$176,872			\$176,872
6. Feral Cats						
7. Lost and Found Lists						
8. Non-Medical Records						
9. Veterinary Care						
10. Procuring Equipment						
(05) Total Direct Costs			\$620,277			\$620,277

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	\$620,277

Cost Reductions

(09) Less: Offsetting Savings, if applicable	(Lakewood's costs which they are claiming directly)	\$50,551
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10))	\$569,725

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ Care of Dogs & Cats
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held =	6,867								
Total Cats Held =	10,948								
Total Other Animals Held =	1,447								
at an average daily census of	134,834								
Total STRAY Dogs Euthanized=	2,847								
Total STRAY Cats Euthanized =	6,162								
(mandate added 2 extra holding days)									
Total STRAY FERAL Cats Euth.=	3,780								
(mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =						\$84,453			
Total Costs for STRAY Cats Euthanized =						\$182,789			
Total Costs for STRAY Feral Cats Euthanized =						\$168,194			
Total Animal Care Costs:									
Shelter Division Expend.=	\$699,343								
Kennel Division Expend. =	\$105,620								
Veterinary Division Expend.=	\$534,339								
Overhead Share/Admin Charges :	\$668,800								
(less Euthanasia supplies) =	-\$8,252								
TOTAL	\$1,999,850								
Cost per animal =	\$103.82								
Cost per animal/per day	\$14.83								
Total Mandate Related Costs =									
Eligible Pop. Extra Days Mandate	29,895								
Total Animal Days of Service *	134,834								
or	29,895								
	134,834								
=	22%								
of total Shelter & Kennel costs relate to eligible Care & Maint. mandated costs.									
(05) Total						\$435,436			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency (02) Fiscal Year Costs Were Incurred: 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☒ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 6,867									
Total Cats Held = 10,948									
Total Other Animals Held = 1,447									
at an average daily census of 134,834									
al STRAY Other Euthanized = 134						\$7,969			
(mandate added 4 extra holding days)									
(Owner Turn-in animals not included in number above)									
Total Animal Care Costs:									
Shelter Division Expend.= \$699,343									
Kennel Division Expend. = \$105,620									
Veterninary Division Expend.= \$534,339									
Overhead Share/Admin Charç \$668,800									
(less Euthanasia supplies) = -\$8,252									
TOTAL \$1,999,850									
Cost per animal = \$103.82									
Cost per animal/per day \$14.83									
(05) Total						\$7,969			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☐ Care of Other Animals ☒ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
<p>Cost of Increasing Hours of Operation per Hayden Bill</p> <p>Number of additional hours facility operating hours pursuant to Hayden Bill = 7 additional hrs/week</p> <p>Total Shelter and Kennel Costs \$1,465,511 (less Veterinary costs)</p> <p>Total hours of facility ops.= 3,016 (8am-5pm Mon, 8am-6pm Tue.-Fri., plus Sat. 8-5 pm)</p> <p>Additional Hours mandated = 364 open to public 10 am - 5 pm Sat.</p> <p>Cost per hour = \$486</p> <p>Cost of Addit. Hours mandated : \$176,872 (7 additional hrs. per week mandated by staying open) one weekend day = Sat. 10 am - 5 pm)</p>						\$176,872			
(05) Total						\$176,872			

DISTRIBUTION OF COST RECOVERY (SB90 CLAIM) TO USER AGENCIES

	Bell Gardens	Bellflower	Downey	Lakewood **	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Spr S. El Monte	South Gate	Vernon	Out of Dist	SEAACA S	TOTALS
	1,971	3,243	6,662	2,731	2,360	4,386	2,740	3,243	1,450	779	3,657	106	42	33,510
	5.88%	9.68%	19.88%	8.150%	7.04%	13.09%	8.18%	9.68%	4.33%	2.32%	10.91%	0.32%	0.13%	100.00%
	\$36,483.60	\$60,028.57	\$123,314.94	\$50,551.35	\$43,684.07	\$81,185.73	\$50,717.94	\$60,028.57	\$26,839.79	\$14,419.44	\$67,691.79	\$1,962.08	\$2,591.43	\$620,277
														\$569,725.39

**CLAIMED
SEPARATELY
BY LAKEWOOD

SEAACA
ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION
Based on Actual FY 2007-08 actual data

Department	Total Costs	% of Total	Allowable Indirect Costs	Allowable Direct Costs
Administration Support	\$1,235,017		\$1,235,017	
Animal Control/Patrol	\$794,919	32%		\$794,919
<i>Animal Shelter</i>	<i>\$699,343</i>	28%		<i>\$699,343</i>
<i>Animal Kennel</i>	<i>\$105,620</i>	4%		<i>\$105,620</i>
<i>Veterinary Services</i>	<i>\$534,339</i>	22%		<i>\$534,339</i>
License Canvassing	\$338,956	14%		\$338,956
Division Totals	\$2,473,177	100%	\$1,235,017	\$2,473,177

Animal Shelter & Kennel Share ==

Shelter, Kennel & Vet Costs	=	\$1,339,302	=	54.15% of Admin Support Costs Allocable
Total Expenditures (less admin)		\$2,473,177		to Shelter & Kennel Functions

54.15% x	\$1,235,017	=	\$668,800
Shelter & Kennel Share	x Admin Division Expenditures	=	Admin Overhead

*Animal Control = Animal Control (\$740,799) + Animal Control (10) (\$8,712) + Animal Control Adm Sup. (\$39,289) + Veh Maint (\$6,119)

expstat.rpt

09/16/2008 3:35PM

Periods: 0 through 13

Expenditure Status Report

City of Downey

7/1/2007 through 6/30/2008

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
95 SEAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2510 ANIMAL CONTI/ADM SUP.						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	342,467.00	282,488.67	282,488.67	0.00	59,978.33	82.49
0020 TEMPORARY PERSONNEL	0.00	20,117.64	20,117.64	0.00	-20,117.64	0.00
0060 LEAVE TIME APPLIED %	0.00	25,425.95	25,425.95	0.00	-25,425.95	0.00
0070 RET/PR INS-APPD %	50,085.00	46,218.08	46,218.08	0.00	3,866.92	92.28
0080 VACATION	0.00	16,878.44	16,878.44	0.00	-16,878.44	0.00
0081 HOLIDAY	0.00	11,081.32	11,081.32	0.00	-11,081.32	0.00
0082 SICK REGULAR	0.00	3,846.20	3,846.20	0.00	-3,846.20	0.00
0094 MEDICARE EMPLOYER TAX	26,554.00	25,551.34	25,551.34	0.00	1,002.66	96.22
Total PERSONNEL SERVICES	419,106.00	431,607.64	431,607.64	0.00	-12,501.64	102.98
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	6,000.00	8,856.02	8,856.02	0.00	-2,856.02	147.60
0140 SPECIAL ACT SUPPLIES	4,800.00	4,987.23	4,987.23	0.00	-187.23	103.90
0144 COMPUTER SFTWR & LIC	8,500.00	10,222.98	10,222.98	89.10	-1,812.08	121.32
0160 BOOKS & PUBLICATIONS	500.00	486.26	486.26	0.00	13.74	97.25
0310 ADVERTISING	3,500.00	417.10	417.10	0.00	3,082.90	11.92
0320 PRINTING & BINDING	3,100.00	4,608.55	4,608.55	0.00	-1,508.55	148.66
0340 PRINTSHOP CHARGES	4,000.00	1,391.16	1,391.16	0.00	2,608.84	34.78
0361 BUILDING RENTAL	30,009.00	0.00	0.00	0.00	30,009.00	0.00
0450 AUDITING SERVICES	6,150.00	4,100.00	4,100.00	0.00	2,050.00	66.67
0451 ADMINISTRATIVE OVERHEAD	40,000.00	39,999.96	39,999.96	0.00	0.04	100.00
0470 LEGAL SRVCS-RETAINER	4,000.00	1,776.30	1,776.30	0.00	2,223.70	44.41
0480 STAFF DEVELOPMENT	0.00	240.00	240.00	0.00	-240.00	0.00
0580 TRAVEL & MEET EXPENSES	6,500.00	13,918.37	13,918.37	0.00	-7,418.37	214.13
0590 TRAVEL & MEET EXP-SPC	23,500.00	20,250.00	20,250.00	0.00	3,250.00	86.17
0630 UNEMPLOYMENT INSURANCE	15,000.00	17,598.11	17,598.11	0.00	-2,598.11	117.32
0640 POSTAGE	2,300.00	2,571.47	2,571.47	0.00	-271.47	111.80

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95 SEAACA

2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2510 ANIMAL CONT/ADM SUP.

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
0670 PROF & TECH SERVICES FEES	1,400.00	4,582.00	4,582.00	0.00	-3,182.00	327.29
0690 MEDICAL EXAM FEES	1,500.00	2,750.00	2,750.00	0.00	-1,250.00	183.33
0700 CONTRACT SERVICES-MOC	79,000.00	98,144.51	98,144.51	56,116.99	-75,261.50	195.27
0710 PUBLIC LIABILITY INSURANCE	144,293.00	125,095.00	125,095.00	0.00	19,198.00	86.70
0740 HEALTH INSURANCE	253,000.00	248,107.98	248,107.98	0.00	4,892.02	98.07
0760 WORKERS COMP INSURANCE	120,480.00	120,480.00	120,480.00	0.00	0.00	100.00
0765 LTD INSURANCE	14,000.00	11,356.41	11,356.41	0.00	2,643.59	81.12
0780 RETIREMENT-PERS	0.00	9,761.13	9,761.13	0.00	-9,761.13	0.00
0861 EQUIPMENT RENT-REPLACEMENT	25,000.00	25,000.00	25,000.00	0.00	0.00	100.00
0870 EQUIPMENT RENT-PRIVATE	10,000.00	15,264.88	15,264.88	0.00	-5,264.88	152.65
Total OPR MATL & SUPPLIES	806,532.00	791,965.42	791,965.42	56,206.09	-41,639.51	105.16
00 OFFICE EQUIPMENT						
0900 OFFICE EQUIPMENT	17,500.00	11,443.45	11,443.45	0.00	6,056.55	65.39
Total OFFICE EQUIPMENT	17,500.00	11,443.45	11,443.45	0.00	6,056.55	65.39
Total ANIMAL CONT/ADM SUP.	1,243,138.00	1,235,016.51	1,235,016.51	56,206.09	-48,084.60	103.87

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95 SEAAACA

2000 PUBLIC SAFETY
 2500 ANIMAL CONTROL
 2520 ANIMAL CONT/PATROL

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	515,436.00	317,287.86	317,287.86	0.00	198,148.14	61.56
0020 TEMPORARY PERSONNEL	0.00	101,511.70	101,511.70	0.00	-101,511.70	0.00
0030 OVERTIME	17,000.00	66,081.43	66,081.43	0.00	-49,081.43	388.71
0070 RET/PR INS-APPD %	62,955.00	48,363.16	48,363.16	0.00	14,591.84	76.82
0080 VACATION	0.00	15,465.42	15,465.42	0.00	-15,465.42	0.00
0081 HOLIDAY	0.00	11,751.72	11,751.72	0.00	-11,751.72	0.00
0082 SICK REGULAR	0.00	12,454.66	12,454.66	0.00	-12,454.66	0.00
0083 SICK FAMILY	0.00	533.95	533.95	0.00	-533.95	0.00
0085 HOLIDAY OVERTIME	0.00	5,130.11	5,130.11	0.00	-5,130.11	0.00
0089 COMP TIME USED	0.00	572.75	572.75	0.00	-572.75	0.00
Total PERSONNEL SERVICES	595,391.00	579,152.76	579,152.76	0.00	16,238.24	97.27
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	7,000.00	6,152.03	6,152.03	0.00	847.97	87.89
0180 CLOTHING	6,500.00	8,211.94	8,211.94	0.00	-1,711.94	125.34
0320 PRINTING & BINDING	0.00	150.00	150.00	0.00	-150.00	0.00
0330 PHOTO & BLUEPRINTING	1,200.00	634.05	634.05	0.00	565.95	52.84
0480 STAFF DEVELOPMENT	2,400.00	1,492.04	1,492.04	0.00	907.96	62.17
0860 EQUIPMENT RENT-CITY	60,000.00	82,006.47	82,006.47	0.00	-22,006.47	136.88
0861 EQUIPMENT RENT-REPLACEMENT	63,000.00	63,000.00	63,000.00	0.00	0.00	100.00
Total OPR MATL & SUPPLIES	140,100.00	161,646.53	161,646.53	0.00	-21,546.53	115.38
00 OFFICE EQUIPMENT						
0840 OTHER VEHICLES	145,000.00	0.00	0.00	0.00	145,000.00	0.00
Total OFFICE EQUIPMENT	145,000.00	0.00	0.00	0.00	145,000.00	0.00
Total ANIMAL CONT/PATROL	880,491.00	740,799.29	740,799.29	0.00	139,691.71	84.13

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95 SEAAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2530 ANIMAL SHELTER

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	508,479.00	231,070.78	231,070.78	0.00	277,408.22	45.44
0020 TEMPORARY PERSONNEL	0.00	120,760.31	120,760.31	0.00	-120,760.31	0.00
0030 OVERTIME	10,000.00	32,573.04	32,573.04	0.00	-22,573.04	325.73
0070 RET/PR INS-APPD %	71,187.00	46,714.67	46,714.67	0.00	24,472.33	65.62
0080 VACATION	0.00	10,174.80	10,174.80	0.00	-10,174.80	0.00
0081 HOLIDAY	0.00	9,149.56	9,149.56	0.00	-9,149.56	0.00
0082 SICK REGULAR	0.00	7,055.39	7,055.39	0.00	-7,055.39	0.00
0083 SICK FAMILY	0.00	931.37	931.37	0.00	-931.37	0.00
0085 HOLIDAY OVERTIME	0.00	1,191.55	1,191.55	0.00	-1,191.55	0.00
0089 COMP TIME USED	0.00	5,044.63	5,044.63	0.00	-5,044.63	0.00
Total PERSONNEL SERVICES	589,666.00	464,666.10	464,666.10	0.00	124,999.90	78.80
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	0.00	384.05	384.05	0.00	-384.05	0.00
0140 SPECIAL ACT SUPPLIES	36,000.00	68,665.64	68,665.64	259.88	-32,925.52	191.46
0141 INDUSTRIAL GAS-SEAACA	8,500.00	8,251.82	8,251.82	0.00	248.18	97.08
0142 ANIMAL LICENSE SUPPLIES	2,500.00	2,482.63	2,482.63	0.00	17.37	99.31
0180 CLOTHING	3,000.00	5,455.03	5,455.03	0.00	-2,455.03	181.83
0340 PRINTSHOP CHARGES	0.00	67.00	67.00	0.00	-67.00	0.00
0360 SVCS MAINTAIN BLDGS	15,000.00	73,687.10	73,687.10	20,523.16	-79,210.26	628.07
0410 SVCS MAINT COMM EQUIPMENT	0.00	1,303.50	1,303.50	3,420.00	-4,723.50	0.00
0480 STAFF DEVELOPMENT	1,500.00	2,436.96	2,436.96	0.00	-936.96	162.46
0550 ELECTRICITY BILLS	43,000.00	40,047.08	40,047.08	0.00	2,952.92	93.13
0556 GAS BILLS	200.00	6,216.47	6,216.47	0.00	-6,016.47	3,108.24
0560 TELEPHONE	22,000.00	22,859.16	22,859.16	0.00	-859.16	103.91
0570 WATER	3,000.00	2,820.19	2,820.19	0.00	179.81	94.01
Total OPR MATL & SUPPLIES	134,700.00	234,676.63	234,676.63	24,203.04	-124,179.67	192.19

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95		SEAACA						
2000		PUBLIC SAFETY						
2500		ANIMAL CONTROL						
2530		ANIMAL SHELTER						
Account Number			Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 OFFICE EQUIPMENT								
Total OFFICE EQUIPMENT			0.00	0.00	0.00	0.00	0.00	0.00
Total ANIMAL SHELTER			724,366.00	699,342.73	699,342.73	24,203.04	820.23	99.89

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95	SEAACA								
2000	PUBLIC SAFETY								
2500	ANIMAL CONTROL								
2531	KENNEL								
Account Number		Adjusted	Expenditures	Year-to-date	Year-to-date	Balance	Prct		
00 PERSONNEL SERVICES									
00 PERSONNEL SERVICES									
0010 REGULAR SALARIES		0.00	76,390.44	76,390.44	0.00	-76,390.44	0.00		
0020 TEMPORARY PERSONNEL		0.00	66.72	66.72	0.00	-66.72	0.00		
0030 OVERTIME		0.00	17,034.65	17,034.65	0.00	-17,034.65	0.00		
0080 VACATION		0.00	4,122.60	4,122.60	0.00	-4,122.60	0.00		
0081 HOLIDAY		0.00	3,038.65	3,038.65	0.00	-3,038.65	0.00		
0082 SICK REGULAR		0.00	3,744.25	3,744.25	0.00	-3,744.25	0.00		
0085 HOLIDAY OVERTIME		0.00	300.26	300.26	0.00	-300.26	0.00		
0088 JURY DUTY		0.00	138.00	138.00	0.00	-138.00	0.00		
0089 COMP TIME USED		0.00	784.32	784.32	0.00	-784.32	0.00		
Total PERSONNEL SERVICES		0.00	105,619.89	105,619.89	0.00	-105,619.89	0.00		
Total KENNEL		0.00	105,619.89	105,619.89	0.00	-105,619.89	0.00		

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2540 VETERINARY SERVICES						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	270,787.00	235,477.97	235,477.97	0.00	35,309.03	86.96
0020 TEMPORARY PERSONNEL	0.00	1,066.54	1,066.54	0.00	-1,066.54	0.00
0030 OVERTIME	1,000.00	6,904.50	6,904.50	0.00	-5,904.50	690.45
0070 RET/PR INS-APPD %	39,239.00	39,182.09	39,182.09	0.00	56.91	99.85
0080 VACATION	0.00	11,500.71	11,500.71	0.00	-11,500.71	0.00
0081 HOLIDAY	0.00	8,962.92	8,962.92	0.00	-8,962.92	0.00
0082 SICK REGULAR	0.00	5,265.73	5,265.73	0.00	-5,265.73	0.00
0083 SICK FAMILY	0.00	736.81	736.81	0.00	-736.81	0.00
0088 JURY DUTY	0.00	138.66	138.66	0.00	-138.66	0.00
0089 COMP TIME USED	0.00	3,536.73	3,536.73	0.00	-3,536.73	0.00
Total PERSONNEL SERVICES	311,026.00	312,772.66	312,772.66	0.00	-1,746.66	100.56
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	120,000.00	192,825.25	192,825.25	1,055.44	-73,880.69	161.57
0180 CLOTHING	1,000.00	1,143.72	1,143.72	0.00	-143.72	114.37
0290 SMALL TOOLS AND IMPLEMENTS	500.00	121.00	121.00	0.00	379.00	24.20
0480 STAFF DEVELOPMENT	2,000.00	1,927.62	1,927.62	0.00	72.38	96.38
0700 CONTRACT SERVICES-MOC	16,000.00	25,548.82	25,548.82	143.96	-9,692.78	160.58
Total OPR MATL & SUPPLIES	139,500.00	221,566.41	221,566.41	1,199.40	-83,265.81	159.69
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total VETERINARY SERVICES	450,526.00	534,339.07	534,339.07	1,199.40	-85,012.47	118.87

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Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95	SEAACA						
2000	PUBLIC SAFETY						
2500	ANIMAL CONTROL						
2550	ANIMAL CONTROL (10)						
00	PERSONNEL SERVICES						
00	OPR CHGS & SVCS						
0320	PRINTING & BINDING	0.00	8,712.04	8,712.04	0.00	-8,712.04	0.00
Total	OPR CHGS & SVCS	0.00	8,712.04	8,712.04	0.00	-8,712.04	0.00
Total	ANIMAL CONTROL (10)	0.00	8,712.04	8,712.04	0.00	-8,712.04	0.00

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95 SEACA
2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2560 LICENSE CANVASSING

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	121,691.00	109,272.58	109,272.58	0.00	12,418.42	89.80
0020 TEMPORARY PERSONNEL	86,017.00	138,212.71	138,212.71	0.00	-52,195.71	160.68
0030 OVERTIME	1,200.00	2,756.76	2,756.76	0.00	-1,556.76	229.73
0070 RET/PR INS-APPD %	17,916.00	17,796.21	17,796.21	0.00	119.79	99.33
0080 VACATION	0.00	6,338.61	6,338.61	0.00	-6,338.61	0.00
0081 HOLIDAY	0.00	3,895.33	3,895.33	0.00	-3,895.33	0.00
0082 SICK REGULAR	0.00	2,360.02	2,360.02	0.00	-2,360.02	0.00
0083 SICK FAMILY	0.00	271.37	271.37	0.00	-271.37	0.00
Total PERSONNEL SERVICES	226,824.00	280,903.59	280,903.59	0.00	-54,079.59	123.84
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	750.00	240.56	240.56	0.00	509.44	32.07
0140 SPECIAL ACT SUPPLIES	2,000.00	1,798.57	1,798.57	0.00	201.43	89.93
0180 CLOTHING	2,500.00	3,692.70	3,692.70	0.00	-1,192.70	147.71
0320 PRINTING & BINDING	6,000.00	13,172.46	13,172.46	0.00	-7,172.46	219.54
0600 MILAGE	4,000.00	9,858.62	9,858.62	0.00	-5,858.62	246.47
0640 POSTAGE	17,000.00	23,003.04	23,003.04	0.00	-6,003.04	135.31
0700 CONTRACT SERVICES-MOC	7,000.00	6,286.83	6,286.83	0.00	713.17	89.81
Total OPR MATL & SUPPLIES	39,250.00	58,052.78	58,052.78	0.00	-18,802.78	147.91
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total	266,074.00	338,956.37	338,956.37	0.00	-72,882.37	127.39
Total LICENSE CANVASSING						
Total PUBLIC SAFETY	3,564,595.00	3,662,785.90	3,662,785.90	81,608.53	-179,779.43	105.04

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95	SEAACA								
5000	DEVELOPMENT SERVICES								
5900	ECONOMIC DEVELOPMENT								
5910	COMMUNITY DEVELOPMENT								
Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used		
00 PERSONNEL SERVICES									
00 CONTRACT SERVICES									
Total	DEVELOPMENT SERVICES	0.00	0.00	0.00	0.00	0.00	0.00		

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City of Downey

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEAACA						
9000 TRANSFERS OUT						
9000 TRANSFERS OUT						
9000 TRANSFERS OUT						
00 *** Title Not Found ***						
00 *** Title Not Found ***						
Total TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00	0.00
Total SEAACA	3,564,595.00	3,662,785.90	3,662,785.90	81,608.53	-179,799.43	105.04

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Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
96	SEAACA GRANT						
2000	PUBLIC SAFETY						
2500	ANIMAL CONTROL						
2510	ANIMAL CONT/ADM SUP.						
00	PERSONNEL SERVICES						
00	MILEAGE						
0620	INTEREST EXPENSE	0.00	39,288.96	39,288.96	0.00	-39,288.96	0.00
	Total MILEAGE	0.00	39,288.96	39,288.96	0.00	-39,288.96	0.00
	Total ANIMAL CONT/ADM SUP.	0.00	39,288.96	39,288.96	0.00	-39,288.96	0.00

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62 EQUIPMENT

6000 *** Title Not Found ***

6600 *** Title Not Found ***

6611 SEAAACA VEHICLE MAINTA

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prc't Used</i>
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	0.00	27.36	27.36	0.00	-27.36	0.00
0060 LEAVE TIME APPLIED %	0.00	4.74	4.74	0.00	-4.74	0.00
0070 RET/PR INS-APPD %	0.00	15.32	15.32	0.00	-15.32	0.00
Total PERSONNEL SERVICES	0.00	47.42	47.42	0.00	-47.42	0.00
00 OPR MATL & SUPPLIES						
0200 GAS, OIL, & LUB	0.00	48,534.01	48,534.01	0.00	-48,534.01	0.00
0390 SVCS MAINTAIN AUTOMOTIVE	0.00	2,180.02	2,180.02	0.00	-2,180.02	0.00
Total OPR MATL & SUPPLIES	0.00	50,714.03	50,714.03	0.00	-50,714.03	0.00
00 CONTRACT SERVICES						
0701 EXPENSE ABATEMENT	0.00	-50,761.45	-50,761.45	0.00	50,761.45	0.00
Total CONTRACT SERVICES	0.00	-50,761.45	-50,761.45	0.00	50,761.45	0.00
Total SEAAACA VEHICLE MAINTA	0.00	0.00	0.00	0.00	0.00	0.00
Total *** Title Not Found ***	0.00	6,119.27	6,119.27	0.00	-6,119.27	0.00

09/16/2008 3:35PM

City of Downey

Periods: 0 through 13

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Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95	SEAACA						
1000	SOUTHEAST ANIMAL CONT						
1000	SOUTHEAST ANIMAL CONT						
1010	SEAACA RENOVATION						
00	PERSONNEL SERVICES						
00	SVCS MAINT OTH EQUIP						
	Total SVCS MAINT OTH EQUIP	0.00	0.00	0.00	0.00	0.00	0.00
	Total SOUTHEAST ANIMAL CONT	0.00	0.00	0.00	0.00	0.00	0.00

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE ONE**

MONTH OF JUNE 2008																
	Bell Gardens	Bellflower	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total	
LIVE ANIMALS IMPOUNDED																
Dogs	40	43	119	47	25	85	58	66	58	13	83	4	12	4	657	
Cats	55	63	312	56	73	117	81	80	48	25	112	1	3	4	1,030	
Miscellaneous	6	16	32	15	17	14	20	13	3	-	7	1	3	-	147	
Feral Cats	10	28	130	45	18	47	38	28	14	2	64	1	-	5	430	
Dogs Year To Date	362	501	1,377	447	338	934	648	582	275	133	1,089	42	75	64	6,867	
Cats Year To Date	423	654	1,508	422	563	913	575	647	308	181	784	10	50	64	7,102	
Miscellaneous Year To Date	160	150	354	163	80	159	96	117	33	33	74	2	4	22	1,447	
Feral Cats Year To Date	135	446	712	372	272	527	310	399	200	63	386	14	3	7	3,846	
Dogs YTD Last Year	286	554	1,249	406	330	868	650	515	185	145	851	31	58	53	6,181	
Cats YTD Last Year	469	770	1,298	512	609	1,177	645	695	246	173	899	18	35	53	7,599	
Misc. YTD Last Year	49	143	400	133	84	191	70	110	36	25	133	11	3	12	1,400	
Feral YTD Last Year	140	322	397	272	225	521	297	317	123	42	351	12	6	23	3,048	
DEAD ANIMALS IMPOUNDED																
Dogs	13	14	19	10	7	35	17	16	5	3	30	-	2	-	171	
Cats	8	37	69	33	28	44	26	31	7	7	45	-	-	-	335	
Miscellaneous	1	11	57	22	17	25	13	21	12	1	5	-	-	-	185	
Feral Cats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dogs Year To Date	133	125	279	120	110	435	163	192	71	69	335	-	31	4	2,067	
Cats Year To Date	168	307	493	285	282	496	279	318	107	102	500	1	27	3	3,368	
Miscellaneous Year To Date	55	174	860	259	164	262	131	150	87	43	87	-	4	-	2,276	
Feral Cats Year To Date	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dogs YTD Last Year	100	127	235	137	138	401	144	213	60	67	268	-	32	8	1,930	
Cats YTD Last Year	150	313	496	288	283	475	261	314	144	107	318	2	5	2	3,158	
Misc. YTD Last Year	45	207	475	301	187	268	142	159	60	48	113	1	4	3	2,013	
ANIMALS EUTHANIZED																
Dogs	27	24	66	26	12	26	24	37	32	2	54	3	6	-	339	
Cats	49	53	307	51	69	108	76	69	43	24	99	1	2	-	951	
Miscellaneous	2	14	29	11	12	9	7	3	1	-	5	-	-	-	93	
Feral Cats	9	26	130	45	18	47	35	28	12	2	63	1	-	5	421	
Dogs Year To Date	193	217	487	178	152	366	288	263	117	71	464	22	28	1	2,847	
Cats Year To Date	348	532	1,315	380	511	811	516	584	270	162	678	10	34	11	6,162	
Miscellaneous Year To Date	124	107	241	127	59	121	58	94	22	25	59	-	1	-	1,038	
Feral Cats Year To Date	131	439	698	369	266	516	300	391	196	71	379	14	4	6	3,780	
Dogs YTD Last Year	149	248	497	174	169	370	318	254	99	81	387	18	18	-	2,782	
Cats YTD Last Year	417	604	1,157	426	532	1,041	570	609	208	155	817	18	34	7	6,595	
Misc. YTD Last Year	36	71	202	99	60	108	36	70	18	12	80	7	1	1	801	
Feral YTD Last Year	133	314	413	264	216	510	293	310	118	40	339	11	6	16	2,983	

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE TWO**

MONTH OF JUNE 2008	Bell Gardens	Bellflower	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total
ANIMALS PLACED IN NEW HOMES															
Dogs	9	7	37	12	7	18	8	10	-	7	24	-	4	3	146
Cats	1	7	13	5	1	9	8	7	1	1	4	-	-	-	57
Miscellaneous	2	-	5	-	-	5	6	1	-	-	-	-	-	-	19
Feral Cats	-	1	2	-	-	-	-	-	-	2	3	-	-	-	8
Dogs Year To Date	110	144	402	125	74	270	192	163	-	33	301	7	33	12	1,866
Cats Year To Date	38	100	140	26	35	103	47	52	18	13	82	-	7	6	667
Miscellaneous Year To Date	4	8	26	3	2	19	10	4	1	12	1	-	-	13	103
Feral Cats Year To Date	2	6	5	6	1	10	7	5	1	2	5	1	-	-	51
Dogs YTD Last Year	86	165	356	110	88	227	207	154	2	37	267	7	24	16	1,746
Cats YTD Last Year	30	61	154	53	47	109	43	49	22	24	90	-	9	3	694
Misc. YTD Last Year	10	11	53	9	23	26	14	11	5	11	15	1	-	-	189
Feral YTD Last Year	-	3	5	8	2	4	2	4	1	-	4	-	-	-	33
ANIMALS RETURNED TO THEIR OWNERS															
Dogs	1	11	16	11	2	13	10	11	4	-	7	-	-	1	87
Cats	5	-	3	1	-	2	-	-	1	-	-	-	4	-	16
Miscellaneous	3	-	6	2	-	3	1	1	-	-	-	-	3	-	19
Feral Cats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dogs Year To Date	39	106	317	127	74	187	115	114	49	9	123	3	3	5	1,271
Cats Year To Date	6	15	37	9	7	21	9	15	4	5	20	-	22	-	170
Miscellaneous Year To Date	6	27	79	22	4	17	13	5	1	-	6	-	4	1	185
Feral Cats Year To Date	-	-	-	-	-	1	-	2	-	-	-	-	-	-	3
Dogs YTD Last Year	39	117	301	107	49	192	95	93	44	14	106	2	4	11	1,174
Cats YTD Last Year	2	26	43	21	12	44	13	14	6	11	22	-	2	1	217
Misc. YTD Last Year	4	46	130	15	5	49	2	20	6	-	21	1	1	2	302
Feral Cats YTD Last Year	-	-	1	1	-	-	-	1	-	-	-	-	-	-	3
ANIMALS THAT DIED IN CUSTODY															
Dogs	1	1	2	1	-	-	-	-	-	-	-	-	-	-	5
Cats	-	-	3	-	1	-	-	-	-	-	-	-	-	-	4
Miscellaneous	-	1	2	-	-	-	-	-	-	-	-	-	-	-	3
Feral Cats	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Dogs Year To Date	10	8	15	5	2	6	7	4	3	1	17	-	-	6	84
Cats Year To Date	1	6	15	4	2	4	4	2	-	1	7	-	-	1	47
Miscellaneous Year To Date	15	3	12	4	2	5	3	-	1	-	1	1	-	3	50
Feral Cats Year To Date	-	1	1	6	-	1	-	3	-	-	-	-	-	-	12
Dogs YTD Last Year	5	5	19	2	1	6	11	3	1	1	8	-	-	3	65
Cats YTD Last Year	2	6	16	6	1	4	4	1	-	-	3	-	-	2	45
Misc. YTD Last Year	1	3	12	6	1	2	2	-	2	1	4	-	-	2	36
Feral Cats YTD Last Year	2	4	3	4	2	3	-	2	-	4	4	-	-	1	29

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE THREE**

[illegible]

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF VETERINARY DIVISION STATISTICS**

MONTH OF JUNE 2008									
	Dog Spay	Dog Neuter	Cat Spay	Cat Neuter	Total Spay & Neuters	Other Procedures			
This Month	75	74	23	30	202	10			
Year To Date	924	910	300	263	2,397	156			
Year to Date Last Year	797	861	304	334	2,296	153			

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF FIELD ACTIVITIES, PAGE ONE**

MONTH OF JUNE 2008		Bell Gardens		Bellflower		Downey		Lakewood		Montebello		Norwalk	
		This Month	Year To Date	This Month	Year To Date	This Month	Year To Date	This Month	Year To Date	This Month	Year To Date	This Month	Year To Date
Requests For Service		173	1,975	249	3,318	529	5,994	374	3,633	300	2,965	512	4,955
Last Year to Date			1,525		3,246		6,133		3,597		2,741		4,666
Observations		1	59	3	50	6	121	3	41	1	42	7	101
Last Year to Date			53		41		117		32		42		90
Warnings for Leash													
Law Violations		-	17	2	47	4	62	4	40	3	16	-	35
Last Year to Date			5		25		64		20		23		39
Citations for Leash													
Law Violations		-	1	-	3	-	10	-	4	1	3	-	9
Last Year to Date			3		7		5		-		-		5
Citations for License													
Violations		1	10	-	9	-	29	1	18	-	20	1	38
Last Year to Date			3		7		5		-		-		5
Warnings/Citations for other Violations													
Last Year to Date		1	31	4	61	2	97	4	50	7	50	10	100
Last Year to Date			36		58		85		45		38		70

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF FIELD STATISTICS, PAGE TWO**

MONTH OF JUNE 2008		Paramount		Pico Rivera		Santa Fe Springs		South El Monte		South Gate		Vernon		Total	
		This Month	Year To Date	This Month	Year To Date	This Month	Year To Date	This Month	Year To Date	This Month	Year To Date	This Month	Year To Date	This Month	Year To Date
Requests For Service		279	3,378	369	3,674	137	1,491	78	1,118	422	4,791	14	93	3,436	37,385
Last Year to Date			3,245		3,395		1,272		1,098		3,832		97		34,847
Observations		14	205	7	61	-	19	1	25	12	173	-	1	55	898
Last Year to Date			201		94		17		44		79		-		810
Warnings for Leash															
Law Violations		4	54	5	47	-	13	-	7	3	54	-	-	25	392
Last Year to Date			72		39		11		6		58		-		362
Citations for Leash															
Law Violations		-	4	-	4	-	1	-	1	-	9	-	-	1	49
Last Year to Date			4		6		5		2		8		-		45
Citations for License															
Violations		2	10	2	45	-	7	-	3	1	36	-	-	8	225
Last Year to Date			7		23		6		7		23		-		86
Warnings/Citations for other Violations															
Last Year to Date		6	91	9	67	-	14	-	13	2	109	-	-	45	683
			63		38		16		21		83		-		553

**Claim for Payment
Pursuant to Government Code Section 17561
ANIMAL ADOPTION**

For State Controller Use Only

(19) Program Number: 00213

(20) Date Filed ____/____/____

(21) LRS Input ____/____/____

Program

213

(01) Claimant Identification Number 5619001

(02) Claimant Name Southeast Area Animal Control Agency

Mailing Address 9777 SEAACA Street

Street Address or P.O. Box

City Downey

State CA Zip Code 90241

(22) AA-1 (04)(A)(1)(f)

(23) AA-1 (04)(A)(2)(f)

(24) AA-1 (04)(A)(3)(f)

Type of Claim

Estimated Claim

Reimbursement Claim

(03) Estimated ☐

(09) Reimbursement ☒

(04) Combined ☐

(10) Combined ☐

(05) Amended ☐

(11) Amended ☐

(25) AA-1 (04)(B)(1)(f)

(26) AA-1 (04)(B)(2)(f)

(27) AA-1 (04)(B)(3)(f)

(28) AA-1 (04)(B)(4)(f)

Fiscal Year of Cost

(06)

(12)

2008-09

(29) AA-1 (04)(B)(5)(f)

Total Claimed

(07)

(13)

\$678,463

(30) AA-1 (04)(B)(6)(f)

Less: 10% Late Penalty, but not to exceed \$1,000 (if applicable)

(14)

(31) AA-1 (04)(B)(7)(f)

Less: Estimated Claim Payment Received

(15)

(32) AA-1 (04)(B)(8)(f)

Net Claimed Amount

(16)

\$678,463

(33) AA-1 (04)(B)(9)(f)

Due from State

(08)

(17)

\$678,463

(34) AA-1 (04)(B)(10)(f)

Due to State

(09)

(18)

(35) AA-1 (06)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file mandate cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive. Code Sections 1090 to 1096, inclusive.

I further certify that there was no application for nor any grant or payment received, other than from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and set forth in the parameters and guidelines are identified, all costs claimed are supported by source documentation currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date

Don Morrison

2-4-10

Don Morrison

Executive Director

Type of Print Name

Title

Name of Contact Person for Claim

Telephone Number

E-Mail Address

Annette S. Chinn (CRS)

(916) 939-7901

ACHinnCRS@aol.com

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-1**

(01) Claimant Southeast Area Animal Control Agency	(02) Type of Claim Reimbursement <input checked="checked" type="checkbox"/> Estimated <input type="checkbox"/>	Fiscal Year 2008-09 (see FAM-27 for estimate)
--	---	--

Claim Statistics

(03) Department	SEAACA
------------------------	---------------

Direct Costs	Object Accounts					
--------------	-----------------	--	--	--	--	--

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel and Training	(g) Total
A. ONE-TIME COSTS						
1. Policies and Procedures						
2. Training						
3. Computer Software						
B. ON-GOING COSTS						
1. Acquiring Space / Facilities						
2. Renovating Facilities						
3. Care of Dogs and Cats			\$579,989			\$579,989
4. Care of Other Animals			\$7,457			\$7,457
5. Holding Period			\$185,180			\$185,180
6. Feral Cats						
7. Lost and Found Lists						
8. Non-Medical Records						
9. Veterinary Care						
10. Procuring Equipment						
(05) Total Direct Costs			\$772,625			\$772,625

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	*
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	\$772,625

Cost Reductions

(09) Less: Offsetting Savings, if applicable	(Buena Park's costs which they are claiming directly)	\$49,272
(09) Less: Offsetting Savings, if applicable	(Lakewood's costs which they are claiming directly)	\$44,890
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10))	\$678,463

**MANDATED COSTS
ANIMAL ADOPTION
CLAIM SUMMARY**

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency (02) Fiscal Year Costs Were Incurred: 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☒ Care of Dogs & Cats
☐ Care of Other Animals ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held =	8,737								
Total Cats Held =	13,799								
Total Other Animals Held =	1,926								
at an average daily census of	146,772								
Total STRAY Dogs Euthanized=	3,670								
Total STRAY Cats Euthanized =	8,669								
(mandate added 2 extra holding days)									
Total STRAY FERAL Cats Euth.=	4,910								
(mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =						\$108,027			
Total Costs for STRAY Cats Euthanized =						\$255,173			
Total Costs for STRAY Feral Cats Euthanized =						\$216,789			
Total Animal Care Costs:									
Shelter Division Expends=	\$874,672								
Kennel Division Expend. =	\$2,646								
Veterinary Division Expend.=	\$625,775								
Overhead Share/Admin Charges :	\$664,807								
(less Euthanasia supplies) =	-\$7,778								
TOTAL	\$2,160,122								
Cost per animal =	\$88.31								
Cost per animal/per day	\$14.72								
Total Mandate Related Costs =									
Eligible Pop. Extra Days Mandate	39,915								
Total Animal Days of Service	146,772								
or <u>39,915</u> <u>Strays Euthanized</u>									
<u>146,772</u> <u>Total Care & Maint</u>									
= 27% of total Shelter & Kennel costs relate to eligible Care & Maint. mandated costs.									
(05) Total						\$579,989			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: **Southeast Area Animal Control Agency (02) Fiscal Year Costs Were Incurred: 2008-09**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☒ **Care of Other Animals** ☐ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Total Dogs Held = 8,737									
Total Cats Held = 13,799									
Total Other Animals Held = 1,926									
at an average daily census of 146,772									
al STRAY Other Euthanized = 127						\$7,457			
(mandate added 4 extra holding days)									
(Owner Turn-in animals not included in number above)									
Total Animal Care Costs:									
Shelter Division Expend.= \$874,672									
Kennel Division Expend. = \$2,646									
Veterinary Division Expend.= \$625,775									
Overhead Share/Admin Charç \$664,807									
(less Euthanasia supplies) = -\$7,778									
TOTAL \$2,160,122									
Cost per animal = \$88.31									
Cost per animal/per day \$14.72									
(05) Total						\$7,457			

MANDATED COSTS ANIMAL ADOPTION CLAIM SUMMARY

**FORM
AA-2**

(01) Claimant: Southeast Area Animal Control Agency (02) Fiscal Year Costs Were Incurred: 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures ☐ Training ☐ Computer Software

B. On-Going Costs

☐ Acquiring Space / Facilities ☐ Renovating Facilities ☐ Care of Dogs & Cats
☐ Care of Other Animals ☒ Holding Period ☐ Feral Cats
☐ Lost and Found Lists ☐ Non-Medical Records ☐ Veterinary Care
☐ Procuring Equipment

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Cost of Increasing Hours of Operation per Hayden Bill									
Number of additional hours facility operating hours pursuant to Hayden Bill = 7 additional hrs/week									
Total Shelter and Kennel Costs : \$1,534,347 (less Veterinary costs)									
Total hours of facility ops.= 3,016									
Additional Hours mandated = 364 open to public 10 am - 5 pm Sat.									
Cost per hour = \$509									
Cost of Addit. Hours mandated : \$185,180 (7 additional hrs. per week mandated by staying open) one weekend day = Sat. 10 am - 5 pm)						\$185,180			
(05) Total						\$185,180			

DISTRIBUTION OF COST RECOVERY (SB90 CLAIM) TO USER AGENCIES

	Bell Gardens	Buena Park **	Downey	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Spr	S. El Monte	South Gate	Vernon	Out of Dist	SEAACA S	TOTALS
	1,933	2,845	3,756	3,191	4,997	2,969	3,925	1,440	1,093	4,980	219	3,040	3	44,612
	4.33%	6.377%	8.42%	7.15%	11.20%	6.66%	8.80%	3.23%	2.45%	11.16%	0.49%	6.81%	0.01%	100.00%
	\$33,477.19	\$49,271.92	\$65,049.32	\$132,124.94	\$44,890.27	\$55,264.21	\$67,976.19	\$24,939.04	\$18,929.42	\$86,247.50	\$3,792.81	\$52,649.08	\$51.96	\$772,625.22
														\$678,463.04
														SEAACA CLAIM TOTAL
														LESS BUENA PARK & LAKEWOOD

**CLAIMED
SEPARATELY
BY BUENA PARK

**CLAIMED
SEPARATELY
BY LAKEWOOD

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE ONE**

MONTH OF JUNE 2009																	
	Beil Gardens	Bellflower	Buena Park	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Riviera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total	
LIVE ANIMALS IMPOUNDED																	
Dogs	29	59	43	155	37	33	101	68	69	26	18	105	1	53	1	798	
Cats	95	158	67	271	61	109	143	71	130	52	32	187	5	71	1	1,453	
Miscellaneous	3	15	19	33	18	18	13	8	13	5	-	5	1	19	-	170	
Feral Cats	18	67	62	103	41	44	60	37	51	19	7	51	2	62	1	625	
Dogs Year To Date	421	607	428	1,605	459	443	1,082	734	710	224	179	1,219	72	536	18	8,737	
Cats Year To Date	542	889	478	1,846	451	834	1,175	673	890	303	264	1,165	28	518	18	10,074	
Miscellaneous Year To Date	54	163	192	402	184	73	197	61	137	43	35	185	6	193	1	1,926	
Feral Cats Year To Date	142	457	376	735	317	417	537	355	447	228	129	513	28	379	2	5,062	
Dogs YTD Last Year	320	501	-	1,377	447	338	934	648	582	275	133	1,089	42	75	64	6,825	
Cats YTD Last Year	423	654	-	1,508	422	583	913	575	647	308	181	784	10	50	64	7,102	
Misc. YTD Last Year	160	150	-	354	163	80	159	96	117	33	33	74	2	4	22	1,447	
Feral YTD Last Year	135	446	-	712	372	272	527	310	399	200	63	386	14	3	7	3,846	
DEAD ANIMALS IMPOUNDED																	
Dogs	12	16	14	25	9	9	32	16	17	4	5	21	-	15	-	195	
Cats	17	41	28	56	27	17	49	24	44	13	15	54	1	34	-	420	
Miscellaneous	7	24	19	38	21	5	17	18	42	5	7	6	-	19	-	228	
Feral Cats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dogs Year To Date	120	125	104	266	125	134	374	148	224	57	80	331	5	130	1	2,225	
Cats Year To Date	169	292	261	516	404	264	449	246	357	145	128	490	3	291	2	4,017	
Miscellaneous Year To Date	51	209	242	457	416	183	313	136	221	76	74	132	-	245	-	2,755	
Feral Cats Year To Date	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dogs YTD Last Year	133	125	-	279	120	110	435	163	192	71	69	335	-	31	4	2,067	
Cats YTD Last Year	168	307	-	493	285	282	496	279	318	107	102	500	1	27	3	3,368	
Misc. YTD Last Year	55	174	-	860	259	164	262	131	150	87	43	87	-	4	-	2,276	
ANIMALS EUTHANIZED																	
Dogs	15	28	21	67	15	13	49	18	24	7	8	71	1	33	-	370	
Cats	90	149	56	232	45	70	139	70	124	46	32	143	5	60	-	1,261	
Miscellaneous	-	11	17	19	12	8	8	4	10	3	-	3	-	17	-	112	
Feral Cats	17	66	61	101	40	43	58	35	49	17	7	49	2	60	1	606	
Dogs Year To Date	201	258	177	630	173	196	452	318	281	76	90	556	44	218	-	3,670	
Cats Year To Date	489	775	402	1,566	372	724	1,038	577	796	259	224	996	21	430	-	8,669	
Miscellaneous Year To Date	* 34	97	154	270	143	43	118	39	100	32	24	97	2	148	-	1,301	
Feral Cats Year To Date	139	434	357	719	310	393	515	341	457	214	123	496	27	384	1	4,910	
Dogs YTD Last Year	193	217	-	487	178	152	366	288	263	117	71	464	22	28	1	2,847	
Cats YTD Last Year	348	532	-	1,315	380	511	811	516	584	270	162	678	10	34	11	6,162	
Misc. YTD Last Year	124	107	-	241	127	59	121	58	94	22	25	59	-	1	-	1,038	
Feral YTD Last Year	131	439	-	698	369	266	516	300	391	196	71	379	14	4	6	3,780	

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE TWO**

MONTH OF JUNE 2009														SEAACA Street		Total	

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE THREE**

MONTH OF JUNE 2009	Bell Gardens	Bellflower	Buena Park	Downey	Lakewood	Montebello	Norwalk	Paramount	Pico Rivera	Santa Fe Springs	South El Monte	South Gate	Vernon	Out of District	SEAACA Street	Total
ESCAPED/UNABLE TO LOCATE																
Dogs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cats	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	2
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dogs Year To Date	-	2	2	2	-	-	-	-	-	-	-	-	-	-	-	5
Cats Year To Date	4	2	2	10	1	2	2	-	2	1	1	5	1	2	-	35
Miscellaneous Year To Date	1	1	-	2	1	2	-	-	-	-	-	-	-	-	-	7
Dogs YTD Last Year	2	1	-	3	1	1	1	-	1	-	-	1	-	-	-	11
Cats YTD Last Year	1	2	-	5	2	1	1	2	3	2	1	1	-	1	-	22
Misc. YTD Last Year	2	1	-	5	1	-	-	-	-	-	-	-	-	-	-	9
TRANSFERS/ADOPTION PARTNERS																
Dogs	3	5	3	4	10	5	10	6	11	2	2	10	-	8	-	79
Cats	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Miscellaneous	-	4	-	1	-	1	5	2	-	-	-	-	-	-	-	13
Dogs Year To Date	50	19	58	166	61	59	126	91	95	24	28	146	7	80	1	1,011
Cats Year To Date	2	4	1	6	4	-	3	6	8	3	-	12	-	1	-	50
Miscellaneous Year To Date	15	10	19	18	13	5	14	8	7	-	15	2	-	25	-	151
Dogs YTD Last Year	30	51	-	167	44	27	109	86	77	31	16	126	1	14	9	788
Cats YTD Last Year	-	5	-	17	1	3	1	1	1	-	-	3	-	2	-	34
Misc. YTD Last Year	7	3	-	11	10	4	9	5	-	-	9	2	-	-	2	62
VOIDS																
This Month																
Year To Date																17
																264

**SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF VETERINARY DIVISION STATISTICS**

MONTH OF JUNE 2009	Dog Spay	Dog Neuter	Cat Spay	Cat Neuter	Total Spay & Neuters	Other Procedures
This Month	100	82	46	68	296	14
Year To Date	846	860	300	338	2,344	127
Year to Date Last Year	924	910	300	263	2,397	156

	A	B	C	D	E	F	G	H	I	J	K
1	Breed	Of Impound	<	ADOPT	CBO	DIED	DIS	DIU	DOA	EB	EF
2	Bat	7							3		
3	Bird	325	1	23	5		17		159		
4	Bobcat	1									
5	Chicken	146		34				1	86		1
6	Cockatiel	11		3		2	1		1		
7	Coyote	3							2		
8	Crow	304	1	4		2	3	4	224		
	Desert										
9	Tortoise	6		5					1		
10	Dove	21				1			9		
11	Duck	236		12		2	13		134		
12	Egret	4							1		
13	Falcon	5							4		
✓ 14	Ferret	6		2	1		1		2		
15	Finch	1							1		
16	Fish	4			1				3		
17	Fox	2							1		
18	Frog	9		8							
19	Goat	25							25		
20	Goose	1				1					
21	Gopher	10							7		
	Guinea										
✓ 22	Pig	20		10			1		7		
✓ 23	Hamster	36	1	24					7		
24	Hawk	55		3			6	1	9		
25	Hen	5							1		
	Humming										
26	bird	5							3		
✓ 27	Iguana	8		2	1		1		3		
28	Lizard	3		1					1		
29	Lovebird	1							1		
✓ 30	Mouse	13					8		3		
31	Opossum	1745	2				1	2	1206		
32	Owl	6					1		2		
✓ 33	Parakeet	32		1	24				6		
34	Parrot	4		2	1				1		
35	Peacock	4		2							
36	Pelican	5							3		
37	Pig	5		4					1		
38	Pigeon	317		2	3		12		171		
✓ 39	Rabbit	298	5	69	1		3		112	2	
40	Raccoon	93		3		1			66		
41	Rat	56							29		
42	Rooster	67		14					41		
43	Sea Gull	48				1	2		20		
44	Skunk	78							53		
45	Snake	43	1	13	1				12		
46	Sparrow	41					1		18		
47	Squirrel	86						1	57	1	
48	Tortoise	5		1	1				1		
49	Turkey	5		1			1		1		
50	Turtle	31	1	5			1		8		
51	total	4242	12	248	39	10	73	9	2506	3	1

SEAACA
ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION
Based on Actual FY 2008-09 actual data

Department	Total Costs	% of Total	Allowable Indirect Costs	Allowable Direct Costs
Administration Support	\$1,289,872		\$1,289,872	
Animal Control/Patrol	\$1,077,463	37%		\$1,077,463
<i>Animal Shelter</i>	<i>\$874,672</i>	30%		<i>\$874,672</i>
<i>Animal Kennel</i>	<i>\$2,646</i>	0%		<i>\$2,646</i>
<i>Veterinary Services</i>	<i>\$625,775</i>	21%		<i>\$625,775</i>
License Canvassing	\$335,776	12%		\$335,776
Division Totals	\$2,916,332	100%	\$1,289,872	\$2,916,332

Animal Shelter & Kennel Share ==

Shelter, Kennel & Vet Costs	=	\$1,503,093	=	51.54% of Admin Support Costs Allocable to Shelter & Kennel Functions
Total Expenditures (less admin)		\$2,916,332		
		51.54% x	\$1,289,872	=
		Shelter & Kennel Share	x Admin Division Expenditures	=
				\$664,807 Admin Overhead

*Animal Control = Animal Control (\$740,799) + Animal Control (10) (\$8,712) + Animal Control Adm Sup. (\$39,289) + Veh Maint (\$6,119)

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Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

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95 SEAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2510 ANIMAL CONT/ADM SUP.

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	354,381.00	301,366.38	301,366.38	0.00	53,014.62	85.04
0020 TEMPORARY PERSONNEL	0.00	17,985.56	17,985.56	0.00	-17,985.56	0.00
0060 LEAVE TIME APPLIED %	0.00	19,574.86	19,574.86	0.00	-19,574.86	0.00
0070 RET/PR INS-APPD %	58,504.00	41,194.77	41,194.77	0.00	17,309.23	70.41
0080 VACATION	0.00	23,432.80	23,432.80	0.00	-23,432.80	0.00
0081 HOLIDAY	0.00	10,200.86	10,200.86	0.00	-10,200.86	0.00
0082 SICK REGULAR	0.00	925.71	925.71	0.00	-925.71	0.00
0083 SICK FAMILY	0.00	689.18	689.18	0.00	-689.18	0.00
0094 MEDICARE EMPLOYER TAX	31,210.00	27,647.64	27,647.64	0.00	3,562.36	88.59
Total PERSONNEL SERVICES	444,095.00	443,017.76	443,017.76	0.00	1,077.24	99.76
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	6,500.00	12,465.24	12,465.24	0.00	-5,965.24	191.77
0140 SPECIAL ACT SUPPLIES	5,500.00	4,095.85	4,095.85	0.00	1,404.15	74.47
0144 COMPUTER SFTWR & LIC	10,000.00	17,058.14	17,058.14	0.00	-7,058.14	170.58
0160 BOOKS & PUBLICATIONS	500.00	2,095.32	2,095.32	0.00	-1,595.32	419.06
0310 ADVERTISING	1,500.00	612.00	612.00	0.00	888.00	40.80
0320 PRINTING & BINDING	3,100.00	2,403.80	2,403.80	0.00	696.20	77.54
0340 PRINTSHOP CHARGES	4,000.00	1,338.09	1,338.09	0.00	2,661.91	33.45
0361 BUILDING RENTAL	30,009.00	0.00	0.00	0.00	30,009.00	0.00
0407 SVCS MAINT - COMPUTER	7,000.00	7,873.39	7,873.39	0.00	-873.39	112.48
0450 AUDITING SERVICES	7,500.00	7,000.00	7,000.00	0.00	500.00	93.33
0451 ADMINISTRATIVE OVERHEAD	40,000.00	39,999.96	39,999.96	0.00	0.04	100.00
0470 LEGAL SRVCS-RETAINER	4,000.00	2,161.00	2,161.00	0.00	1,839.00	54.03
0480 STAFF DEVELOPMENT	0.00	70.00	70.00	0.00	-70.00	0.00
0530 OTHER PROFF SERVICES	5,300.00	28,745.50	28,745.50	0.00	-23,445.50	542.37

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Expenditure Status Report

City of Downey

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2510 ANIMAL CONT/ADM SUP.						
0580 TRAVEL & MEET EXPENSES	6,500.00	17,170.50	17,170.50	0.00	-10,670.50	264.16
0590 TRAVEL & MEET EXP-SPC	23,400.00	20,075.00	20,075.00	0.00	3,325.00	85.79
0630 UNEMPLOYMENT INSURANCE	19,000.00	15,864.00	15,864.00	0.00	3,136.00	83.49
0840 POSTAGE	2,700.00	4,857.10	4,857.10	0.00	-2,157.10	179.89
0670 PROF & TECH SERVICES FEES	3,900.00	3,946.16	3,946.16	0.00	-46.16	101.18
0690 MEDICAL EXAM FEES	1,400.00	2,080.00	2,080.00	0.00	-680.00	148.57
0700 CONTRACT SERVICES-MOC	114,495.00	91,116.70	91,116.70	0.00	23,378.30	79.58
0710 PUBLIC LIABILITY INSURANCE	116,011.00	96,075.10	96,075.10	0.00	19,935.90	82.82
0740 HEALTH INSURANCE	312,752.00	252,926.80	252,926.80	0.00	59,825.20	80.87
0760 WORKERS COMP INSURANCE	108,550.00	108,345.00	108,345.00	0.00	205.00	99.81
0765 LTD INSURANCE	13,000.00	14,611.41	14,611.41	0.00	-1,611.41	112.40
0780 RETIREMENT-PERS	0.00	13,965.42	13,965.42	0.00	-13,965.42	0.00
0861 EQUIPMENT RENT-REPLACEMENT	50,000.00	50,000.00	50,000.00	0.00	0.00	100.00
0870 EQUIPMENT RENT-PRIVATE	15,109.00	10,344.03	10,344.03	0.00	4,764.97	68.46
Total OPR MATL & SUPPLIES	911,726.00	827,295.51	827,295.51	0.00	84,430.49	90.74
00 OFFICE EQUIPMENT						
0900 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	14,000.00	19,558.59	19,558.59	0.00	-5,558.59	139.70
Total ANIMAL CONT/ADM SUP.	1,369,821.00	1,289,871.86	1,289,871.86	0.00	79,949.14	94.16

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Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
95 SEAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2520 ANIMAL CONT/PATROL						
00 PERSONNEL SERVICES	606,341.00	391,502.20	391,502.20	0.00	214,838.80	64.57
00 PERSONNEL SERVICES	0.00	124,908.51	124,908.51	0.00	-124,908.51	0.00
0010 REGULAR SALARIES	17,000.00	59,336.86	59,336.86	0.00	-42,336.86	349.04
0020 TEMPORARY PERSONNEL	75,736.00	44,196.48	44,196.48	0.00	31,539.52	58.36
0030 OVERTIME	0.00	18,896.31	18,896.31	0.00	-18,896.31	0.00
0070 RET/PR INS-APPD %	0.00	12,543.85	12,543.85	0.00	-12,543.85	0.00
0080 VACATION	0.00	13,574.83	13,574.83	0.00	-13,574.83	0.00
0081 HOLIDAY	0.00	1,210.26	1,210.26	0.00	-1,210.26	0.00
0082 SICK REGULAR	0.00	3,213.43	3,213.43	0.00	-3,213.43	0.00
0083 SICK FAMILY	0.00	2,127.38	2,127.38	0.00	-2,127.38	0.00
0085 HOLIDAY OVERTIME	0.00	671,510.11	671,510.11	0.00	27,566.89	96.06
0089 COMP TIME USED	699,077.00					
Total PERSONNEL SERVICES						
00 OPR MATL & SUPPLIES	6,000.00	9,064.36	9,064.36	0.00	-3,064.36	151.07
0140 SPECIAL ACT SUPPLIES	7,200.00	6,622.87	6,622.87	0.00	577.13	91.98
0180 CLOTHING	400.00	47.50	47.50	0.00	352.50	11.88
0330 PHOTO & BLUEPRINTING	2,400.00	1,739.00	1,739.00	0.00	661.00	72.46
0480 STAFF DEVELOPMENT	79,000.00	100,452.59	100,452.59	0.00	-21,452.59	127.16
0860 EQUIPMENT RENT-CITY	120,000.00	120,000.00	120,000.00	0.00	0.00	100.00
0861 EQUIPMENT RENT-REPLACEMENT	215,000.00	237,926.32	237,926.32	0.00	-22,926.32	110.66
Total OPR MATL & SUPPLIES						
00 OFFICE EQUIPMENT						
0940 OTHER VEHICLES	162,000.00	159,756.48	159,756.48	0.00	2,243.52	98.62
Total OFFICE EQUIPMENT	162,000.00	159,756.48	159,756.48	0.00	2,243.52	98.62
Total ANIMAL CONT/PATROL	1,076,077.00	1,069,192.91	1,069,192.91	0.00	6,884.09	99.36

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2530 ANIMAL SHELTER						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	582,928.00	288,966.38	288,966.38	0.00	288,966.38	49.57
0020 TEMPORARY PERSONNEL	0.00	201,044.18	201,044.18	0.00	-201,044.18	0.00
0030 OVERTIME	10,000.00	59,515.54	59,515.54	0.00	-49,515.54	595.16
0070 RET/PR INS-APPD %	75,042.00	34,553.64	34,553.64	0.00	40,488.36	46.05
0080 VACATION	0.00	20,997.87	20,997.87	0.00	-20,997.87	0.00
0081 HOLIDAY	0.00	10,501.33	10,501.33	0.00	-10,501.33	0.00
0082 SICK REGULAR	0.00	7,717.11	7,717.11	0.00	-7,717.11	0.00
0083 SICK FAMILY	0.00	1,531.80	1,531.80	0.00	-1,531.80	0.00
0085 HOLIDAY OVERTIME	0.00	797.24	797.24	0.00	-797.24	0.00
0089 COMP TIME USED	0.00	3,564.86	3,564.86	0.00	-3,564.86	0.00
Total PERSONNEL SERVICES	667,970.00	629,189.95	629,189.95	0.00	38,780.05	94.19
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	0.00	1,239.24	1,239.24	0.00	-1,239.24	0.00
0140 SPECIAL ACT SUPPLIES	41,000.00	92,554.84	92,554.84	0.00	-51,554.84	225.74
0141 INDUSTRIAL GAS-SEAACA	6,500.00	7,778.09	7,778.09	0.00	-1,278.09	119.66
0142 ANIMAL LICENSE SUPPLIES	2,500.00	2,409.42	2,409.42	0.00	90.58	96.38
0180 CLOTHING	4,000.00	4,890.07	4,890.07	0.00	-890.07	122.25
0360 SVCS MAINTAIN BLDGS	16,000.00	-6,708.22	-6,708.22	0.00	22,708.22	41.93
0480 STAFF DEVELOPMENT	2,000.00	2,255.74	2,255.74	0.00	-255.74	112.79
0550 ELECTRICITY BILLS	39,000.00	46,117.86	46,117.86	0.00	-7,117.86	118.25
0556 GAS BILLS	7,000.00	4,057.47	4,057.47	0.00	2,942.53	57.96
0560 TELEPHONE	22,000.00	33,970.10	33,970.10	0.00	-11,970.10	154.41
0570 WATER	2,500.00	2,309.81	2,309.81	0.00	190.19	92.39
Total OPR MATL & SUPPLIES	142,500.00	190,874.42	190,874.42	0.00	-48,374.42	133.95
00 OFFICE EQUIPMENT						

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95 SEACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2530 ANIMAL SHELTER						
0970 COMMUNICATION EQUIPMENT	23,000.00	54,607.23	54,607.23	0.00	-31,607.23	237.42
Total OFFICE EQUIPMENT	23,000.00	54,607.23	54,607.23	0.00	-31,607.23	237.42
Total ANIMAL SHELTER	833,470.00	874,671.60	874,671.60	0.00	-41,201.60	104.94

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Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
95	SEAACA						
2000	PUBLIC SAFETY						
2500	ANIMAL CONTROL						
2531	KENNEL						
00 PERSONNEL SERVICES							
00 PERSONNEL SERVICES							
0010	REGULAR SALARIES	0.00	1,888.62	1,888.2	0.00	-1,888.62	0.00
0030	OVERTIME	0.00	535.67	535.67	0.00	-535.67	0.00
0081	HOLIDAY	0.00	221.84	221.84	0.00	-221.84	0.00
Total PERSONNEL SERVICES		0.00	2,646.13	2,646.13	0.00	-2,646.13	0.00
Total KENNEL		0.00	2,646.13	2,646.13	0.00	-2,646.13	0.00

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95 SEAAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2540 VETERINARY SERVICES						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	330,641.00	233,369.82	233,369.82	0.00	97,271.18	70.58
0020 TEMPORARY PERSONNEL	0.00	33,273.27	33,273.27	0.00	-33,273.27	0.00
0030 OVERTIME	1,000.00	9,745.64	9,745.64	0.00	-8,745.64	974.56
0070 RET/PR INS-APPD %	48,175.00	30,043.35	30,043.35	0.00	18,131.65	62.36
0080 VACATION	0.00	13,308.92	13,308.92	0.00	-13,308.92	0.00
0081 HOLIDAY	0.00	8,982.40	8,982.40	0.00	-8,982.40	0.00
0082 SICK REGULAR	0.00	6,401.94	6,401.94	0.00	-6,401.94	0.00
0083 SICK FAMILY	0.00	571.80	571.80	0.00	-571.80	0.00
0089 COMP TIME USED	0.00	4,361.02	4,361.02	0.00	-4,361.02	0.00
Total PERSONNEL SERVICES	379,816.00	340,058.16	340,058.16	0.00	39,757.84	89.53
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	130,000.00	248,985.95	248,985.95	0.00	-118,985.95	191.53
0180 CLOTHING	1,500.00	2,694.44	2,694.44	0.00	-1,194.44	179.63
0290 SMALL TOOLS AND IMPLEMENTS	500.00	0.00	0.00	0.00	500.00	0.00
0480 STAFF DEVELOPMENT	2,000.00	1,170.70	1,170.70	0.00	829.30	58.54
0700 CONTRACT SERVICES-MOC	11,000.00	20,927.83	20,927.83	0.00	-9,927.83	190.25
Total OPR MATL & SUPPLIES	145,000.00	273,778.92	273,778.92	0.00	-128,778.92	188.81
00 OFFICE EQUIPMENT						
0900 OFFICE EQUIPMENT	4,161.00	11,937.49	11,937.49	0.00	-7,776.49	286.89
Total OFFICE EQUIPMENT	4,161.00	11,937.49	11,937.49	0.00	-7,776.49	286.89
Total VETERINARY SERVICES	528,977.00	625,774.57	625,774.57	0.00	-96,797.57	118.30

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2550 ANIMAL CONTROL (10)						
00 PERSONNEL SERVICES						
00 OPR CHGS & SVCS						
0320 PRINTING & BINDING						
Total OPR CHGS & SVCS	0.00	8,269.52	8,269.52	0.00	-8,269.52	0.00
Total ANIMAL CONTROL (10)	0.00	8,269.52	8,269.52	0.00	-8,269.52	0.00

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
95 SEAACA						
2000 PUBLIC SAFETY						
2500 ANIMAL CONTROL						
2560 LICENSE CANVASSING						
00 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	262,481.00	113,078.65	113,078.65	0.00	149,402.35	43.08
0020 TEMPORARY PERSONNEL	15,612.00	141,005.20	141,005.20	0.00	-125,393.20	903.18
0030 OVERTIME	1,200.00	1,063.78	1,063.78	0.00	136.22	88.65
0070 RET/PR INS-APPD %	22,788.00	14,227.00	14,227.00	0.00	8,561.00	62.43
0080 VACATION	0.00	5,112.88	5,112.88	0.00	-5,112.88	0.00
0081 HOLIDAY	0.00	4,057.57	4,057.57	0.00	-4,057.57	0.00
0082 SICK REGULAR	0.00	1,925.82	1,925.82	0.00	-1,925.82	0.00
0083 SICK FAMILY	0.00	351.53	351.53	0.00	-351.53	0.00
Total PERSONNEL SERVICES	302,081.00	280,822.43	280,822.43	0.00	21,258.57	92.96
00 OPR MATL & SUPPLIES						
0130 OFFICE SUPPLIES	735.00	550.23	550.23	0.00	184.77	74.86
0140 SPECIAL ACT SUPPLIES	2,000.00	5,497.07	5,497.07	0.00	-3,497.07	274.85
0180 CLOTHING	3,000.00	2,514.40	2,514.40	0.00	485.60	83.81
0320 PRINTING & BINDING	7,000.00	9,288.01	9,288.01	0.00	-2,288.01	132.69
0600 MILEAGE	6,731.00	8,029.37	8,029.37	0.00	-1,298.37	119.29
0640 POSTAGE	20,000.00	22,104.72	22,104.72	0.00	-2,104.72	110.52
0700 CONTRACT SERVICES-MOC	8,000.00	6,969.47	6,969.47	0.00	1,030.53	87.12
Total OPR MATL & SUPPLIES	47,466.00	54,953.27	54,953.27	0.00	-7,487.27	115.77
00 OFFICE EQUIPMENT						
Total OFFICE EQUIPMENT	0.00	0.00	0.00	0.00	0.00	0.00
Total LICENSE CANVASSING	349,547.00	335,775.70	335,775.70	0.00	13,771.30	96.06
Total PUBLIC SAFETY	4,157,892.00	4,206,202.29	4,206,202.29	0.00	-48,310.29	101.16

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Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
95 SEAACA						
5000 DEVELOPMENT SERVICES						
5900 ECONOMIC DEVELOPMENT						
5910 COMMUNITY DEVELOPMENT						
00 PERSONNEL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
00 CONTRACT SERVICES						
Total DEVELOPMENT SERVICES						

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95	SEAACA								
9000	TRANSFERS OUT								
9000	TRANSFERS OUT *								
9000	TRANSFERS OUT								
<hr/>									
<i>Account Number</i>		<i>Adjusted</i>	<i>Expenditures</i>	<i>Year-to-date</i>	<i>Year-to-date</i>	<i>Balance</i>	<i>Prc</i>	<i>Used</i>	
00 *** Title Not Found ***									
00 *** Title Not Found ***									
<hr/>									
Total	TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total	SEAACA	4,157,892.00	4,206,202.29	4,206,202.29	0.00	-48,310.29	101.16		

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96		SEAACA GRANT									
1000		SOUTHEAST ANIMAL CONT									
1000		SOUTHEAST ANIMAL CONT									
1010		SEAACA RENOVATION									
Account Number				Adjusted Appropriation		Expenditures		Year-to-date Expenditures		Year-to-date Encumbrances	
										Balance	
										Prct Used	
00		PERSONNEL SERVICES									
00		SVCS MAINT OTH EQUIP									
Total		SVCS MAINT OTH EQUIP		0.00		0.00		0.00		0.00	
Total		SOUTHEAST ANIMAL CONT		0.00		0.00		0.00		0.00	

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96 SEAACA GRANT
2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2510 ANIMAL CONT/ADM SUP.

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 PERSONNEL SERVICES						
00 MILEAGE						
0620 INTEREST EXPENSE	0.00	35,257.67	35,257.67	0.00	-35,257.67	0.00
Total SEAACA GRANT	0.00	35,257.67	35,257.67	0.00	-35,257.67	0.00
Grand Total	4,157,892.00	4,241,459.96	4,241,459.96	0.00	-83,567.96	102.01

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DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On August 5, 2015, I served the:

IRC Filing; and Notice of Complete Filing and Schedule for Comments

Incorrect Reduction Claim

Animal Adoption, 14-9811-I-03

Civil Code Sections 1834 and 1846; Food and Agriculture Code sections 31108, 31752, 31752.5, 31753, 32001, and 32003;

Statutes 1998, Chapter 752 and Statutes 2004, Chapter 313

Fiscal Years: 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009

South East Area Animal Control Authority (SEAACA), Claimant

by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

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 5, 2015 at Sacramento, California.



Jill L. Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 8/3/15

Claim Number: 14-9811-I-03

Matter: Animal Adoption

Claimant: South East Area Animal Control Authority

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

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, § 1181.3.)

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