Hearing Date: January 27, 2017
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ITEM 8

INCORRECT REDUCTION CLAIM

PROPOSED DECISION

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 (SB 1785)

Animal Adoption

Fiscal Years 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009

14-9811-I-03

Southeast Area Animal Control Authority, Claimant

TABLE OF CONTENTS

Exhibit A

Incorrect Reduction Claim (IRC), filed June 8, 2015 1-668

Exhibit B

State Controller's Office (Controller's) Late Comments on the IRC, filed November 10, 2015 1-179

Exhibit C

Claimant's Late Rebuttal Comments, filed February 11, 2016 1-113

Exhibit D

Claimant's Response to the Request for Additional Information (Copies of Joint Powers Agreements), filed June 2, 2016 1-33

Exhibit E

Draft Proposed Decision, issued Nov. 7, 2016 1-71

Exhibit F

Controller's Comments on the Draft Proposed Decision, filed December 5, 2016..... 1-57

Exhibit G

Claimant's Late Comments on the Draft Proposed Decision, filed December 6, 2016 1-12

Exhibit H

Supporting Documentation 1-121

Staff Analysis and Proposed Parameters and Guidelines, Item 8, August 23, 2001

Final Staff Analysis and Proposed Parameters and Guidelines Amendment, Item 11, January 26, 2006

AB 2856, as amended in Senate on August 5, 2004

Assembly Floor Analysis of AB 2856, as amended August 17, 2004

CSAC Excess Insurance Authority v. Commission on State Mandates, Case No. B188169, 2006 WL 3735551 (Cal. Court of Appeal Dec. 20, 2006) (nonpub. opn.)

Staff Analysis and Proposed Parameters and Guidelines, Item 4, February 28, 2002

Senate Judiciary Committee Analysis of SB 1785 [1997-1998 Regular Session], as amended on April 14, 1998

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

achinncrs@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 claimaint 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 or 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.

(Revised June 2007)

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

EXECUTIVE DIRECTOR
Title

Sally B Hazzard
Signature of Authorized Representative

6/8/15
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	Exhibit 4	PDF	SEAACAAnimalAdoptionAuditReport.PDF
Other written notice of adjustment	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

RECEIVED
June 08, 2015
Commission on
State Mandates

BACKGROUND:

SEAACA IS AN AGENCY TASKED WITH PROVIND THE ANIMAL SERVICE NEEDS OF A LARGE AREA OF THE LOS ANGELES UNBAN REGION. DURING THE REIMBURSEMENT PERIOD IT PROVIDE SERVICES TO THE MEMBER CITIES OF: BELL GARDENS, DOWNEY, MONTEBELLO, NORWALK, PARAMOUNT, PICO RIVERA, SANTA FE SPRINGS, SOUTH EL MONTE, AND VIA CONTRACT TO BELL FLOWER, 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 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, VETERMINARY 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 the 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**									
Actual Cost Method										
(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

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(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 / 219,600 = $5.62									
Full Actual Salaries									
(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

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(mandate added 3 extra holding days)									
(Owner Turn-in animals not included in numbers above)									
Total Costs for STRAY Dogs Euthanized =						$113,854			
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 / 219,600 = $5.22									
SCO TIME STUDY									
(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

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

B. On-Going Costs

- ☐ Acquiring Space / Facilities
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- ☒ **Care of Dogs & Cats**
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TOTAL	$1,257,571									
Cost per animal =	$51.41									
Cost per animal/per day	**$5.73**									
Actual Cost Method										
(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
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- ☐ Feral Cats
- ☐ Lost and Found Lists
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Full Actual Salaries									
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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
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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 =							$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**									
= $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	
Speiciial Acct 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 Developmemt		$2,256		$2,256	
Electicity 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**

ICRP RATE = **150.83%**
(Rate is Based on Salaries)

$442,589 = Total Allowable Indirect Costs
$293,432 Total Direct Salaries & Benefits

SEAACA
Animal Shelter
Fiscal Year
2008-09

Name/Position	100% Admin. or Support Staff Annual Salary
Office Supervisor (99%)	$39,187
Dispatcher	$35,381
Dispatcher (47.5%)	$15,195
Clerk Cashier (4)	$134,202
Clerk Cashier (45%)	$15,098
Snr Animal Care Tech	$31,351
Lead Animal Care Tech (40%)	$19,904
Animal Care Tech (11%)	$24,918

TOTAL INDIRECT SALARIES **$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 proving 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 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 CONSTITUE 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 physically 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 in 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 <u>DIE</u> 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 <u>ANY</u> 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 that 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

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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									
Veterinary Division Expend.= TOTAL $625,775						$64,112			
ELIGIBLE VET COSTS = $625,775 x 10%									
= **$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**			

MANDATED COSTS
ANIMAL ADOPTION
CLAIM SUMMARY

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- ☐ 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 =						$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**									
= $357,798 / 219,600 = $1.63									
(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 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**									
(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
- [X] **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 / 219,600 = $5.62									
(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 =						$113,854			
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 / 219,600 = $5.22									
(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

- ☐ 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
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 Veterinary Division Expend.= TOTAL $625,775 ELIGIBLE VET COSTS = $625,775 x 10% = **$64,112 eligible vet share** Cost per day day of VET care $ 2.86 **EXAMPLE OF CALC METHOD BASED ON SCO ALLOWED ANIMAL POPULATION**						$64,112			
(05) Total						**$64,112**			

ADOPTED BUDGET

FISCAL YEAR

2008 - 2009

Prepared by:

Dan Morrison

Presented:

June 4, 2008

Adopted:

June 19, 2008

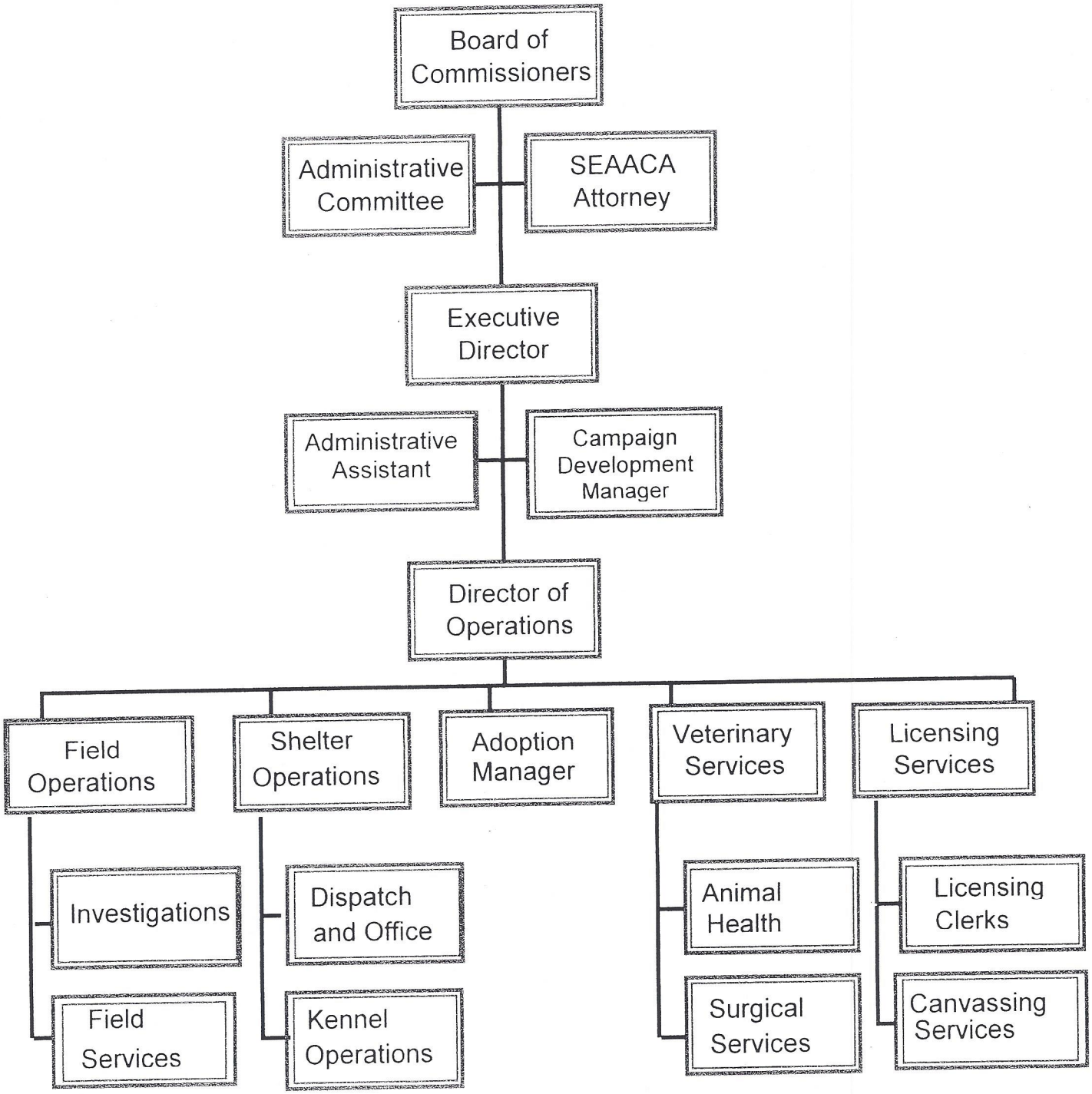
Resolution No. 144

TABLE OF CONTENTS

	Page
Organizational Chart	1
Personnel Manning Table	2
Summary of Expenditures	3
Summary of Revenues	4
Administrative Support	
Personnel Services	5
Maintenance and Operations	6
Maintenance and Operations Support Data	7-9
Capital Outlay	10
Field Operations	
Personnel Services	11
Maintenance and Operations	12
Maintenance and Operations Support Data	13
Capital Outlay	14
Shelter Operations	
Personnel Services	15
Maintenance and Operations	16
Maintenance and Operations Support Data	17
Capital Outlay	18
Veterinary Support	
Personnel Services	19
Maintenance and Operations	20
Maintenance and Operations Support Data	21
Capital Outlay	22
Licensing Services	
Personnel Services	23
Maintenance and Operations	24
Maintenance and Operations Support Data	25
Capital Outlay	26

SEAACA

ORGANIZATIONAL CHART



PERSONNEL MANNING TABLE
FY 2008-09

Adopted 2008-2009 Regular	Adopted 2008-2009 Part Time	DIVISIONS
		ADMINISTRATIVE SUPPORT
1	0	Executive Director
1	0	Director of Operations
0	1	Campaign Development Manager
1	0	Adoption Manager
1	0	Administrative Assistant
4	1	Division Total
		FIELD OPERATIONS
1	0	Animal Control Corporals
2	0	Sr. Animal Control Officers
13	0	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
5	0	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
1	0	Clerk/Cashier
7	0	Division Total
		LICENSING SERVICES
1	0	Licensing Supervisor
3	1	Clerk
0	8	Canvassers
4	9	Division Total
49	**10**	**ORGANIZATIONAL TOTAL**

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	$ 1,369,821
Field Operations		
	Personnel Services	$ 699,077
	Maintenance and Operations	215,000
	Capital Outlay	162,000
	Subtotal	$ 1,076,077
Shelter Operations		
	Personnel Services	$ 667,970
	Maintenance and Operations	142,500
	Capital Outlay	23,000
	Subtotal	$ 833,470
Veterinary Services		
	Personnel Services	$ 379,816
	Maintenance and Operations	145,000
	Capital Outlay	4,161
	Subtotal	$ 528,977
Licensing Services		
	Personnel Services	$ 302,081
	Maintenance and Operations	47,466
	Capital Outlay	-
	Subtotal	$ 349,547
TOTAL EXPENDITURES		
	Personnel Services	$ 2,493,039
	Maintenance and Operations	1,461,692
	Capital Outlay	203,161
TOTAL EXPENDITURES		**$ 4,157,892**

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	$ 1,359,727
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	$ 1,653,950
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	$ 1,144,215
TOTAL FUNDS AVAILABLE FOR APPROPRIATION	**$ 4,157,892**

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		31,210
TOTAL PERSONNEL SERVICES	5	$ 444,095

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
	Subtotal	$ 22,500
	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
	Subtotal	$ 874,117
	EQUIPMENT RENTAL	
870	Equipment Rental-Private	$ 15,109
	Subtotal	$ 15,109
	TOTAL MAINTENANCE AND OPERATIONS	$ 911,726

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; BrightStore 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.

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	-
	TOTAL CAPITAL OUTLAY	$ 14,000

PERSONNEL SERVICES
DIVISION: FIELD OPERATIONS
FUND: 2520

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

MAINTENANCE AND OPERATIONS
DIVISION: FIELD OPERATIONS
FUND: 2520

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

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	$ 162,000
	TOTAL CAPITAL OUTLAY	$ 162,000

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

PERSONNEL SERVICES
DIVISION: SHELTER OPERATIONS
FUND:2530

	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
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		75,042
TOTAL PERSONNEL SERVICES	18	$ 667,970

MAINTENANCE AND OPERATIONS
DIVISION: SHELTER OPERATIONS
FUND: 2530

Line Item		Adopted Fiscal Year 2008-2009
	OPERATING MATERIALS AND SUPPLIES	
140	Shelter/Custodial Supplies	$ 41,000
141	Euthanasia Supplies	6,500
142	Products for Re-Sale	2,500
180	Uniforms and Accessories	4,000
	Subtotal	54,000
	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
	Subtotal	$ 88,500
	EQUIPMENT RENTAL	
870	Equipment Rental	$ -
	Subtotal	$ -
	TOTAL MAINTENANCE AND OPERATIONS	$ 142,500

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
970	No capital requests	$ 23,000
	TOTAL CAPITAL OUTLAY	$ 23,000

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 Emps.	Adopted Fiscal Year 2008-2009
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		48,175
TOTAL PERSONNEL SERVICES	7	$ 379,816

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
	Subtotal	$ 132,000
	OPERATING CHARGES AND SERVICES	
480	Staff Development	$ 2,000
700	Contract Services	11,000
	Subtotal	$ 13,000
	TOTAL MAINTENANCE AND OPERATIONS	$ 145,000

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		22,788
TOTAL PERSONNEL SERVICES	13	$ 302,081

MAINTENANCE AND OPERATIONS
DIVISION: LICENSING SERVICES
FUND: 2560

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

LICENSING SERVICES
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	$ -

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

RECEIVED
July 29, 2015
Commission on
State Mandates

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

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

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RECEIVED
July 29, 2015
Commission on State Mandates

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 claimaint 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

SEAACA
Dedicated to Quality Animal Care & Control
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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 B. Hazzard

Sally Hazzard
Executive Director

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Downey, California 90241
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RECEIVED
July 29, 2015
Commission on
State Mandates

GENERAL CLAIMING INSTRUCTIONS

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:	If delivered by Other delivery services:
Office of the State Controller Attn: Local Reimbursements Section Division of Accounting and Reporting P.O. Box 942850 Sacramento, CA 94250	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.

(Biweekly Salary x 26) / 1,800 * = 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 x 26) / 1,800 * = $13.51 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

	Average Time	Productive Hourly Rate	Total Cost by Employee
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

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:

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

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

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

Table 2

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
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
		$9.50

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	
Auditor	Welfare Administration	Health Department
Warrant Writing:		
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	$9,950	$1,950

Direct Costs Incurred By	On Behalf of	
Building & Grounds Department	Welfare Administration	Health Department
Maintenance of Buildings:		
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	$2,100	$1,020

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.

Exhibit 1

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

(A) Description of Costs	Distribution Base	Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs: Investigation PC 987.9	Identifiable Program Costs: 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		$ 1,400,000	$ 60,000	$ 200,000	$ 1,140,000	$ 120,000	$ 1,020,000
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		$ 1,470,000	$ 817,000	$ 30,000	$ 623,000	$ 16,000	$ 607,000
Capital Expenditures		$ 100,000	$ 100,000				
Total Budgetary Expenditures		$ 2,970,000	$ 977,000	$ 230,000	$ 1,763,000	$ 136,000	$ 1,627,000
Cost Plan Costs	Distribution Base						
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		$ 170,000 (E)	$ 9,000	$ 70,000	$ 91,000	$ 4,000	$ 87,000
Total Allocable Indirect Costs				$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			$ 15,000	$ (300,000)	$ 285,000	$ 30,000	$ 255,000
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 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	$1,000,000

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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 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 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 XIIIB 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 XIIIB 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 XIIIB 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 subvened 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 2000-01[1].

- **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

Adopted: February 28, 2002
Corrected: March 20, 2002
F:/mandates/98TC11/PsGs/adoptedPsGs

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.

<u>Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims</u>

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

(19) Program Number 00213

(20) Date Filed ____/____/____

(21) LRS Input ____/____/____

Program 213

LABEL HERE

(01) Claimant Identification Number

(02) Claimant Name

County of Location

Street Address or P.O. Box Suite

City State Zip Code

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☐
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06) 20___/20___	(12) 19___/20___
Total Claimed Amount	(07)	(13)
Less: **10% Late Penalty, not to exceed $1,000**		(14)
Less: **Prior Claim Payment Received**		(15)
Net Claimed Amount		(16)
Due from State	(08)	(17)
Due to State		(18)

Reimbursement Claim Data

(22) AA-1, (04)(A)(1)(g)	
(23) AA-1, (04)(A)(2)(g)	
(24) AA-1, (04)(A)(3)(g)	
(25) AA-1, (04)(B)(1)(g)	
(26) AA-1, (04)(B)(2)(g)	
(27) AA-1, (04)(B)(3)(g)	
(28) AA-1, (04)(B)(4)(g)	
(29) AA-1, (04)(B)(5)(g)	
(30) AA-1, (04)(B)(6)(g)	
(31) AA-1, (04)(B)(7)(g)	
(32) AA-1, (04)(B)(8)(g)	
(33) AA-1, (04)(B)(9)(g)	
(34) AA-1, (04)(B)(10)(g)	
(35) AA-1, (06)	
(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 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.

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.

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.

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 Certification Claim Form Instructions	FORM FAM-27

(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
Reimbursement ☐
Estimated ☐

Fiscal Year 19___/20___

(03) Department

Direct Costs	Object Accounts						
(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c) Materials & Supplies	(d) Contract Services	(e) Travel & Training	(f) Fixed Assets	(g) 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

(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

(01) Claimant

(02) Fiscal Year

(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 ☐ Subtotal ☐ Page:____of____								

Program 213	ANIMAL ADOPTION COMPONENT/ACTIVITY COST DETAIL Instructions	FORM AA-2

(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 Travel	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	
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 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.

RECEIVED
July 29, 2015
Commission on
State Mandates

GENERAL CLAIMING INSTRUCTIONS

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]

Item 5240-295-0001 Department of Corrections

Chapter 820/91	Prisoner Parental Rights	1,000

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 **$39,000**

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
Humbolt		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:
o Paid holidays
o Vacation earned
o Sick leave taken
o Informal time off
o Jury duty
o 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) ÷ APH] = PHR	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
[($26,000 + $8,099)] ÷ 1,800 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: *Fringe Benefits as a Percent of Salary*		**Step 2:** *Productive Hourly Rate*
Retirement	15.00 %	**Formula:**
Social Security & Medicare	7.65	[(EAS x (1 + FBR)) ÷ APH] = PHR
Health & Dental Insurance	5.25	
Workers Compensation	3.25	[($26,000 x (1.3115)) ÷ 1,800] = $18.94
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

	Time Spent	Productive Hourly Rate	Total Cost by Employee
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:

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

(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

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

Table 2 Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
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
		$9.50

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	
Auditor	Welfare Administration	Health Department
Warrant Writing:		
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	$9,950	$1,950

Direct Costs Incurred By	On Behalf of	
Building & Grounds Department	Welfare Administration	Health Department
Maintenance of Buildings:		
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	$2,100	$1,020

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.

Exhibit 1

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

(A) Description of Costs	Distribution Base	Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs: Investigation PC 987.9	Identifiable Program Costs: 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		$ 1,400,000	$ 60,000	$ 200,000	$ 1,140,000	$ 120,000	$ 1,020,000
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		$ 1,470,000	$ 817,000	$ 30,000	$ 623,000	$ 16,000	$ 607,000
Capital Expenditures		$ 100,000	$ 100,000				
Total Budgetary Expenditures		$ 2,970,000	$ 977,000	$ 230,000	$ 1,763,000	$ 136,000	$ 1,627,000
Cost Plan Costs	Distribution Base						
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		$ 170,000 (E)	$ 9,000	$ 70,000	$ 91,000	$ 4,000	$ 87,000
Total Allocable Indirect Costs				$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			$ 15,000	$ (300,000)	$ 285,000	$ 30,000	$ 255,000
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 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	$1,000,000

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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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:	If delivered by Other delivery services:
Office of the State Controller Attn: Local Reimbursements Section Division of Accounting and Reporting P.O. Box 942850 Sacramento, CA 94250	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 lrsdar@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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 subvened 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 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 2000-01[1].

- **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

Adopted: February 28, 2002
Corrected: March 20, 2002
F:/mandates/98TC11/PsGs/adoptedPsGs

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.

<u>Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims</u>

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

(19) Program Number 00213

(20) Date Filed ____/____/____

(21) LRS Input ____/____/____

Program 213

LABEL HERE

(01) Claimant Identification Number

(02) Claimant Name

County of Location

Street Address or P.O. Box Suite

City State Zip Code

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☐
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06) **20___/20___**	(12) **20___/20___**
Total Claimed Amount	(07)	(13)
Less: **10% Late Penalty, not to exceed $1,000**		(14)
Less: **Prior Claim Payment Received**		(15)
Net Claimed Amount		(16)
Due from State	(08)	(17)
Due to State		(18)

Reimbursement Claim Data

(22) AA-1, (04)(A)(1)(g)	
(23) AA-1, (04)(A)(2)(g)	
(24) AA-1, (04)(A)(3)(g)	
(25) AA-1, (04)(B)(1)(g)	
(26) AA-1, (04)(B)(2)(g)	
(27) AA-1, (04)(B)(3)(g)	
(28) AA-1, (04)(B)(4)(g)	
(29) AA-1, (04)(B)(5)(g)	
(30) AA-1, (04)(B)(6)(g)	
(31) AA-1, (04)(B)(7)(g)	
(32) AA-1, (04)(B)(8)(g)	
(33) AA-1, (04)(B)(9)(g)	
(34) AA-1, (04)(B)(10)(g)	
(35) AA-1, (06)	
(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

Form FAM-27 (Revised 09/03)

Program 213	ANIMAL ADOPTION Certification Claim Form Instructions	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) 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 ☐

Estimated ☐

20___/20___

(03) Department

Direct Costs	Object Accounts						
(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c) Materials & Supplies	(d) Contract Services	(e) Travel & Training	(f) Fixed Assets	(g) 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

(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

(01) Claimant

(02) Fiscal Year

(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 ☐ Subtotal ☐ Page:____of____								

Revised 09/03

Program 213	ANIMAL ADOPTION COMPONENT/ACTIVITY COST DETAIL Instructions	FORM AA-2

(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 Travel	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	
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 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.

RECEIVED
July 29, 2015
Commission on
State Mandates

GENERAL CLAIMING INSTRUCTIONS

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

[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)

				Mandated Programs	Amounts Appropriated
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

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	$11,499,000.00

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 claims, 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
Humbolt		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:
o Paid holidays
o Vacation earned
o Sick leave taken
o Informal time off
o Jury duty
o 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) ÷ APH] = PHR	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
[($26,000 + $8,099)] ÷ 1,800 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: *Fringe Benefits as a Percent of Salary*		**Step 2:** *Productive Hourly Rate*
Retirement	15.00 %	**Formula:**
Social Security & Medicare	7.65	[(EAS x (1 + FBR)) ÷ APH] = PHR
Health & Dental Insurance	5.25	
Workers Compensation	3.25	[($26,000 x (1.3115)) ÷ 1,800] = $18.94
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

	Time Spent	Productive Hourly Rate	Total Cost by Employee
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:

Employer's Contribution	% to Salary
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	28.65%

(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

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

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
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
		$9.50

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	
Auditor	Welfare Administration	Health Department
Warrant Writing:		
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	$9,950	$1,950

Direct Costs Incurred By	On Behalf of	
Building & Grounds Department	Welfare Administration	Health Department
Maintenance of Buildings:		
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	$2,100	$1,020

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.

Exhibit 1

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

(A) Description of Costs	Distribution Base	Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs: Investigation PC 987.9	Identifiable Program Costs: 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		$ 1,400,000	$ 60,000	$ 200,000	$ 1,140,000	$ 120,000	$ 1,020,000
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		$ 1,470,000	$ 817,000	$ 30,000	$ 623,000	$ 16,000	$ 607,000
Capital Expenditures		$ 100,000	$ 100,000				
Total Budgetary Expenditures		$ 2,970,000	$ 977,000	$ 230,000	$ 1,763,000	$ 136,000	$ 1,627,000
Cost Plan Costs	Distribution Base						
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		$ 170,000 (E)	$ 9,000	$ 70,000	$ 91,000	$ 4,000	$ 87,000
Total Allocable Indirect Costs				$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			$ 15,000	$ (300,000)	$ 285,000	$ 30,000	$ 255,000
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	$1,000,000

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 to 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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 subvened 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 XIIIB 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 x C x 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 x C x 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 x C x 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) x C x 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 x L)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 (N = C x 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 x C x 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 x C x G.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year (N = C x 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."

<u>Population Exclusions</u>

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 chapter[3] 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

(19) Program Number 00213

(20) Date Filed ____/____/____

(21) LRS Input ____/____/____

Program 213

LABEL HERE

(01) Claimant Identification Number

(02) Claimant Name

County of Location

Street Address or P.O. Box Suite

City State Zip Code

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☐
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06) **20___/20___**	(12) **20___/20___**
Total Claimed Amount	(07)	(13)
Less: **10% Late Penalty, not to exceed $1,000**		(14)
Less: **Prior Claim Payment Received**		(15)
Net Claimed Amount		(16)
Due from State	(08)	(17)
Due to State		(18)

Reimbursement Claim Data	
(22) AA-1, (04)(A)(1)(g)	
(23) AA-1, (04)(A)(2)(g)	
(24) AA-1, (04)(A)(3)(g)	
(25) AA-1, (04)(B)(1)(g)	
(26) AA-1, (04)(B)(2)(g)	
(27) AA-1, (04)(B)(3)(g)	
(28) AA-1, (04)(B)(4)(g)	
(29) AA-1, (04)(B)(5)(g)	
(30) AA-1, (04)(B)(6)(g)	
(31) AA-1, (04)(B)(7)(g)	
(32) AA-1, (04)(B)(8)(g)	
(33) AA-1, (04)(B)(9)(g)	
(34) AA-1, (04)(B)(10)(g)	
(35) AA-1, (06)	
(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

Form FAM-27 (Revised 04/06)

Program 213	ANIMAL ADOPTION 2005 Certification Claim Form Instructions	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) 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 ☐ Estimated ☐ 20___/20___

(03) Department

Direct Costs	Object Accounts						
(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c) Materials & Supplies	(d) Contract Services	(e) Travel & Training	(f) Fixed Assets	(g) 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

(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
- ☐ 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 ☐ Subtotal ☐ Page:____of____								

Revised 04/06

Program 213	ANIMAL ADOPTION 2005 COMPONENT/ACTIVITY COST DETAIL INSTRUCTIONS	FORM AA-2

(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 Travel	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	
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 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.

RECEIVED
July 29, 2015
Commission on
State Mandates

GENERAL CLAIMING INSTRUCTIONS

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

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					$12,860,000.00

[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 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
Humbolt		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:
o Paid holidays
o Vacation earned
o Sick leave taken
o Informal time off
o Jury duty
o 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) ÷ APH] = PHR	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
[($26,000 + $8,099)] ÷ 1,800 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: *Fringe Benefits as a Percent of Salary*		**Step 2:** *Productive Hourly Rate*
Retirement	15.00 %	**Formula:**
Social Security & Medicare	7.65	[(EAS x (1 + FBR)) ÷ APH] = PHR
Health & Dental Insurance	5.25	
Workers Compensation	3.25	[($26,000 x (1.3115)) ÷ 1,800] = $18.94
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

	Time Spent	Productive Hourly Rate	Total Cost by Employee
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:

Employer's Contribution	% to Salary
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	28.65%

(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

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

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
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
		$9.50

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	
Auditor	Welfare Administration	Health Department
Warrant Writing:		
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	$9,950	$1,950

Direct Costs Incurred By	On Behalf of	
Building & Grounds Department	Welfare Administration	Health Department
Maintenance of Buildings:		
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	$2,100	$1,020

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.

Exhibit 1

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		$ 1,400,000	$ 60,000	$ 200,000	$ 1,140,000	$ 120,000	$ 1,020,000
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		$ 1,470,000	$ 817,000	$ 30,000	$ 623,000	$ 16,000	$ 607,000
Capital Expenditures		$ 100,000	$ 100,000				
Total Budgetary Expenditures		$ 2,970,000	$ 977,000	$ 230,000	$ 1,763,000	$ 136,000	$ 1,627,000
	Distribution Base						
Cost Plan Costs							
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		$ 170,000 (E)	$ 9,000	$ 70,000	$ 91,000	$ 4,000	$ 87,000
Total Allocable Indirect Costs				$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			$ 15,000	$ (300,000)	$ 285,000	$ 30,000	$ 255,000
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	$1,000,000

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 to 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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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:	If delivered by Other delivery services:
Office of the State Controller **Attn: Local Reimbursements Section** **Division of Accounting and Reporting** **P.O. Box 942850** **Sacramento, CA 94250**	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.

RETURN TO TABLE OF CONTENTS

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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 subvened 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 indication 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 instrucstions 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 XIIIB 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 XIIIB 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 and 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 XIIIB 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 subvened 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 XIIIB 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.

RETURN TO TABLE OF CONTENTS

RETURN TO TABLE OF CONTENTS

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 x C x 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 x C x 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 x C x 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) x C x 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 x L)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 (N = C x 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 x C x 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 x C x G.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year (N = C x 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."

<u>Population Exclusions</u>

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 chapter[3] 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

(02) Claimant Name

Address

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)	(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)	

Reimbursement Claim Data

(22) FORM-1, (04)(A)(1)(g)	
(23) FORM-1, (04)(A)(2)(g)	
(24) FORM-1, (04)(A)(3)(g)	
(25) FORM-1, (04)(B)(1)(g)	
(26) FORM-1, (04)(B)(2)(g)	
(27) FORM-1, (04)(B)(3)(g)	
(28) FORM-1, (04)(B)(4)(g)	
(29) FORM-1, (04)(B)(5)(g)	

(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 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.

Signature of Authorized Officer _____ Date _____

Type or Print Name _____ Title _____

(38) Name of Contact Person for Claim _____ Telephone Number _____

E-mail Address _____

Program 213	ANIMAL ADOPTION Certification Claim Form Instructions	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) 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) Salaries	(b) Benefits	(c) Materials & Supplies	(d) Contract Services	(e) Travel & Training	(f) Fixed Assets	(g) 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

(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

(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 ☐ Subtotal ☐ Page:____of____								

Revised 07/08

Program 213	ANIMAL ADOPTION ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2

(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 Travel	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	
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 included 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 LRSDAR@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 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
Humbolt		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:
o Paid holidays
o Vacation earned
o Sick leave taken
o Informal time off
o Jury duty
o 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) ÷ APH] = PHR	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
[($26,000 + $8,099)] ÷ 1,800 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: *Fringe Benefits as a Percent of Salary*		**Step 2:** *Productive Hourly Rate*
Retirement	15.00 %	**Formula:**
Social Security & Medicare	7.65	[(EAS x (1 + FBR)) ÷ APH] = PHR
Health & Dental Insurance	5.25	
Workers Compensation	3.25	[($26,000 x (1.3115)) ÷ 1,800] = $18.94
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

	Time Spent	Productive Hourly Rate	Total Cost by Employee
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:

Employer's Contribution	% to Salary
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	28.65%

(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

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

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
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
		$9.50

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	
Auditor	Welfare Administration	Health Department
Warrant Writing:		
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	$9,950	$1,950

Direct Costs Incurred By	On Behalf of	
Building & Grounds Department	Welfare Administration	Health Department
Maintenance of Buildings:		
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	$2,100	$1,020

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.

Exhibit 1

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

(A) Description of Costs	Distribution Base	Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs: Investigation PC 987.9	Identifiable Program Costs: 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		$ 1,400,000	$ 60,000	$ 200,000	$ 1,140,000	$ 120,000	$ 1,020,000
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		$ 1,470,000	$ 817,000	$ 30,000	$ 623,000	$ 16,000	$ 607,000
Capital Expenditures		$ 100,000	$ 100,000				
Total Budgetary Expenditures		$ 2,970,000	$ 977,000	$ 230,000	$ 1,763,000	$ 136,000	$ 1,627,000
Cost Plan Costs	Distribution Base						
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		$ 170,000 (E)	$ 9,000	$ 70,000	$ 91,000	$ 4,000	$ 87,000
Total Allocable Indirect Costs				$ 300,000 (F)			
Distribution of Allocable Indirect Costs							
Based on Salaries & Wages			$ 15,000	$ (300,000)	$ 285,000	$ 30,000	$ 255,000
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	$1,000,000

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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
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:	If delivered by Other delivery services:
Office of the State Controller Attn: Local Reimbursements Section Division of Accounting and Reporting P.O. Box 942850 Sacramento, CA 94250	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 subvened 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 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.

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 subvened 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 x C x 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 x C x 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 x C x 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) x C x 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 x L)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 (N = C x 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 x C x 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 x C x G.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year (N = C x 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.

   <u>Exclusions</u>

   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."

<u>Population Exclusions</u>

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 chapter[3] 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

(02) Claimant Name

County of Location

Street Address of P.O. Box Suite

City State Zip Code

		Type of Claim	
	(03)	(09) Reimbursement ☐	
	(04)	(10) Combined ☐	
	(05)	(11) Amended ☐	
Fiscal Year of Cost	(06)	(12)	
Total Claimed Amount	(07)	(13)	
Less: **10% Late Penalty** (refer to attached Instructions)		(14)	
Less: **Prior Claim Payment Received**		(15)	
Net Claimed Amount		(16)	
Due from State	(08)	(17)	
Due to State		(18)	

Reimbursement Claim Data	
(22) FORM-1, (04)(A)(1)(g)	
(23) FORM-1, (04)(A)(2)(g)	
(24) FORM-1, (04)(A)(3)(g)	
(25) FORM-1, (04)(B)(1)(g)	
(26) FORM-1, (04)(B)(2)(g)	
(27) FORM-1, (04)(B)(3)(g)	
(28) FORM-1, (04)(B)(4)(g)	
(29) FORM-1, (04)(B)(5)(g)	
(30) FORM-1, (04)(B)(6)(g)	
(31) FORM-1, (04)(B)(7)(g)	
(32) FORM-1, (04)(B)(8)(g)	
(33) FORM-1, (04)(B)(9)(g)	
(34) FORM-1, (04)(B)(10)(g)	
(35) FORM-1, (06)	
(36) FORM-1, (07)	

(37) CERTIFICATION OF CLAIM

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.

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.

The amount for this reimbursement is 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.

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) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel and Training	(g) 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

(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. Tota 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 Indirec 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

(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 ☐ Subtotal ☐ Page:____of____								

Revised 10/09

Program 213	ANIMAL ADOPTION ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2

(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 Travel	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 ☐ No ☐

(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 ☐ No ☐

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

(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 x C x 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 x C x 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 x C x 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) x C x 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 x L)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 (N = C x 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

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[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 x C x 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 x C x G.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year (N = C x 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 chapter[3] 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
(19) Program Number 00213 (20) Date Filed (21) LRS Input	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	☐	(27) FORM-1, (04)(B)(3)(g)	
	(04)	(10) Combined	☐	(28) FORM-1, (04)(B)(4)(g)	
	(05)	(11) Amended	☐	(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

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.

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.

The amount for this reimbursement is 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.

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 _____

Form FAM-27 (Revised 10/09)

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) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel and Training	(g) 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)}]	

Revised 11/09

Program 213	ANIMAL ADOPTION CLAIM SUMMARY Instructions	FORM 1

(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. Tota 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 Indirec 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

(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 ☐ Subtotal ☐ Page:____of____								

Revised 10/09

Program 213	ANIMAL ADOPTION ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2

(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 Travel	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.

Revised 10/09

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 ☐ No ☐

(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 ☐ No ☐

If yes, identify the entity and list the amount paid to the other entity.

Name of Entity	Amount Paid
Total	

New 10/09

Program 213	ANIMAL ADOPTION Instructions for SUMMARY OF SERVICES PROVIDED UNDER CONTRACT	FORM 3

(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

Contents

Audit Report

Summary 1

Background 1

Objective, Scope, and Methodology 2

Conclusion 2

Views of Responsible Official 3

Restricted Use 3

Schedule 1—Summary of Program Costs 4

Schedule 2—Summary of Care and Maintenance Costs 7

Findings and Recommendations 10

Attachment—Agency's Response to the Draft Audit Report

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

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference [1]
July 1, 2001, through June 30, 2002				
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	$ 250,855	138,926	$ (111,929)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		$ 138,926		
July 1, 2002, through June 30, 2003				
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	$ 292,881	140,845	$ (152,036)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		$ 140,845		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference [1]
July 1, 2006, through June 30, 2007				
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	$ 524,800	139,835	$ (384,965)	
Less amount paid by the State		(524,800)		
Allowable costs claimed in excess of (less than) amount paid		$ (384,965)		
July 1, 2007, through June 30, 2008				
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	$ 569,725	165,888	$ (403,837)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		$ 165,888		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference [1]
July 1, 2008, through June 30, 2009				
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	$ 678,463	174,597	$ (503,866)	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		$ 174,597		
Summary: July 1, 2001, through June 30, 2009, (excluding June 1, 2003, through June 30, 2006)				
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	$ 2,316,724	760,091	$ (1,556,633)	
Less amount paid by the State		(524,800)		
Allowable costs claimed in excess of amount paid		$ 235,291		

[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: Salaries & Benefits	Allowable per Audit: Materials & Supplies	Allowable per Audit: Amount Allowable	Audit Adjustments
July 1, 2001, through June 30, 2002					
Total care and maintenance costs	$ 813,446	$ 176,465	$ 41,702		
Total animal census	÷ 104,700	÷ 174,117	÷ 174,117		
Cost per day	$7.7693	$1.01	$0.24		
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	$ 209,802	$ 18,053	$ 4,290	$ 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	$ 23,215	$ 703	$ 167	870	(22,345)
Total care and maintenance	$ 233,017	$ 18,756	$ 4,457	$ 23,213	$ (209,804)
July 1, 2002, through June 30, 2003					
Total care and maintenance costs	$ 887,971	$ 195,713	$ 35,556		
Total animal census	÷ 109,715	÷ 174,117	÷ 174,117		
Cost per day	$8.0934	$1.12	$0.20		
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	$ 225,079	$ 20,019	$ 3,575	$ 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	$ —	$ 780	$ 139	919	919
Total care and maintenance	$ 225,079	$ 20,799	$ 3,714	$ 24,513	$ (200,566)

Schedule 2 (continued)

Category	Actual Costs Claimed	Allowable per Audit: Salaries & Benefits	Allowable per Audit: Materials & Supplies	Allowable per Audit: Amount Allowable	Audit Adjustments
July 1, 2006, through June 30, 2007					
Total care and maintenance costs	$ 1,829,255	$ 121,270	$ 50,248		
Total animal census	÷ 127,596	÷ 139,820	÷ 139,820		
Cost per day	$14.3363	$0.87	$0.36		
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	$ 397,158	$ 12,687	$ 5,250	$ 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	$ 6,592	$ 538	$ 222	760	(5,832)
Total care and maintenance	$ 403,750	$ 13,225	$ 5,472	$ 18,697	$ (385,053)
July 1, 2007, through June 30, 2008					
Total care and maintenance costs	$ 1,999,850	$ 193,753	$ 68,666		
Total animal census	÷ 134,834	÷ 162,934	÷ 162,934		
Cost per day	$14.8319	$1.19	$0.42		
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	$ 435,435	$ 20,488	$ 7,231	$ 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	$ 7,969	$ 1,007	$ 355	1,362	(6,607)
Total care and maintenance	$ 443,404	$ 21,495	$ 7,586	$ 29,081	$ (414,323)

Schedule 2 (continued)

Category	Actual Costs Claimed	Allowable per Audit: Salaries & Benefits	Allowable per Audit: Materials & Supplies	Allowable per Audit: Amount Allowable	Audit Adjustments
July 1, 2008, through June 30, 2009					
Total care and maintenance costs	$ 2,160,122	$ 265,244	$ 92,554		
Total animal census	÷ 146,772	÷ 219,598	÷ 219,598		
Cost per day	$14.7175	$1.21	$0.42		
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	× 2.284657	× 3	× 3		
Total care and maintenance costs for dogs and cats	$ 579,988	$ 26,401	$ 9,164	$ 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	× 4	× 6	× 6		
Total care and maintenance costs for other animals	$ 7,457	$ 748	$ 260	1,008	(6,449)
Total care and maintenance	$ 587,445	$ 27,149	$ 9,424	$ 36,573	$ (550,872)
Summary: July 1, 2001, through June 30, 2009, excluding July 1, 2003, through June 30, 2006					
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	45,233	3,776	1,143	4,919	(40,314)
Total care and maintenance costs	$ 1,892,695	$ 101,424	$ 30,653	$ 132,077	$ (1,760,618)

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	$1,847,462	$ 45,233	$1,892,695	$ 127,158	$ 4,919	$ 132,077	$(1,760,618)

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:

		Allowable per Audit			
Position	Amount Claimed	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:

	Fiscal Year					
Description	2001-02	2002-03	2006-07	2007-08	2008-09	Total
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	$ (771,744)	$ (852,415)	$(1,779,007)	$(1,931,184)	$(2,067,568)	$(7,401,918)

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:

	Number of Animals						
	Population Claimed			Population Allowable			
Fiscal Year	Dogs & Cats	Other Animals	Total Claimed	Dogs & Cats	Other Animals	Total Allowable	Audit Adjustment
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, VETERMINARY 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. 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 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. 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 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 CONSTITUE 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 physically 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 in 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 <u>DIE</u> 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 <u>ANY</u> 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 that 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 sever 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:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
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	$ 654,322	$ 187,344	$ (466,978)

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 2001-02	2002-03	2006-07	2007-08	2008-09	Total
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.

	Hours					
	Fiscal Year					
Position	2001-02	2002-03	2006-07	2007-08	2008-09	Total
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:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
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	$ —	$ 7,432	$ 7,432

The parameters and guidelines (section I.V.B.7–Lost and Found Lists) identify the following reimbursable activities:

- Ability to list the animals thy 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.

Shelter Staff	Average Minutes per Week	Average Hours per Week	Average Hours per Year
Desk Clerk	69	1.15	60
Front Office Supervisor	18	0.30	16
Total	87	1.45	76

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:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
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:

	Fiscal Year				
Time Study	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:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
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 demine 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:

Fiscal Year	Eligible Dogs	Eligible Cats	"Other" Animals	Total
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	10,980	18,976	726	30,682

* 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:

Description	Fiscal Year 2001-02	2002-03	2006-07	2007-08	2008-09	Amount Allowable
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	$ 4,282	$ 4,282	$ 6,416	$ 7,745	$ 10,056	
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	$ 5,844	$ 5,844	$ 4,410	$ 5,886	$ 7,813	
Amount allowable	$ 10,126	$ 10,126	$ 10,826	$ 13,631	$ 17,869	$ 62,578

* 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.

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
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 2001-02	2002-03	2006-07	2007-08	2008-09	Total
	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 - 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.

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:

Fiscal Year	Claimed Offset	Allowable Offset	Audit Adjustment
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	$ (230,293)	$ (72,087)	$ 158,206

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:

Fiscal Year	City of Buena Park	City of Lakewood
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 Percentage	City of Buena Park Amount to Offset	City of Lakewood Percentage	City of Lakewood Amount to Offset	Total Subject 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	$832,178		$ (12,686)		$ (59,401)	$ (72,087)

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 Amount Claimed	City of Buena Park Amount Allowable	City of Buena Park Audit Adjustment	City of Lakewood Amount Claimed	City of Lakewood Amount Allowable	City of Lakewood 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	$ 49,272	$ 12,686	$ (36,586)	$ 180,998	$ 59,401	$ (121,597)

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

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

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 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 $3.79to $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 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. 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 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 OFSCO'S INTERPRETATIONS CONSTITUE 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 physically 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 in 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 <u>DIE</u> 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 <u>ANY</u> 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 that 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 <u>actual</u> 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 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.

FINDING 6 – MIS-STATED 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. 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 SEAACA 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 SEAACA'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.

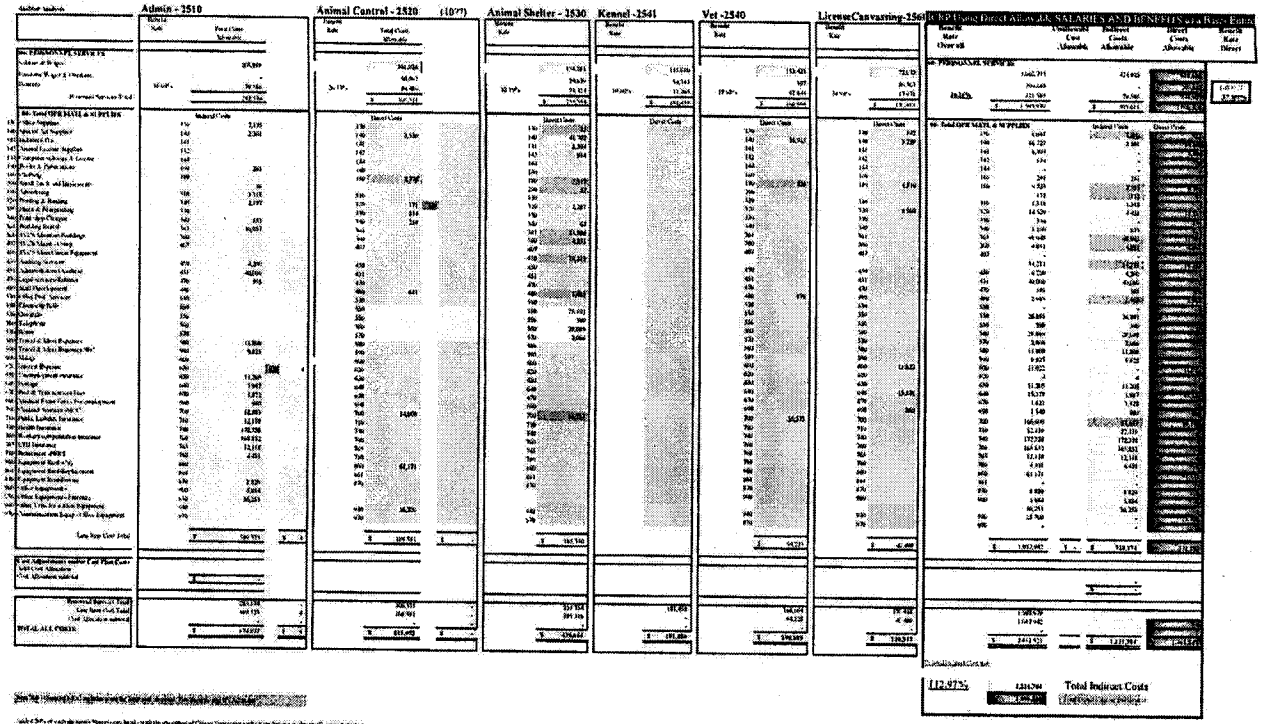
- **Building & Equipment Maintenance** – these costs are necessary for operating the shelter

- **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.

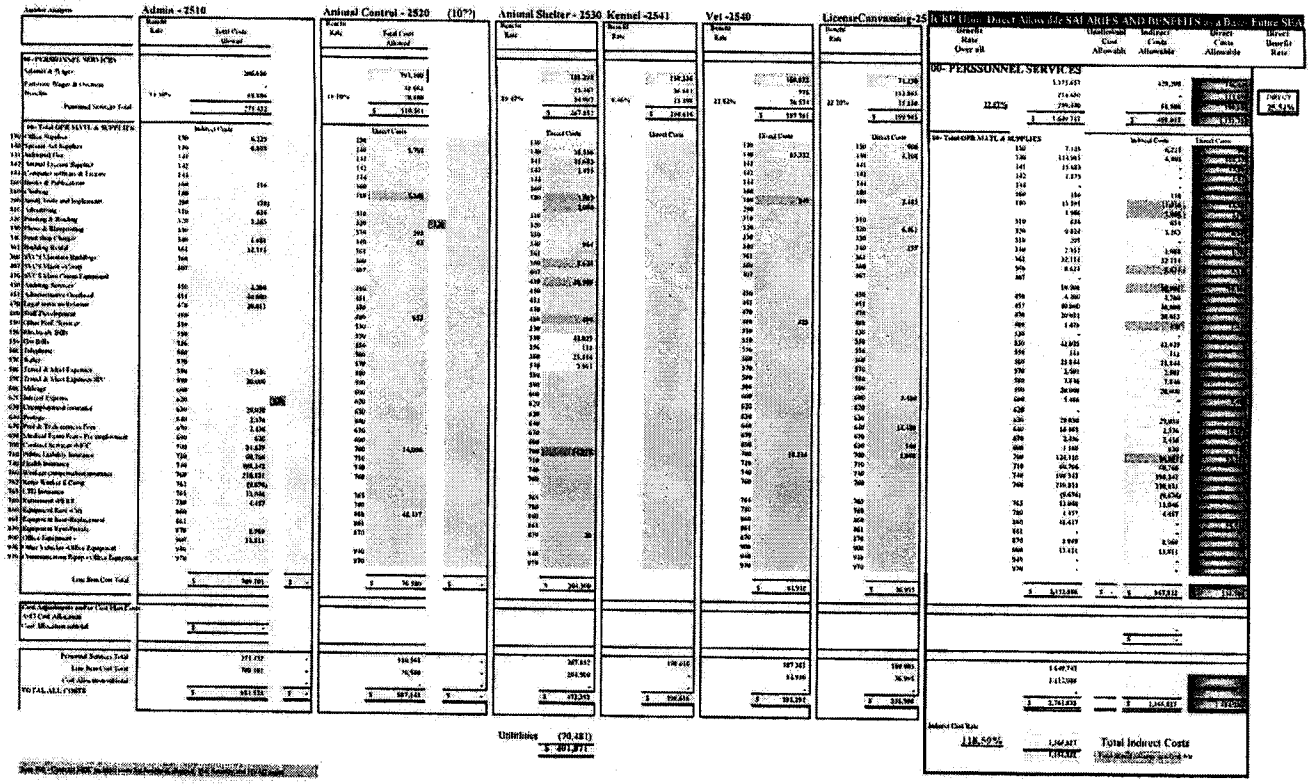
FY 2001-02



Animal Control Corporal (20%)			$8,091
Office Supervisor (99%)			$37,880
Veterinarian (20%)			$15,699
Lisencing Supervisor (20%)			$9,273
Lead Animal Couns/ Tech (2) (40%)			$22,264
			$0
Clerks (3.45)			$86,256
Dispatcher (1.45)			$38,273

TOTAL $218,037

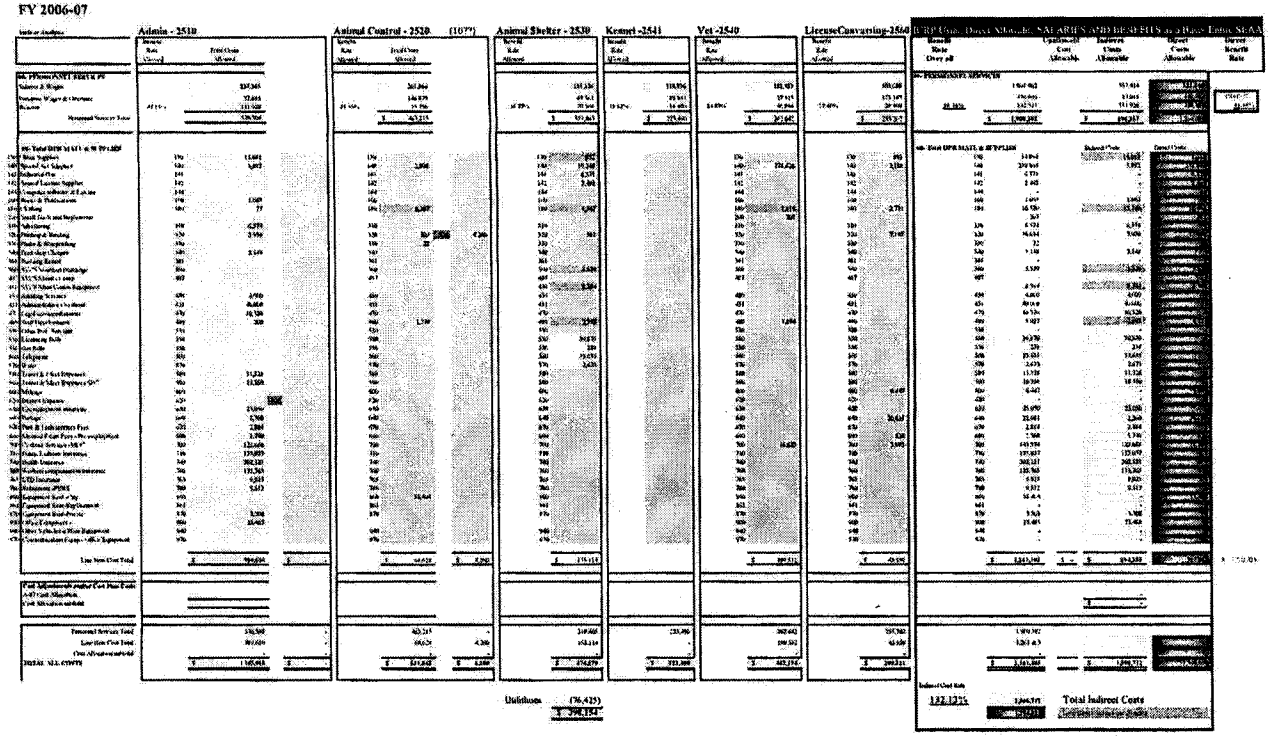
FY 2002-03



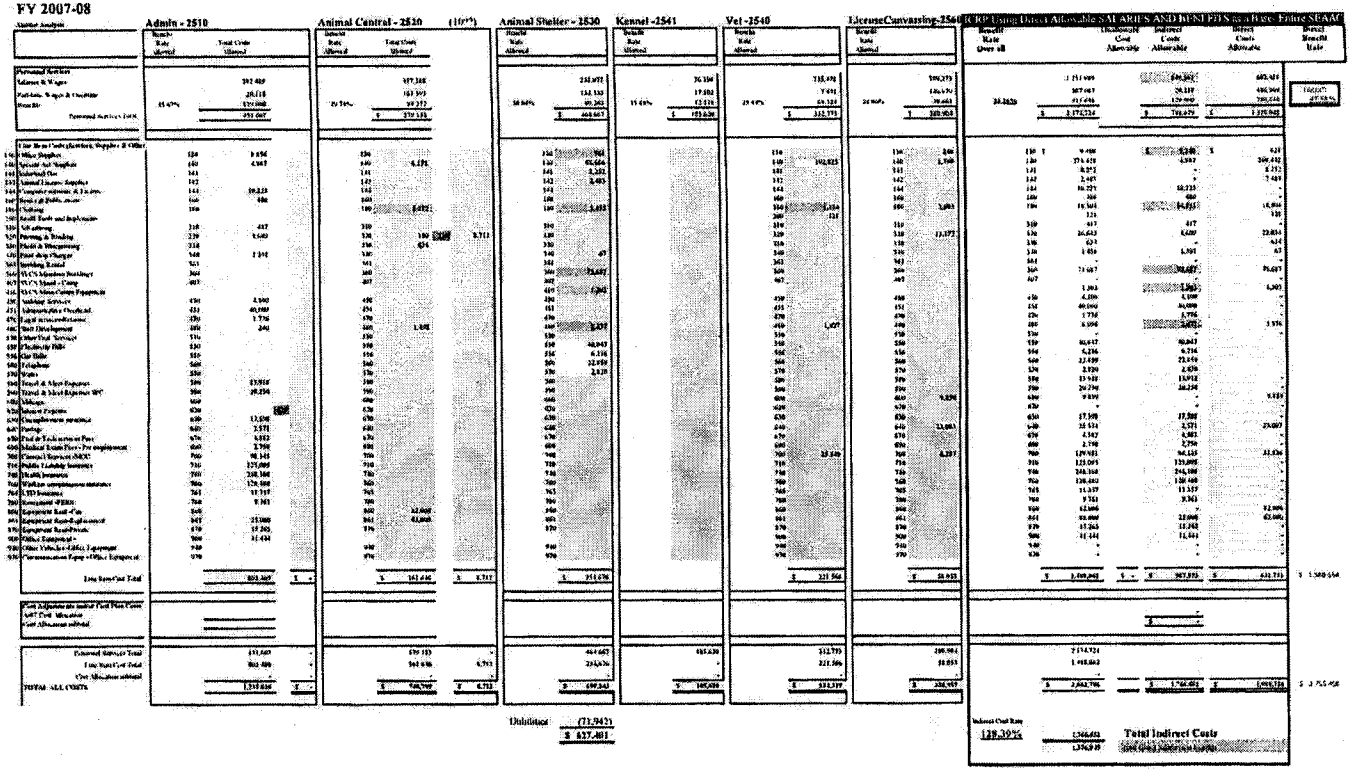
Animal Control Corporal (20%)			$8,263
Office Supervisor (99%)			$38,693
Veterinarian (20%)			$16,364
Licencing Supervisor (20%)			59,773
Lead Animal Control Tech (2)(40			$22,853
			$0
Clerks (3.45)			$66,423
Dispatcher (1.45)			$38,279

TOTAL $222,583

FY 2006-07

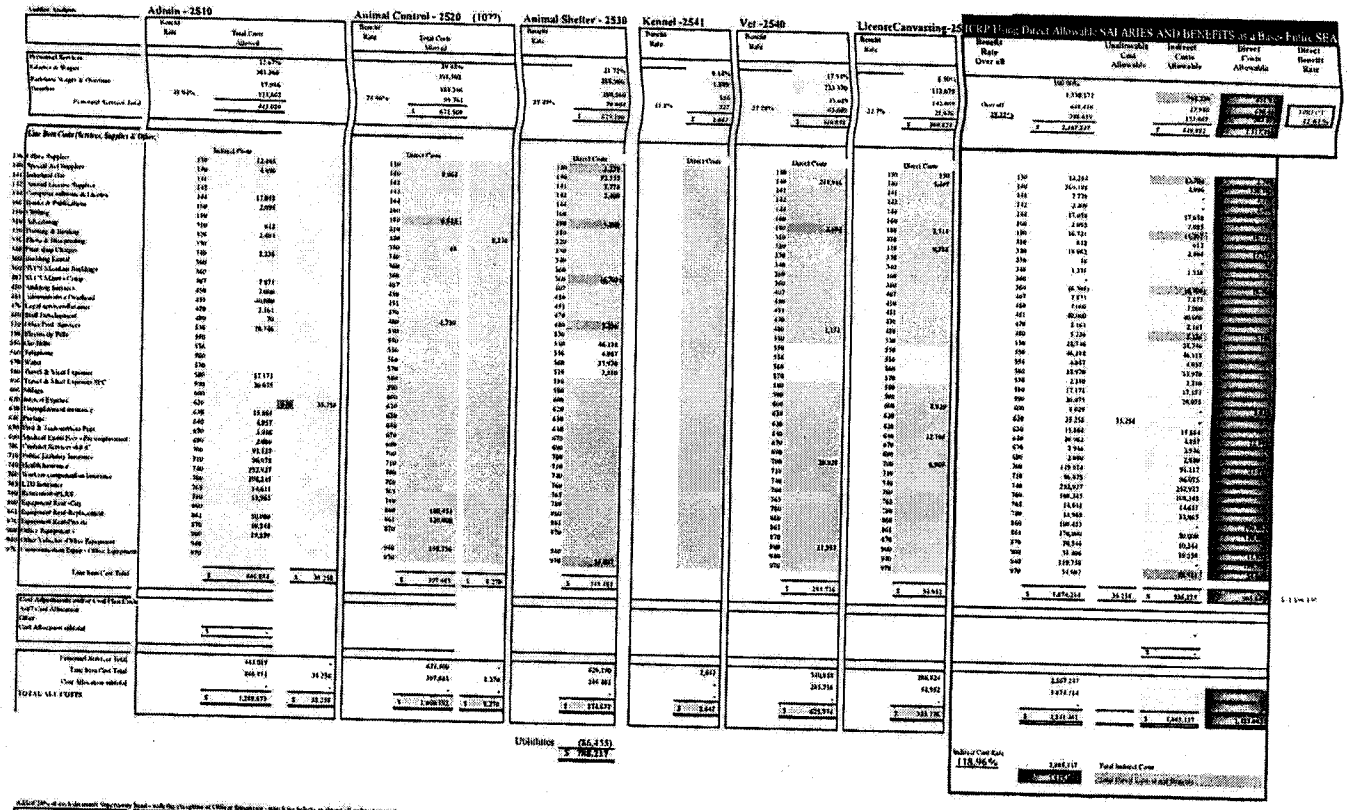


Animal Control Corporal (40%)	$8,270
Office Supervisor (99%)	$57,841
Veterinarian (20%)	$17,601
Licencing Supervisor (20%)	$11,845
Lead Animal Control Tech (3)(40%)	$24,562
	$0
Clerks (6.45)	$177,915
Dispatcher (1.45)	$42,207
	$320,049



Animal Control Corporal (20%)	$9,410
Office Supervisor (68%)	$57,663
Veterinarian (20%)	$16,129
Licensing Supervisor (20%)	$12,053
Lead Animal Control Tech (2) (40%)	$28,790
Senior Animal Control (10%)	$4,007
Clerks (7.48)	$215,704
Dispatcher (1.48)	$44,317
TOTAL	$367,072

FY 2008-09



Animal Control Corporal (20%)			$9,805
Office Supervisor (98%)			$39,733
Veterinarian (20%)			$18,864
Liscencing Supervisor (20%)			$12,558
Lead Animal Control Tech 2(40%)			$30,855
Senior Animal Control (10%)			$4,178
Clerks (6.45)			$244,757
Dispatcher (1.45)			$46,175

TOTAL $406,873

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,

RECEIVED JUL 3 0 2012

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 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 3 0 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 3 0 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

5619001
00213
2012/07/22

JULY 22, 2012

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,

RECEIVED JUL 3 0 2012

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 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 3 0 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
(20) Date Filed ____/____/____
(21) LRS Input ____/____/____

Program 213

(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

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated [X]	(09) Reimbursement [X]
	(04) Combined [ ]	(10) Combined [ ]
	(05) Amended [ ]	(11) Amended [ ]
Fiscal Year of Cost	(06) 2002-03	(12) 2001-02
Total Claimed	(07) $200,000	(13) $250,855
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $250,855
Due from State	(08) $200,000	(17) $250,855
Due to State	(09)	(18)

(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)	209,802
(28) AA-1 (04)(B)(4)(f)	23,215
(29) AA-1 (04)(B)(5)(f)	36,975
(30) AA-1 (04)(B)(6)(f)	
(31) AA-1 (04)(B)(7)(f)	
(32) AA-1 (04)(B)(8)(f)	
(32) AA-1 (04)(B)(9)(f)	
(33) AA-1 (04)(B)(10)(f)	
(34) 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 claims with the State of California for costs mandated by Chapter 752, statues 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.

I further certify that there was no application for nor any grant or payment received, other that 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.

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.

Signature of Authorized Representative Dan Morrison

Date January 15, 2003

Dan Morrison
Type of Print Name

Executive Director
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	(02) Type of Claim		Fiscal Year	
Southeast Area Animal Control Agency	Reimbursement	X	2001-02	
	Estimated	X	2002-03	(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			$209,802			$209,802
4. Care of Other Animals			$23,215			$23,215
5. Holding Period			$36,975			$36,975
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 Agenc **(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 29,992 / 104,700 Strays Euthanized / 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 Expends= $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
Cost of Increasing Hours of Operation per Hayden Bill									
Number of additional hours faciliity operating hours pursuant to Hayden Bill = 2 additional hrs/week									
Total Shelter and Kennel Costs = $813,446									
Total hours of facility ops.= 2,288 (10am - 5pm M-Sat, plus one weeknight until 7 pm)									
Additional Hours mandated = 104									
Cost per hour = $356									
Cost of Addit. Hours mandated = $36,975 (2 additional hrs. per week mandated)						$36,975			
(05) Total						**$36,975**			

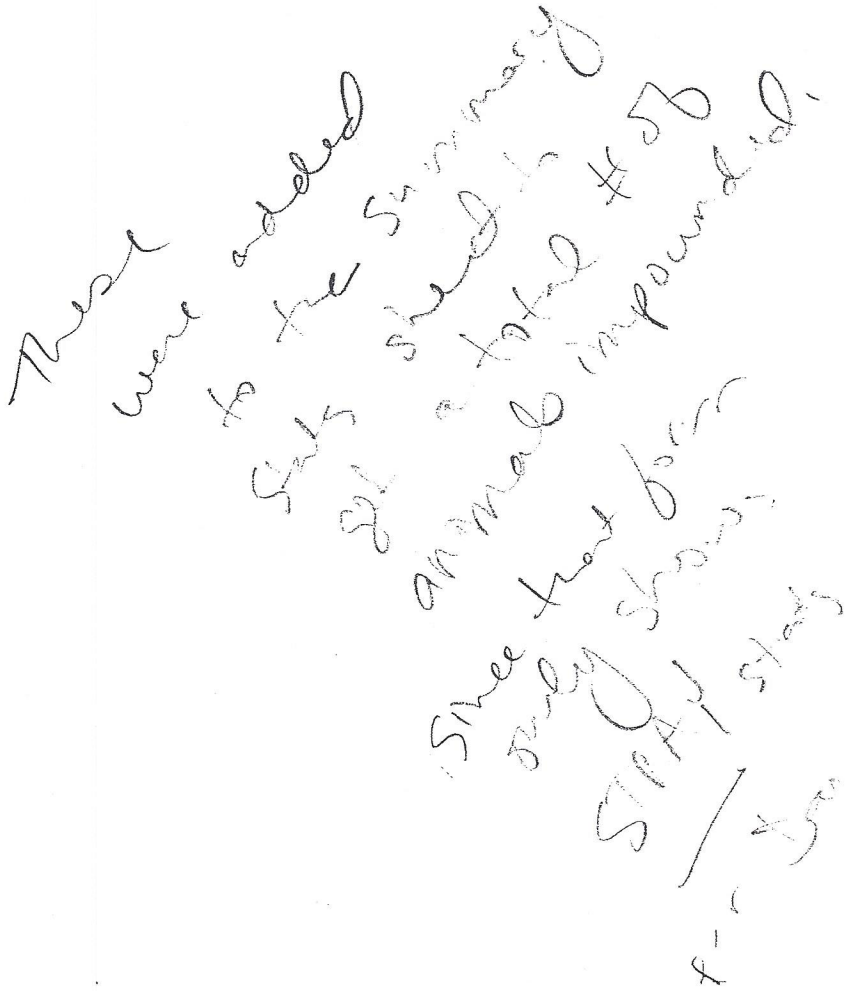
SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE ONE

MONTH OF JUNE, 2002	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 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	279	146	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

Year	Cats	Dogs	Other	Total
1999-2000	2697	3892	201	6790
2000-2001	1614	2401	70	4085
2001-2002	1101	1947	101	3149



SEAACA
) PUBLIC SAFETY
) ANIMAL CONTROL
) ANIMAL CONT/ADM SUP.

e/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Prct 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
LTD 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

5 SEAACA
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	Prct 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 CONT/PATROL

Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Prct Used
ERSONNEL SERVICES						
ERSONNEL SERVICES						
EGULAR SALARIES	437,600.00	361,928.20	361,928.20	0.00	75,671.80	82.7
EMPORARY PERSONNEL	0.00	33,363.47	33,363.47	0.00	-33,363.47	*****
VERTIME	15,000.00	16,734.22	16,734.22	0.00	-1,734.22	111.6
ET/PR INS-APPD %	61,264.00	52,876.86	52,876.86	0.00	8,387.14	86.3
ACATION	0.00	13,952.22	13,952.22	0.00	-13,952.22	*****
OLIDAY	0.00	12,404.54	12,404.54	0.00	-12,404.54	*****
ICK REGULAR	0.00	6,748.78	6,748.78	0.00	-6,748.78	*****
ICK FAMILY	0.00	1,472.23	1,472.23	0.00	-1,472.23	*****
OLIDAY OVERTIME	0.00	5,885.17	5,885.17	0.00	-5,885.17	*****
OMP TIME USED	0.00	1,138.98	1,138.98	0.00	-1,138.98	*****
EDICARE EMPLOYER TAX	6,345.00	6.92	6.92	0.00	6,338.08	0.1
ERSONNEL SERVICES	520,209.00	506,511.59	506,511.59	0.00	13,697.41	97.4
PECIAL ACT SUPPLIES	3,300.00	2,529.66	2,529.66	0.00	770.34	76.7
LOTHING	7,000.00	3,775.84	3,775.84	0.00	3,224.16	53.9
RINTING & BINDING	700.00	171.03	171.03	0.00	528.97	24.4
HOTO & BLUEPRINTING	350.00	334.17	334.17	0.00	15.83	95.5
RINTSHOP CHARGES	300.00	258.13	258.13	0.00	41.87	86.0
TAFF DEVELOPMENT	1,000.00	640.80	640.80	0.00	359.20	64.1
ONTRACT SERVICES-MOC	14,000.00	14,000.00	14,000.00	0.00	0.00	100.0
QUIPMENT RENT-CITY	40,500.00	61,171.01	61,171.01	0.00	-20,671.01	151.0
QUIPMENT RENT-REPLACEMENT	34,000.00	0.00	0.00	0.00	34,000.00	0.0
FFICE EQUIPMENT						
THER VEHICLES	29,000.00	25,700.44	25,700.44	0.00	3,299.56	88.6
FFICE EQUIPMENT	130,150.00	108,581.08	108,581.08	0.00	21,568.92	83.4
NIMAL CONT/PATROL	650,359.00	615,092.67	615,092.67	0.00	35,266.33	94.6

95 SEAACA
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	6,000.00	4,850.72	4,850.72	0.00	1,149.28
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	646,275.64	438,664.13	438,664.13	0.00	207,611.51

95 SEAACA
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 *

95 SEAACA
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-AFPD %	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	Balance	P U
0000 PERSONNEL SERVICES						
0520 PRINTING & BINDING	0.00	3.84	3.84	0.00	-3.84	**
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	Prct 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 MILAGE	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 ==

Shelter & Kennel Costs / Total Expenditures = $620,121 / $2,611,919 = 23.74% of Admin Support Costs Allocable to Shelter & Kennel Functions

23.74% x $874,896 = $207,718

Shelter & Kennel Share x Admin Division Expenditures = 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	SEAACA 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

(19) Program Number: 00213
(20) Date Filed ____/____/____
(21) LRS Input ____/____/____

Program 213

(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

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) 2002-03
Total Claimed	(07)	(13) $292,881
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
Due from State	(08)	(17) $292,881
Due to State	(09)	(18)

(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)	225,078
(28) AA-1 (04)(B)(4)(f)	
(29) AA-1 (04)(B)(5)(f)	90,302
(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)	
(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 claims with the State of California for costs mandated by Chapter 752, statues 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.

I further certify that there was no application for nor any grant or payment received, other that 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.

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.

Signature of Authorized Representative Dan Morrison

Date January 15, 2004

Dan Morrison
Type of Print Name

Executive Director
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	(02) Type of Claim	Fiscal Year
Southeast Area Animal Control Agency	Reimbursement [X]	2002-03
	Estimated [ ]	(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			$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 Agenc **(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 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
Cost of Increasing Hours of Operation per Hayden Bill									
Number of additional hours facility operating hours pursuant to Hayden Bill = 6 additional hrs/week									
Total Shelter and Kennel Costs = $887,971									
Total hours of facility ops.= 3,068 (8am - 6pm Mon-Fri., plus Sat. 8-5 pm)									
Additional Hours mandated = 312									
Cost per hour = $289									
Cost of Addit. Hours mandated = $90,302 (6 additional hrs. per week mandated by staying open) one weekend day						$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	SEAACA 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 + owner 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 owner requested euthanasia)															
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	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	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 Nowalk even though adopted to a family in Downey or claimed by an owner that does not live in the SEAACA distrct.

SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF VETERINARY DIVISION STATISTICS

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 06/30/03 — IMREGSUM 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%	-1
	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%	-1
	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%	

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	134	4.36%

LK	RELINQUISHED THAT WAS INVOLVED IN A BITE	3	0.10%
LM	EUTHANASIA REQUEST	3	0.10%
NH	EUTHANASIA REQUEST	1	0.03%
NO	EUTHANASIA REQUEST	101	3.29%
NO	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	16	0.52%	

DD	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%
	BLF	DEAD ON ARRIVAL	1	0.03%
	BLF	EUTHANASIA REQUEST	95	3.10%
	DO	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%
	NU	EUTHANASIA REQUEST	127	4.14%
	NU	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%

	WH	EUTHANASIA REQUEST	9	0.29%	
	WH	EUTHANIZED, TIME UP.	1	0.03%	
		Total Cat(s)	835	27.24%	835 - 1 Dog = 834
Dog(s)	AA	EUTHANASIA REQUEST	2	0.07%	
	AA	VOIDED NUMBER	1	0.03%	-1
	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%
CTN		EUTHANASIA REQUEST	2	0.07%
DO		DEAD ON ARRIVAL	1	0.03%
DO		EUTHANASIA REQUEST	263	8.58%
DO		EUTHANIZED, TIME UP.	2	0.07%
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		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%

MH	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%
	MI	EUTHANASIA REQUEST	1	0.03%

2043 − 6 DOA = 2037

NU	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
	SG	EUTHANASIA REQUEST	15	0.49%
	WH	EUTHANASIA REQUEST	1	0.03%
		Total Other(s)	187	6.10%
		Total Disposition	3,065	

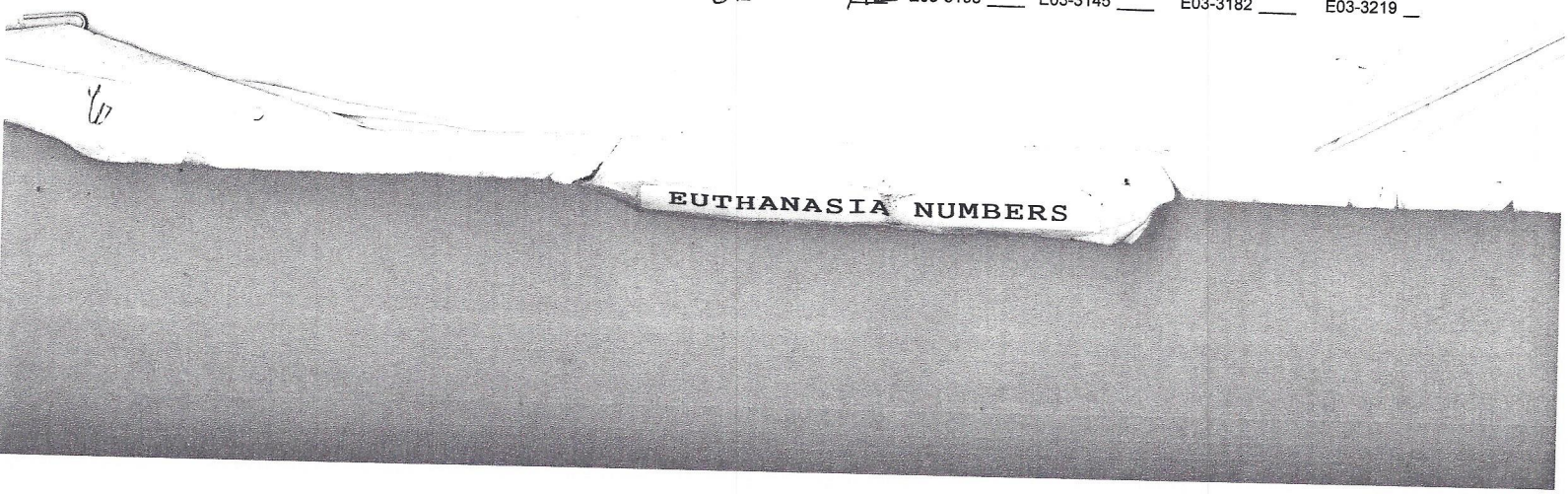
187
-41 VOIDED #'s
146

3065
-41
-6
-1
3017

total e# 3017

06-10-2003

E03-2850 832	E03-2887 VL	E03-2924 828	E03-2961 006	E03-2998 Dm	E03-3035 724	E03-3072 DM	E03-3109 ___	E03-3146 ___	E03-3183 ___	E03-3220 ___
E03-2851 mc	E03-2888 Am	E03-2925 828	E03-2962 ETL	E03-2999 ETL	E03-3036 ETL	E03-3073 205	E03-3110 ___	E03-3147 ___	E03-3184 ___	E03-3221 ___
E03-2852 ETL	E03-2889 mc	E03-2926 828	E03-2963 ETL	E03-3000 ETL	E03-3037 ETL	E03-3074 205	E03-3111 ___	E03-3148 ___	E03-3185 ___	E03-3222 ___
E03-2853 878	E03-2890 ML	E03-2927 828	E03-2964 736	E03-3001 LYN	E03-3038 ER	E03-3075 219	E03-3112 ___	E03-3149 ___	E03-3186 ___	E03-3223 ___
E03-2854 ETL	E03-2891 ETL	E03-2928 785	E03-2965 //	E03-3002 424	E03-3039 823	E03-3076 222	E03-3113 ___	E03-3150 ___	E03-3187 ___	E03-3224 ___
E03-2855 853	E03-2892 ETL	E03-2929 785	E03-2966 //	E03-3003 2 ETL	E03-3040 ETL	E03-3077 ___	E03-3114 ___	E03-3151 ___	E03-3188 ___	E03-3225 ___
E03-2856 ML	E03-2893 DM	E03-2930 AM	E03-2967 //	E03-3004 AM	E03-3041 AM	E03-3078 ___	E03-3115 ___	E03-3152 ___	E03-3189 ___	E03-3226 ___
E03-2857 mc	E03-2894 CCB	E03-2931 829	E03-2968 //	E03-3005 Am	E03-3042 VL	E03-3079 ___	E03-3116 ___	E03-3153 ___	E03-3190 ___	E03-3227 ___
E03-2858 ML	E03-2895 CCB	E03-2932 819	E03-2969 //	E03-3006 mc	E03-3043 CD	E03-3080 ___	E03-3117 ___	E03-3154 ___	E03-3191 ___	E03-3228 ___
E03-2859 087	E03-2896 CCB	E03-2933 819	E03-2970 796	E03-3007 ETL	E03-3044 AM	E03-3081 ___	E03-3118 ___	E03-3155 ___	E03-3192 ___	E03-3229 ___
E03-2860 ETL	E03-2897 CCB	E03-2934 819	E03-2971 FG	E03-3008 ER	E03-3045 ETL	E03-3082 ___	E03-3119 ___	E03-3156 ___	E03-3193 ___	E03-3230 ___
E03-2861 ML	E03-2898 CCB	E03-2935 VL	E03-2972 Am	E03-3009 Am	E03-3046 AM	E03-3083 ___	E03-3120 ___	E03-3157 ___	E03-3194 ___	E03-3231 ___
E03-2862 138	E03-2899 CD	E03-2936 VL	E03-2973 115	E03-3010 433	E03-3047 ETL	E03-3084 ___	E03-3121 ___	E03-3158 ___	E03-3195 ___	E03-3232 ___
E03-2863 mc	E03-2900 DM	E03-2937 mc	E03-2974 mc	E03-3011 496	E03-3048 854	E03-3085 ___	E03-3122 ___	E03-3159 ___	E03-3196 ___	E03-3233 ___
E03-2864 143	E03-2901 524	E03-2938 ETL	E03-2975 127	E03-3012 509	E03-3049 653	E03-3086 ___	E03-3123 ___	E03-3160 ___	E03-3197 ___	E03-3234 ___
E03-2865 143	E03-2902 Dm	E03-2939 mc	E03-2976 ETL	E03-3013 578	E03-3050 910	E03-3087 ___	E03-3124 ___	E03-3161 ___	E03-3198 ___	E03-3235 ___
E03-2866 210	E03-2903 DM	E03-2940 ML	E03-2977 185	E03-3014 ETL	E03-3051 118	E03-3088 ___	E03-3125 ___	E03-3162 ___	E03-3199 ___	E03-3236 ___
E03-2867 147	E03-2904 DM	E03-2941 Am	E03-2978 785	E03-3015 592	E03-3052 mc	E03-3089 ___	E03-3126 ___	E03-3163 ___	E03-3200 ___	E03-3237 ___
E03-2868 225	E03-2905 CCB	E03-2942 ML	E03-2979 ETL	E03-3016 AM	E03-3053 mc	E03-3090 ___	E03-3127 ___	E03-3164 ___	E03-3201 ___	E03-3238 ___
E03-2869 mc	E03-2906 DM	E03-2943 ER	E03-2980 LYN	E03-3017 Am	E03-3054 ML	E03-3091 ___	E03-3128 ___	E03-3165 ___	E03-3202 ___	E03-3239 ___
E03-2870 ETL	E03-2907 DM	E03-2944 AM	E03-2981 180	E03-3018 Am	E03-3055 mc	E03-3092 ___	E03-3129 ___	E03-3166 ___	E03-3203 ___	E03-3240 ___
E03-2871 ETL	E03-2908 DM	E03-2945	E03-2982 ETL	E03-3019 ETL	E03-3056 AM	E03-3093 ___	E03-3130 ___	E03-3167 ___	E03-3204 ___	E03-3241 ___
E03-2872 ETL	E03-2909 772	E03-2946	E03-2983 199	E03-3020 Am	E03-3057 918	E03-3094 ___	E03-3131 ___	E03-3168 ___	E03-3205 ___	E03-3242 ___
E03-2873 234	E03-2910 ER	E03-2947	E03-2984 mc	E03-3021 ML	E03-3058 ETL	E03-3095 ___	E03-3132 ___	E03-3169 ___	E03-3206 ___	E03-3243 ___
E03-2874 MC	E03-2911 616	E03-2948	E03-2985 mc	E03-3022 12	E03-3059 ER	E03-3096 ___	E03-3133 ___	E03-3170 ___	E03-3207 ___	E03-3244 ___
E03-2875 010	E03-2912 ER	E03-2949	E03-2986 ML	E03-3023 LYN	E03-3060 AM	E03-3097 ___	E03-3134 ___	E03-3171 ___	E03-3208 ___	E03-3245 ___
E03-2876 ETL	E03-2913 701	E03-2950 Am	E03-2987 234	E03-3024 mc	E03-3061 DM	E03-3098 ___	E03-3135 ___	E03-3172 ___	E03-3209 ___	E03-3246 ___
E03-2877 Am	E03-2914 Am	E03-2951 999	E03-2988 ETL	E03-3025 ML	E03-3062 CD	E03-3099 ___	E03-3136 ___	E03-3173 ___	E03-3210 ___	E03-3247 ___
E03-2878 ML	E03-2915 Am	E03-2952 ETL	E03-2989 DM	E03-3026 Am	E03-3063 009	E03-3100 ___	E03-3137 ___	E03-3174 ___	E03-3211 ___	E03-3248 ___
E03-2879 mc	E03-2916 ML	E03-2953 ETL	E03-2990 DM	E03-3027 717	E03-3064 003	E03-3101 ___	E03-3138 ___	E03-3175 ___	E03-3212 ___	E03-3249 ___
E03-2880 Am	E03-2917 721	E03-2954 Am	E03-2991 DM	E03-3028	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	E03-3066 DM	E03-3103 ___	E03-3140 ___	E03-3177 ___	E03-3214 ___	E03-3251 ___
E03-2882 Am	E03-2919 727	E03-2956 mc	E03-2993 DM	E03-3030	E03-3067 CCB	E03-3104 ___	E03-3141 ___	E03-3178 ___	E03-3215 ___	E03-3252 ___
E03-2883 AM	E03-2920 Am	E03-2957 721	E03-2994 DM	E03-3031	E03-3068 CCB	E03-3105 ___	E03-3142 ___	E03-3179 ___	E03-3216 ___	E03-3253 ___
E03-2884 ML	E03-2921 828	E03-2958 AM	E03-2995 DM	E03-3032 717	E03-3069 884	E03-3106 ___	E03-3143 ___	E03-3180 ___	E03-3217 ___	
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 ___	
E03-2886 VL	E03-2923 828	E03-2960 006	E03-2997 27	E03-3034 ETL	E03-3071 142	E03-3108 ___	E03-3145 ___	E03-3182 ___	E03-3219 ___	



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 ==

Shelter & Kennel Costs / Total Expenditures = $670,968 / $2,761,831 = 24.29% of Admin Support Costs Allocable to Shelter & Kennel Functions

24.29% x $984,532 = $239,185

Shelter & Kennel Share x Admin Division Expenditures = Admin Overhead

5 SEAACA
000 PUBLIC SAFETY
500 ANIMAL CONTROL
510 ANIMAL CONT/ADM SUP.

itle/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
000 PERSONNEL SERVICES						
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 FAMILY	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

status
/23/2003 14:30:36

Expenditure Status Report
City of Downey
07/01/2002 through 06/30/2003

75	SEAACA						
2000	PUBLIC SAFETY						
2500	ANIMAL CONTROL						
2520	ANIMAL CONT/PATROL						
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			
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-NOC		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			
ANIMAL CONT/PATROL		645,683.00	587,138.26	587,138.26	0.00	58,544.74	90.9

SEAACA
) PUBLIC SAFETY
) ANIMAL CONTROL
) ANIMAL SHELTER

le/Account number	Adjusted Appropriations	Expenditures	Year-to-date Expenditures	Year-to-date Enc + Pre-Enc	Balance	Pct Used
0 PERSONNEL SERVICES						
0 PERSONNEL SERVICES						
.0 REGULAR SALARIES	415,460.00	188,293.07	188,293.07	0.00	227,166.93	45.3
0 TEMPORARY PERSONNEL	0.00	20,153.76	20,153.76	0.00	-20,153.76	*****
0 OVERTIME	9,000.00	5,313.06	5,313.06	0.00	3,686.94	59.0
0 RET/PR INS-APPO %	52,491.00	29,789.84	29,789.84	0.00	22,701.16	56.8
0 VACATION	0.00	9,781.60	9,781.60	0.00	-9,781.60	*****
1 HOLIDAY	0.00	4,732.57	4,732.57	0.00	-4,732.57	*****
2 SICK REGULAR	0.00	5,153.40	5,153.40	0.00	-5,153.40	*****
3 SICK FAMILY	0.00	429.50	429.50	0.00	-429.50	*****
5 HOLIDAY OVERTIME	0.00	3,896.46	3,896.46	0.00	-3,896.46	*****
9 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
0 SPECIAL ACT SUPPLIES	30,000.00	35,556.03	35,556.03	0.00	-5,556.03	118.5
1 INDUSTRIAL GAS-SEAACA	12,000.00	15,682.81	15,682.81	0.00	-3,682.81	130.7
62 ANIMAL LICENSE SUPPLIES	4,000.00	1,874.70	1,874.70	0.00	2,125.30	46.9
80 CLOTHING	3,000.00	3,007.27	3,007.27	0.00	-7.27	100.2
20 PRINTING & BINDING	2,000.00	2,003.96	2,003.96	0.00	-3.96	100.2
40 PRINTSHOP CHARGES	1,200.00	963.65	963.65	0.00	236.35	80.3
60 SVCS MAINTAIN BLDGS	8,000.00	8,624.01	8,624.01	0.00	-624.01	107.8
10 SVCS MAINT COMM EQUIPMENT	12,500.00	10,907.75	10,907.75	0.00	1,592.25	87.3
80 STAFF DEVELOPMENT	1,500.00	400.00	400.00	0.00	1,100.00	26.7
50 ELECTRICITY BILLS	35,000.00	42,025.12	42,025.12	0.00	-7,025.12	120.1
56 GAS BILLS	8,000.00	111.36	111.36	0.00	7,888.64	1.4
60 TELEPHONE	22,500.00	25,844.23	25,844.23	0.00	-3,344.23	114.9
70 WATER	13,000.00	2,501.14	2,501.14	0.00	10,498.86	19.2
00 CONTRACT SERVICES-MOC	28,260.00	54,978.19	54,978.19	0.00	-26,718.19	194.5
70 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	SEAACA
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	Pct Used
7000 PERSONNEL SERVICES						
7000 PERSONNEL SERVICES						
7010 REGULAR SALARIES	0.00	158,335.74	158,335.74	0.00	-158,335.74	*****
7020 TEMPORARY PERSONNEL	0.00	17,890.12	17,890.12	0.00	-17,890.12	*****
7030 OVERTIME	0.00	8,991.91	8,991.91	0.00	-8,991.91	*****
7080 VACATION	0.00	4,304.21	4,304.21	0.00	-4,304.21	*****
7081 HOLIDAY	0.00	4,284.15	4,284.15	0.00	-4,284.15	*****
7082 SICK REGULAR	0.00	1,135.17	1,135.17	0.00	-1,135.17	*****
7083 SICK FAMILY	0.00	609.02	609.02	0.00	-609.02	*****
7085 HOLIDAY OVERTIME	0.00	3,062.61	3,062.61	0.00	-3,062.61	*****
7089 COMP TIME USED	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 INS-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	*****
P 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
CTAL 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
LL TOOLS AND IMPLEMENTS	1,200.00	0.00	0.00	0.00	1,200.00	0.0
FF DEVELOPMENT	1,200.00	425.00	425.00	0.00	775.00	35.4
TRACT SERVICES-MOC	26,000.00	18,213.56	18,213.56	0.00	7,786.44	70.1
ERINARY 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	Program 213
(20) Date Filed ____/____/____	
(21) LRS Input ____/____/____	

(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 [X]	(09) Reimbursement [X]
	(04) Combined [ ]	(10) Combined [ ]
	(05) Amended [ ]	(11) Amended [ ]
Fiscal Year of Cost	(06) 2007-08	(12) 2006-07
Total Claimed	(07) $500,000	(13) $524,800
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $524,800
Due from State	(08) $500,000	(17) $524,800
Due to State	(09)	(18)

(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)	
(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 that 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: Dan Morrison

Date: January 15, 2008

Type of Print Name: Dan Morrison

Title: Executive Director

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Chapters 752/98

Form FAM-27

MANDATED COSTS
ANIMAL ADOPTION
CLAIM SUMMARY

FORM AA-1

(01) Claimant	(02) Type of Claim		Fiscal Year	
Southeast Area Animal Control Agency	Reimbursement	X	2006-07	
	Estimated	X	2007-08	(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			$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**

Chapters 752/98

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 / 127,596 Strays Euthanized / 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 Expends= $474,578									
Kennel Division Expend. = $223,490									
Veterinary Division Expend.= $462,174									
Overhead Share/Admin Charg $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			

Chapters 752/98

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
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 $1,367,081 (less Veterinary costs)									
Total hours of facility ops.= 3,016 (8am-5pm Mon, 8am-6pm Tue.-Fri., plus Sat. 8-5 pm)									
Additional Hours mandated = 364 open to public 10 am - 5 pm Sat.									
Cost per hour = $453									
Cost of Addit. Hours mandated $164,993 (7 additional hrs. per week mandated by staying open) one weekend day = Sat. 10 am - 5 pm)						$164,993			
(05) Total						**$164,993**			

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	
1,675	2,930	5,355	2,388	2,290	4,784	2,799	2,936	1,040	640	3,745	133	126	66	30,907	30907
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
Animal Shelter	***$474,578***	24%		$474,578
Animal Kennel	***$223,490***	11%		$223,490
Veterinary Services	***$462,174***	23%		$462,174
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 / Total Expenditures (less admin) = $1,160,242 / $1,995,567 = 58.14% of Admin Support Costs Allocable 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	3	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

SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF SHELTER STATISTICS, PAGE THREE

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
ESCAPED/UNABLE TO LOCATE															
Dogs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cats	-	1	-	-	-	-	-	-	1	-	-	-	-	-	2
Miscellaneous	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1
Dogs Year To Date	-	-	-	-	-	3	-	1	-	-	1	-	-	-	5
Cats Year To Date	1	2	3	-	1	3	2	1	3	-	2	-	-	-	18
Miscellaneous Year To Date	-	-	3	-	-	-	2	-	-	-	-	-	-	-	5
Dogs YTD Last Year	-	-	-	-	-	1	-	-	-	-	1	-	-	-	2
Cats YTD Last Year	1	-	1	3	4	4	3	2	1	-	4	-	-	-	23
Misc. YTD Last Year	-	-	4	1	-	1	-	-	-	-	1	-	-	-	7
															-
TRANSFERS/ADOPTION PARTNERS															
Dogs	2	5	13	6	3	5	2	2	-	2	7	-	1	2	50
Cats	1	1	2	-	-	1	-	2	-	-	2	-	-	-	9
Miscellaneous	-	-	-	-	1	-	-	1	-	-	-	-	-	-	2
Dogs Year To Date	15	29	77	27	35	39	48	32	13	10	64	-	9	10	408
Cats Year To Date	2	5	7	2	2	3	-	4	-	-	4	-	1	-	30
Miscellaneous Year To Date	2	4	19	2	9	3	3	7	2	9	6	1	-	-	67
Dogs YTD Last Year	25	-	-	-	-	-	-	-	-	-	-	-	-	-	25
Cats YTD Last Year	4	-	-	-	-	-	-	-	-	-	-	-	-	-	4
Misc. YTD Last Year	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
															-
VOIDS															
This Month															14
Year To Date															152

602

SOUTHEAST AREA ANIMAL CONTROL AUTHORITY
SUMMARY OF VETERINARY DIVISION STATISTICS

MONTH OF JUNE 2007	Dog Spay	Dog Neuter	Cat Spay	Cat Neuter	Total Spay & Neuters	Other Procedures
This Month	76	87	36	30	229	11
Year To Date	797	861	304	334	2,296	153
Year to Date Last Year	740	859	382	470	2,451	100

qryState_Stats_Crosstab

8/21/2

Totals 3414= 15 2 194 15 45 30 6 2012 1 252 15 18 7 105 4 7 282 295 1 55 1

Breed	Total Of Impoun	<>	10-5	ADOPT	CBO	DIED	DIS	DIU	DOA	EAA	EI	EOR	ES	ESC	ET	EVS	EW	EY	RTW	STOLEN	TRANSFER	VOID
Bat	4								2							2						
Bird	283			11	1	6	8		117		56		6	1	1			61	7		8	
Chicken	98			13		1			52		1		9	1	15						6	
Cockatiel	3			1			1		1													
Crow	85						1		61		18		1					3	1			
Dove	25							1	13		3		1		1			4	2			
Duck	39	1		4					18		5		1					1	3		6	
Falcon	1							1														
Ferret	9			5					3												1	
Finch	4						1		3													
Fish	10		1						9													
Fox	2								2													
Goat	12					1			11													
Goose	1			1																		
Gopher	8								7		1											
Guinea Pig	13			9		2			2													
Hamster	13	1		2	3	1			4		1				1							
Hawk	37			9		1	2	1	9		4								1		10	
Iguana	10			6					2				1								1	
Lizard	1										1											
Mouse	82					24	1		41			14		1	1							
Opossum	1716	2		15		1	2	2	1167		73		11	2	3	1		189	246		2	
Other	21				3				9		1					2	1		2		3	
Owl	4			2							1										1	
Parakeet	3			1					2													
Peacock	2			1					1													
Pelican	3					1		1	1													
Pigeon	115				1	4	1		50		35		6	1	1			4	12			
Rabbit	299	8		74	1	2	8		125	1	14	1	16		39			9				1
Racoon	59			1					37		2								8		11	
Rat	43			6					29		1		1				1	5				
Rooster	108			7	2				49		3		2		39						6	
Scrub-Jay	4								4													

July 2006 603 June 2007

" Others

Breed	Total Of Impoun	<>	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							1			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	30	6	2012	1	252	15	68	7	105	6	7	282	295	1	55	1

3414

604

V = personal property animals

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	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

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
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	26,000.00	23,465.38	23,465.38	0.00	2,534.62	90.25
Total	OFFICE EQUIPMENT	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

606

95 SEAACA

2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2520 ANIMAL CONT/PATROL

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	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

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 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

608

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
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

609

95 SEAACA

2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2531 KENNEL

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	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

610

95 SEAACA

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

95 SEAACA

2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2550 ANIMAL CONTROL (10)

Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 PERSONNEL SERVICES							
00 OPR CHGS & SVCS							
0320 PRINTING & BINDING		0.00	4,259.60	4,259.60	0.00	-4,259.60	0.00
Total	OPR CHGS & SVCS	0.00	4,259.60	4,259.60	0.00	-4,259.60	0.00
Total	ANIMAL CONTROL (10)	0.00	4,259.60	4,259.60	0.00	-4,259.60	0.00

612

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 LICENSE CANVASSING	257,633.00	299,221.79	299,221.79	0.00	-41,588.79	116.14
Total PUBLIC SAFETY	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	Program 213
(20) Date Filed ___/___/___	
(21) LRS Input ___/___/___	

(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)

(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)	
(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 that 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: Dan Morrison

Date: January 22, 2009

Dan Morrison
Type or Print Name

Executive Director
Title

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Chapters 752/98

Form FAM-27

MANDATED COSTS
ANIMAL ADOPTION
CLAIM SUMMARY

FORM AA-1

(01) Claimant	(02) Type of Claim	Fiscal Year
Southeast Area Animal Control Agency	Reimbursement [X]	2007-08
	Estimated [ ]	(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			$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 Expends=	$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 Strays Euthanized / Total Care & Maint										
= 22% of total Shelter & Kennel costs relate to eligible Care & Maint. mandated costs.										
(05) Total							**$435,436**			

Chapters 752/98

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 Expends= $699,343									
Kennel Division Expend. = $105,620									
Veterinary Division Expend.= $534,339									
Overhead Share/Admin Charg $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
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 (less Veterinary costs) $1,465,511									
Total hours of facility ops.= 3,016 (8am-5pm Mon, 8am-6pm Tue.-Fri., plus Sat. 8-5 pm)									
Additional Hours mandated = 364 open to public 10 am - 5 pm Sat.									
Cost per hour = $486									
Cost of Addit. Hours mandated : $176,872 (7 additional hrs. per week mandated by staying open) one weekend day = Sat. 10 am - 5 pm)						$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	140	42	33,510	33510
5.88%	9.68%	19.88%	8.150%	7.04%	13.09%	8.18%	9.68%	4.33%	2.32%	10.91%	0.32%	0.42%	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	$777.43	$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 *
Animal Shelter	***$699,343***	28%		$699,343
Animal Kennel	***$105,620***	4%		$105,620
Veterinary Services	***$534,339***	22%		$534,339
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 / Total Expenditures (less admin) = $1,339,302 / $2,473,177 = 54.15% of Admin Support Costs Allocable 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)

Expenditure Status Report
City of Downey
7/1/2007 through 6/30/2008

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	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

Expenditure Status Report
City of Downey
7/1/2007 through 6/30/2008

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
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

622

Expenditure Status Report

City of Downey

7/1/2007 through 6/30/2008

95 SEAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2520 ANIMAL CONT/PATROL

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	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	126.34
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	136.68
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						
0940 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

Expenditure Status Report
City of Downey
7/1/2007 through 6/30/2008

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 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

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

625

Expenditure Status Report
City of Downey
7/1/2007 through 6/30/2008

95 SEAACA

2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2531 KENNEL

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	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

626

Expenditure Status Report
City of Downey
7/1/2007 through 6/30/2008

95 SEAACA

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	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

95 SEAACA

2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2550 ANIMAL CONTROL (10)

Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
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

628

Expenditure Status Report
City of Downey
7/1/2007 through 6/30/2008

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	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 LICENSE CANVASSING	266,074.00	338,956.37	338,956.37	0.00	-72,882.37	127.39
Total PUBLIC SAFETY	3,564,595.00	3,662,785.90	3,662,785.90	81,608.53	-179,799.43	105.04

Expenditure Status Report

City of Downey

7/1/2007 through 6/30/2008

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

630

Expenditure Status Report
City of Downey
7/1/2007 through 6/30/2008

95 SEAACA

9000 TRANSFERS OUT
9000 TRANSFERS OUT
9000 TRANSFERS OUT

Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
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

631

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	0.00	0.00
Total	SOUTHEAST ANIMAL CONT	0.00	0.00	0.00	0.00	0.00	0.00

632

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	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

633

Expenditure Status Report

City of Downey

7/1/2007 through 6/30/2008

62 EQUIPMENT

6000 *** Title Not Found ***

6600 *** Title Not Found ***

6611 SEAACA VEHICLE MAINTE

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		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	SEAACA VEHICLE MAINTE	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

634

Expenditure Status Report

City of Downey

7/1/2007 through 6/30/2008

95 SEAACA

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	0.00	0.00
Total		SOUTHEAST ANIMAL CONT	0.00	0.00	0.00	0.00	0.00	0.00

635

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

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
ESCAPED/UNABLE TO LOCATE															
Dogs	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Cats	-	-	1	-	-	-	1	-	-	-	-	-	-	-	2
Miscellaneous	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Dogs Year To Date	2	1	3	1	1	1	-	1	-	-	1	-	-	-	11
Cats Year To Date	1	2	5	2	1	1	2	3	2	1	1	-	1	-	22
Miscellaneous Year To Date	2	1	5	1	-	-	-	-	-	-	-	-	-	-	9
Dogs YTD Last Year	-	-	1	-	-	3	-	1	-	-	1	-	-	-	6
Cats YTD Last Year	1	2	3	-	1	3	2	1	3	-	2	-	-	-	18
Misc. YTD Last Year	-	-	3	-	-	-	2	-	-	-	-	-	-	-	5
TRANSFERS/ADOPTION PARTNERS															
Dogs	4	1	19	2	2	8	19	7	3	1	12	-	1	-	79
Cats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	1	3	3	1	4	-	-	-	-	-	-	-	12
Dogs Year To Date	30	51	167	44	27	109	86	77	31	16	126	1	14	9	788
Cats Year To Date	-	5	17	1	3	1	1	1	-	-	3	-	2	-	34
Miscellaneous Year To Date	7	3	11	10	4	9	5	-	-	9	2	-	-	2	62
Dogs YTD Last Year	15	29	77	27	35	39	48	32	13	10	64	-	9	10	408
Cats YTD Last Year	2	5	7	2	2	3	-	4	-	-	4	-	1	-	30
Misc. YTD Last Year	2	4	19	2	9	3	3	7	2	9	6	1	-	-	67
VOIDS															
This Month															24
Year To Date															186

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	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	6	91	9	67	-	14	-	13	2	109	-	-	45	683
Last Year to Date		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

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) 2008-09	(22) AA-1 (04)(A)(1)(f)
Total Claimed	(07)	(13) $678,463	(23) AA-1 (04)(A)(2)(f)
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)	(24) AA-1 (04)(A)(3)(f)
Less: Estimated Claim Payment Received		(15)	(25) AA-1 (04)(B)(1)(f)
Net Claimed Amount		(16) $678,463	(26) AA-1 (04)(B)(2)(f)
Due from State	(08)	(17) $678,463	(27) AA-1 (04)(B)(3)(f)
Due to State	(09)	(18)	(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)
			(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 that 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
Type of Print Name

Executive Director
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	(02) Type of Claim	Fiscal Year
Southeast Area Animal Control Agency	Reimbursement [X]	2008-09
	Estimated [ ]	(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 39,915 / 146,772 Strays Euthanized / Total Care & Maint										
= 27% of total Shelter & Kennel costs relate to eligible Care & Maint. mandated costs.										
(05) Total			643				$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 Expends= $874,672									
Kennel Division Expend. = $2,646									
Veterinary Division Expend.= $625,775									
Overhead Share/Admin Charg $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 Agenc **(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 faciliity 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 **	Bellflower	Downey	Lakewood **	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	7,629	2,592	3,191	4,997	2,969	3,925	1,440	1,093	4,980	219	3,040	3	44,612	44612
4.33%	6.377%	8.42%	17.10%	5.810%	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	$86,541.92	$51,419.44	$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	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
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	563	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	126	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	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
ANIMALS PLACED IN NEW HOMES																
Dogs	14	16	8	42	2	10	29	17	12	-	3	29	4	12	1	199
Cats	4	10	9	31	9	8	17	10	17	5	4	17	-	12	-	153
Miscellaneous	-	1	1	1	-	-	-	1	-	-	-	-	-	1	-	5
Feral Cats	1	-	-	1	-	-	-	-	1	-	-	1	-	-	-	4
Dogs Year To Date	141	179	96	475	116	139	303	207	192	-	49	352	19	155	9	2,432
Cats Year To Date	25	76	49	216	60	51	125	55	59	29	14	107	1	61	2	930
Miscellaneous Year To Date	4	6	15	22	4	6	18	8	10	-	13	25	-	15	-	146
Feral Cats Year To Date	4	9	-	9	4	3	3	2	3	4	4	12	-	1	-	58
Dogs YTD Last Year	110	144	-	402	125	74	270	192	163	-	33	301	7	33	12	1,866
Cats YTD Last Year	38	100	-	140	26	35	103	47	52	18	13	82	-	7	6	667
Misc. YTD Last Year	4	8	-	26	3	2	19	10	4	1	12	1	-	-	13	103
Feral YTD Last Year	2	6	-	5	6	1	10	7	5	1	2	5	1	-	-	51
ANIMALS RETURNED TO THEIR OWNERS																
Dogs	3	13	5	29	9	3	21	11	12	6	-	9	-	13	-	134
Cats	-	3	-	3	3	1	2	1	2	-	-	-	-	-	-	15
Miscellaneous	-	6	1	9	2	-	5	2	1	-	-	1	-	-	-	27
Feral Cats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dogs Year To Date	37	108	77	296	130	55	209	100	118	60	7	120	2	88	1	1,408
Cats Year To Date	6	23	16	25	17	8	24	7	14	10	3	11	-	17	-	181
Miscellaneous Year To Date	4	33	5	91	10	7	36	7	4	1	1	46	-	4	-	249
Feral Cats Year To Date	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1
Dogs YTD Last Year	39	106	-	317	127	74	187	115	114	49	9	123	3	3	5	1,271
Cats YTD Last Year	6	15	-	37	9	7	21	9	15	4	5	20	-	22	-	170
Misc. YTD Last Year	6	27	-	79	22	4	17	13	5	1	-	6	-	4	1	185
Feral Cats YTD Last Year	-	-	-	-	-	-	1	-	2	-	-	-	-	-	-	3
ANIMALS THAT DIED IN CUSTODY																
Dogs	-	1	1	1	-	1	5	2	3	-	1	-	-	1	-	16
Cats	3	-	3	6	-	-	-	3	2	-	1	-	-	3	-	21
Miscellaneous	1	-	-	3	2	5	-	-	-	1	-	1	-	-	-	13
Feral Cats	-	1	-	4	1	-	2	1	5	-	-	1	-	-	-	15
Dogs Year To Date	9	7	2	31	1	11	22	10	19	3	3	30	1	3	-	152
Cats Year To Date	12	14	18	31	8	15	12	22	19	6	5	25	2	18	2	209
Miscellaneous Year To Date	2	2	7	13	13	8	1	3	4	1	4	7	1	6	-	72
Feral Cats Year To Date	3	5	7	11	5	4	14	7	13	4	2	10	3	5	-	93
Dogs YTD Last Year	10	8	-	15	5	2	6	7	4	3	1	17	-	-	6	84
Cats YTD Last Year	1	6	-	15	4	2	4	4	2	-	1	7	-	-	1	47
Misc. YTD Last Year	15	3	-	12	4	2	5	3	-	1	-	1	1	-	3	50
Feral Cats YTD Last Year	-	1	-	1	6	-	1	-	3	-	-	-	-	-	-	12

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	-	-	-	-	-	-	-	1	-	-	-	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
gs YTD Last Year	30	51	-	167	44	27	109	86	77	31	16	126	1	14	9	788
ts YTD Last Year	-	5	-	17	1	3	1	1	1	-	-	3	-	2	-	34
c. YTD Last Year	7	3	-	11	10	4	9	5	-	-	9	2	-	-	2	62
VOIDS																
This Month																
Year To Date																17
																264

649

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		
9	Desert 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		
22	Guinea Pig	20		10			1		7		
23	Hamster	36	1	24					7		
24	Hawk	55		3			6	1	9		
25	Hen	5							1		
26	Humming 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	Racoon	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 *
Animal Shelter	*$874,672*	30%		$874,672
Animal Kennel	*$2,646*	0%		$2,646
Veterinary Services	*$625,775*	21%		$625,775
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 / Total Expenditures (less admin) = $1,503,093 / $2,916,332 = 51.54% of Admin Support Costs Allocable to Shelter & Kennel Functions

51.54% x $1,289,872 = $664,807

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)

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

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

Expenditure Status Report
City of Downey
7/1/2008 through 6/30/2009

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
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
0640	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	14,000.00	19,558.59	19,558.59	0.00	-5,558.59	139.70
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

Expenditure Status Report
City of Downey
7/1/2008 through 6/30/2009

95 SEAACA

2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2520 ANIMAL CONT/PATROL

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	606,341.00	391,502.20	391,502.20	0.00	214,838.80	64.57
0020 TEMPORARY PERSONNEL	0.00	124,908.51	124,908.51	0.00	-124,908.51	0.00
0030 OVERTIME	17,000.00	59,336.86	59,336.86	0.00	-42,336.86	349.04
0070 RET/PR INS-APPD %	75,736.00	44,196.48	44,196.48	0.00	31,539.52	58.36
0080 VACATION	0.00	18,896.31	18,896.31	0.00	-18,896.31	0.00
0081 HOLIDAY	0.00	12,543.85	12,543.85	0.00	-12,543.85	0.00
0082 SICK REGULAR	0.00	13,574.83	13,574.83	0.00	-13,574.83	0.00
0083 SICK FAMILY	0.00	1,210.26	1,210.26	0.00	-1,210.26	0.00
0085 HOLIDAY OVERTIME	0.00	3,213.43	3,213.43	0.00	-3,213.43	0.00
0089 COMP TIME USED	0.00	2,127.38	2,127.38	0.00	-2,127.38	0.00
Total PERSONNEL SERVICES	699,077.00	671,510.11	671,510.11	0.00	27,566.89	96.06
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	6,000.00	9,064.36	9,064.36	0.00	-3,064.36	151.07
0180 CLOTHING	7,200.00	6,622.87	6,622.87	0.00	577.13	91.98
0330 PHOTO & BLUEPRINTING	400.00	47.50	47.50	0.00	352.50	11.88
0480 STAFF DEVELOPMENT	2,400.00	1,739.00	1,739.00	0.00	661.00	72.46
0860 EQUIPMENT RENT-CITY	79,000.00	100,452.59	100,452.59	0.00	-21,452.59	127.16
0861 EQUIPMENT RENT-REPLACEMENT	120,000.00	120,000.00	120,000.00	0.00	0.00	100.00
Total OPR MATL & SUPPLIES	215,000.00	237,926.32	237,926.32	0.00	-22,926.32	110.66
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

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 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	582,928.00	288,966.38	288,966.38	0.00	293,961.62	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						

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
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

656

95 SEAACA

2000 PUBLIC SAFETY
2500 ANIMAL CONTROL
2531 KENNEL

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	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

657

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

95 SEAACA

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	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

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

95 SEAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2550 ANIMAL CONTROL (10)

Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 PERSONNEL SERVICES							
00 OPR CHGS & SVCS							
0320 PRINTING & BINDING		0.00	8,269.52	8,269.52	0.00	-8,269.52	0.00
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

659

Expenditure Status Report
City of Downey
7/1/2008 through 6/30/2009

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	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	MILAGE	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

660

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

661

Expenditure Status Report
City of Downey
7/1/2008 through 6/30/2009

95 SEAACA

9000 TRANSFERS OUT
9000 TRANSFERS OUT
9000 TRANSFERS OUT

Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
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	4,157,892.00	4,206,202.29	4,206,202.29	0.00	-48,310.29	101.16

662

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	0.00	0.00
Total	SOUTHEAST ANIMAL CONT	0.00	0.00	0.00	0.00	0.00	0.00

663

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

664

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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Exhibit B

RECEIVED
November 10, 2015
Commission on
State Mandates

LATE FILING

BETTY T. YEE
California State Controller

November 10, 2015

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

Re: Incorrect Reduction Claim
Animal Adoption, 14-9811-I-03
Civil Code Sections 1834 and 1846 and
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
Statutes 1998, Chapter 752; Statutes 2004, Chapter 313
Fiscal Years 2001-2002, 2002-03, 2006-07, 2007-08, and 2008-09
Southeast Area Animal Control Authority, Claimant

Dear Ms. Halsey:

The State Controller's Office is transmitting our response to the above-named IRC.

If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

JIM L. SPANO, Chief
Mandated Cost Audits Bureau
Division of Audits

JLS/as

16205

P.O. Box 942850, Sacramento, CA 94250 ♦ (916) 445-2636
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RESPONSE BY THE STATE CONTROLLER'S OFFICE TO THE INCORRECT REDUCTION CLAIM (IRC) BY THE SOUTHEAST AREA ANIMAL CONTROL AUTHORITY

Animal Adoption Program

Table of Contents

Description **Page**

State Controller's Office Response to Authority Comments

Declaration ..... Tab 1

SCO Analysis and Response ..... Tab 2

Commission on State Mandates' Statement of Decision,
Animal Adoption Program, January 25, 2001 ..... Tab 3

Court of Appeal of The State Of California, First Appellate District, Division Three,
Veena Purifoy et al., v. Glenn Howell, March 26, 2010 ..... Tab 4

Assembly Bill No. 222 (Chapter 97, Statutes of 2011) ..... Tab 5

Care and Maintenance cost component – Finding 1 Summary of Adjustments
FY 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09 ..... Tab 6

Holding Period cost component – Finding 2 Summary of Adjustments
FY 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09 ..... Tab 7

Lost and Found List cost component – Finding 3 Summary of Adjustments
FY 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09 ..... Tab 8

Maintaining Non-Medical Records cost component – Finding 4 Summary of Adjustments
FY 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09 ..... Tab 9

Necessary and Prompt Veterinary Care cost component – Finding 5 Summary of Adjustments
FY 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09 ..... Tab 10

Indirect Costs – Finding 6 Summary of Adjustments
FY 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09 ..... Tab 11

Note: References to Exhibits relate to the Authority's IRC filed on June 8, 2015, as follows:

- Exhibit 3 – PDF pages 65-431
- Exhibit 4 – PDF pages 463-540
- Exhibit 6 – PDF pages 546-664

Tab 1

OFFICE OF THE STATE CONTROLLER
3301 C Street, Suite 725
Sacramento, CA 94816
Telephone No.: (916) 323-5849

BEFORE THE

COMMISSION ON STATE MANDATES

STATE OF CALIFORNIA

INCORRECT REDUCTION CLAIM (IRC) ON: *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) SOUTHEAST AREA ANIMAL CONTROL AUTHORITY, Claimant	No.: IRC 14-9811-I-03 AFFIDAVIT OF BUREAU CHIEF

I, Jim L. Spano, make the following declarations:

1) I am an employee of the State Controller's Office (SCO) and am over the age of 18 years.

2) I am currently employed as a bureau chief, and have been so since April 21, 2000. Before that, I was employed as an audit manager for two years and three months.

3) I am a California Certified Public Accountant.

4) I reviewed the work performed by the SCO auditor.

5) Any attached copies of records are true copies of records, as provided by the Southeast Area Animal Control Authority or retained at our place of business.

6) The records include claims for reimbursement, along with any attached supporting documentation, explanatory letters, or other documents relating to the above-entitled Incorrect Reduction Claim.

7) A field audit of the claims for fiscal year (FY) 2001-02, FY 2002-03, FY 2006-07, FY 2007-08, and FY 2008-09 started on August 12, 2010 (issuance of the audit start letter) and ended on June 15, 2012 (issuance of the final report).

I do declare that the above declarations are made under penalty of perjury and are true and correct to the best of my knowledge, and that such knowledge is based on personal observation, information, or belief.

Date: November 10, 2015

OFFICE OF THE STATE CONTROLLER

By: _____
Jim L. Spano, Chief
Mandated Cost Audits Bureau
Division of Audits
State Controller's Office

Tab 2

STATE CONTROLLER'S OFFICE ANALYSIS AND RESPONSE TO THE INCORRECT REDUCTION CLAIM BY SOUTHEAST AREA ANIMAL CONTROL AUTHORITY

For Fiscal Year (FY) FY 2001-02, FY 2002-03, FY 2006-07, FY 2007-08, and FY 2008-09

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)

SUMMARY

The following is the State Controller's Office's (SCO) response to the Incorrect Reduction Claim (IRC) that the Southeast Area Animal Control Authority (Authority) submitted on June 8, 2015. The SCO audited the authority's claims for costs of the legislatively mandated Animal Adoption Program for the period of July 1, 2001, through June 30, 2009, excluding July 1, 2003, through June 30, 2005. The SCO issued its final report on June 15, 2012 **(Exhibit 4-pages 463-540)**.

The Authority submitted reimbursement claims totaling $2,316,724—$250,855 for fiscal year (FY) 2001-02 **(Exhibit 6-pages 546-562)**, $292,881 for FY 2002-03 **(Exhibit 6-pages 563-592)**, $524,800 for FY 2006-07 **(Exhibit 6-pages 593-613)**, $569,725 for FY 2007-08 **(Exhibit 6-pages 614-640)**, and $678,463 for FY 2008-09 **(Exhibit 6-pages 641-664)**. Subsequently, the SCO audited these claims and determined that $760,091 is allowable and $1,556,633 is unallowable because the Authority 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 following table summarizes the audit results:

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments
July 1, 2001, through June 30, 2002			
Direct costs:			
Care and maintenance of dogs and cats	$ 209,802	$ 22,343	$ (187,459)
Care and maintenance of other animals	23,215	870	(22,345)
Increased holding period	36,975	34,170	(2,805)
Lost and found list costs	-	1,319	1,319
Maintaining non-medical records	-	15,572	15,572
Necessary and prompt veterinary care	-	13,933	13,933
Total direct costs	269,992	88,207	(181,785)
Indirect costs	-	61,321	61,321
Total direct and indirect costs	269,992	149,528	(120,464)
Less other reimbursements	(19,137)	(10,602)	8,535
Total program costs	$ 250,855	138,926	$ (111,929)
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 138,926	

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments
July 1, 2002, through June 30, 2003			
Direct costs:			
Care and maintenance of dogs and cats	$ 225,079	$ 23,594	$ (201,485)
Care and maintenance of other animals	-	919	919
Increased holding period	90,302	33,139	(57,163)
Lost and found list costs	-	1,329	1,329
Maintaining non-medical records	-	15,478	15,478
Necessary and prompt veterinary care	-	13,773	13,773
Total direct costs	315,381	88,232	(227,149)
Indirect costs	-	63,426	63,426
Total direct and indirect costs	315,381	151,658	(163,723)
Less other reimbursements	(22,500)	(10,813)	11,687
Total program costs	$ 292,881	140,845	$ (152,036)
Less amount paid by the State[1]		-	
Allowable costs claimed in excess of (less than) amount paid		$ 140,845	
July 1, 2006, through June 30, 2007			
Direct costs:			
Care and maintenance of dogs and cats	$ 397,158	$ 17,937	$ (379,221)
Care and maintenance of other animals	6,592	760	(5,832)
Increased holding period	164,993	37,733	(127,260)
Lost and found list costs	-	1,489	1,489
Maintaining non-medical records	-	15,716	15,716
Necessary and prompt veterinary care	-	14,138	14,138
Total direct costs	568,743	87,773	(480,970)
Indirect costs	-	63,777	63,777
Total direct and indirect costs	568,743	151,550	(417,193)
Less other reimbursements	(44,943)	(11,715)	33,228
Total program costs	$ 523,800	139,835	$ (383,965)
Less amount paid by the State[1]		(520,504)	
Allowable costs claimed in excess of (less than) amount paid		$ (380,669)	

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments
July 1, 2007, through June 30, 2008			
Direct costs:			
Care and maintenance of dogs and cats	$ 435,435	$ 27,719	$ (407,716)
Care and maintenance of other animals	7,969	1,362	(6,607)
Increased holding period	176,872	41,024	(135,848)
Lost and found list costs	-	1,648	1,648
Maintaining non-medical records	-	17,795	17,795
Necessary and prompt veterinary care	-	17,663	17,663
Total direct costs	620,276	107,211	(513,065)
Indirect costs	-	73,396	73,396
Total direct and indirect costs	620,276	180,607	(439,669)
Less other reimbursements	(50,551)	(14,719)	35,832
Total program costs	$ 569,725	165,888	$ (403,837)
Less amount paid by the State[1]		-	
Allowable costs claimed in excess of (less than) amount paid		$ 165,888	
July 1, 2008, through June 30, 2009			
Direct costs:			
Care and maintenance of dogs and cats	$ 579,988	$ 35,565	$ (544,423)
Care and maintenance of other animals	7,457	1,008	(6,449)
Increased holding period	185,180	41,278	(143,902)
Lost and found list costs	-	1,647	1,647
Maintaining non-medical records	-	22,072	22,072
Necessary and prompt veterinary care	-	22,980	22,980
Total direct costs	772,625	124,550	(648,075)
Indirect costs	-	74,285	74,285
Total direct and indirect costs	772,625	198,835	(573,790)
Less other reimbursements	(94,162)	(24,238)	69,924
Total program costs	$ 678,463	174,597	$ (503,866)
Less amount paid by the State[1]		-	
Allowable costs claimed in excess of (less than) amount paid		$ 174,597	

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments
Summary: July 1, 2001, through June 30, 2009, (excluding July 1, 2003 through June 30, 2006)			
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	$ 2,316,724	760,091	$ (1,556,633)
Less amount paid by the State[1]		(520,504)	

[1] Payment information current as of October 22, 2015

I. ANIMAL ADOPTION PROGRAM CRITERIA

Adopted Parameters and Guidelines–February 28, 2002

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.

The Commission on State Mandates (Commission) 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 Commission adopted the parameters and guidelines on February 28, 2002 and corrected them on March 20, 2002 **(Exhibit 3-pages 109-124)**. 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. The parameters and guidelines are applicable to the Authority's FY 2001-02 and FY 2002-03 claims.

For FY 2003-04, the Legislature suspended the Animal Adoption Program.

Amended Parameters and Guidelines –January 26, 2006

On January 26, 2006, the Commission adopted amended parameters and guidelines for the Animal Adoption program **(Exhibit 3-pages 252-271)**. 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. The amended parameters and guidelines are applicable to the Authority's FY 2006-07, FY 2007-08, and FY 2008-09 claims.

The amended parameters and guidelines clarify the source documentation requirements by defining the terms "actual costs" and "source documents." In addition, these parameters and guidelines state that corroborating documents cannot be substituted for source documents.

The amended parameters and guidelines also provide a specific formula for claimants to use when calculating costs under the Acquiring Space and Facilities, and the Remodeling/Renovating cost components. The eligible costs for both components take into account the increased holding period as a result of the mandate relative to the animal census (the total days an animal is impounded).

SCO Claiming Instructions

The SCO annually issues mandated cost claiming instructions, which contain filing instructions for mandated cost programs. The May 7, 2002 claiming instructions **(Exhibit 3-pages 105-130)** are believed to be, for the purposes and scope of the audit period, substantially similar to the version extant at the time the Authority filed its FY 2001-02 and FY 2002-03 mandated cost claims. The SCO issued amended claiming instructions on April 3, 2006 **(Exhibit 3-pages 249-277)**. These claiming instructions are believed to be, for the purposes and scope of the audit period, substantially similar to

the version extant at the time the Authority filed its FY 2006-07, FY 2007-08, and FY 2008-09 mandated cost claims.

II. CARE AND MAINTENANCE COSTS

Issue

The Authority objects to SCO's recalculation of allowable costs for care and maintenance of dogs and cats and other animals. The SCO concluded that the Authority used a methodology that is not included as an option in the original or amended parameters and guidelines to perform its calculation of claimed costs under the care and maintenance cost component. In addition, the Authority claimed unallowable materials and supplies, estimated the yearly census of animals, incorrectly calculated the number of stray dogs, cats, and other animals that died during the increased holding period or were ultimately euthanized, and understated the number of reimbursable days. The Authority claimed costs totaling $1,892,695 for care and maintenance ($1,847,462 for Dogs and Cats and $45,233 for Other Animals). Our audit found that salaries and benefits totaling $132,077 is allowable ($127,158 for Dogs and Cats and $4,919 for Other Animals) **(Exhibit 4 – pages 476-500)** plus related indirect costs of $84,238 ($81,077 for dogs and cats and $3,161 for other animals) **(Tab 11)**.

SCO's Analysis:

The Authority chose to calculate care and maintenance costs by adding up all costs included in its Animal Shelter Division, Kennel Division, and Veterinary Division. The Authority added in indirect costs, subtracted the cost of euthanasia supplies, and divided the total by the average daily census of animals. This methodology assumes that all costs incurred within these divisions were related to the care and maintenance of animals. All costs incurred within these divisions were not related to the care and maintenance of animals. The Authority acknowledged that this methodology included related costs for the cost components of Maintaining Lost and Found Lists, Maintaining Non-Medical Records, and Feral Cat Review, since these costs were within the Shelter Division. The Authority also acknowledged that this methodology included costs incurred for the cost component of Necessary and Prompt Veterinary Care. The Authority argues that its methodology should be allowable because it did not claim costs under the individual cost components because it was already being compensated for those activities within its cost calculations for care and maintenance. The Authority also argues that its calculations work out mathematically, so it should be allowed to use its own methodology. We disagree.

The Authority wants to claim costs for this mandated program using a methodology inconsistent with the parameters and guidelines. There is no language in the parameters and guidelines permitting claimants the option to claim costs for multiple cost components using the Actual Cost Method option prescribed for Care and Maintenance activities. In addition, the factors unique to claiming costs for care and maintenance are not found within the other cost components. Working with and using information provided by Authority staff, we recalculated allowable costs for care and maintenance using the Actual Cost Method option prescribed in the parameters and guidelines.

Authority'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, VETERMINARY 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 the 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 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 [sic] 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.

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.

SCO's Comments:

The Authority's comments in its IRC filed on June 8, 2015, related to the audit finding for overstated care and maintenance costs are identical to the comments that it provided on May 22, 2012, to the SCO's draft audit report. In our final audit report, we noted that the Authority's claims were prepared using the services of a private mandated cost consultant and that the claims were not prepared in accordance with applicable instructions contained within the parameters and guidelines or the SCO's claiming instructions. Instead, the Authority's claims were prepared using an "alternate methodology" and the Authority acknowledges using such alternate methodology within this IRC filing. The alternate methodology used assumes that all reimbursable costs incurred by the Authority for this mandated program are properly included in its calculations for care and maintenance activities and, as the calculations supposedly work mathematically, it should be allowed to use its own methodology to claim costs. We disagree. (The Authority was one of the test claimants for this mandated program, but chose to claim costs in a manner that was not adopted by the Commission.)

In addition to being contrary to the adopted parameters and guidelines, we do not believe that the Authority's alternate methodology is a viable method by which to claim costs incurred under this mandated program. The parameters and guidelines (Section IV.B.3 – Reimbursable Activities – Ongoing Activities – Care and Maintenance) describe two options available for claimants to calculate costs incurred for care and maintenance activities. One is the "Actual Cost Method" and the other is the "Time Study Method." The Authority chose the Actual Cost Method option. This option uses a cost basis of labor, materials, supplies, indirect costs, and contract services and then uses a formula to determine the "cost per animal per day." The cost per animal per day is based on animal census data maintained by the claimant and the resulting daily cost is multiplied by the "number of animals the die

during the increased holding period or are ultimately euthanized" (eligible animals) to determine reimbursable costs.

In sharp contrast, the cost components of Increased Holding Period and Lost and Found Lists are based solely on salary and benefit costs incurred by Authority staff to conduct such activities. The cost components of Maintaining Non-Medical Records and Necessary and Prompt Veterinary Care use a combination of salaries and benefits and certain specific animal census data to determine allowable costs. The average daily census and cost per animal per day is not part of the calculations of reimbursable costs for these cost components. Therefore, there is no basis to conclude that the Authority's alternate methodology is a reasonable methodology to use for claiming costs for other cost components of this mandated program.

We worked with Authority representatives to first determine the procedures that staff followed to conduct the reimbursable activities and the amount of time required to perform them. The Authority provided information related to actual salary and benefit costs that it incurred for staff and identified applicable materials and supplies costs within its expenditure reports. The Authority also conducted its own time studies during the audit to determine the amount of time spent by staff to perform reimbursable activities for the cost components of Lost and Found Lists, Maintaining Non-Medical Records, and Necessary and Prompt Veterinary Care (performing initial physical examinations and administering wellness vaccines).

We held a discussion with Authority representatives on August 23, 2010 **(Tab 6-page 1)** in which the Authority's Executive Director made a determination of the employee classifications that performed care and maintenance activities and the percentages of their time spent performing such activities. Even though the Executive Director's percentages were estimates, we determined that they appeared reasonable based on the job descriptions that the Authority provided **(Tab 6-pages 2-4)** for the classifications that they identified. To determine allowable costs for care and maintenance using the Actual Cost Method, we requested and the Authority provided information related to the following:

- Actual salary and benefit information during the audit period for Animal Care Technicians, Lead Animal Care Technicians, and Senior Animal Care Technicians **(Tab 6-pages 5-10).**

- Authority Expenditure Reports detailing costs incurred within its Animal Shelter Division for Account #140 (Special Account Supplies) **(Tab 6-pages 11-16)**. The Authority identified that this was the account that it used to record materials and supplies costs for animal care and maintenance.

- Animal Census Data from the Authority's "Paw Trax" system detailing the total annual census of animals housed in its animal shelter during the audit period. The animal census information we requested was available only for FY 2006-07 through FY 2008-09 **(Tab 6-page 17)**. As such information was no longer available for FY 2001-02 and FY 2002-03, we used an average of the information from FY 2006-07 through FY 2008-09 for those two earlier years.

- The number of dogs and cats and other animals that died during the increased holding period or were ultimately euthanized after the required holding period (eligible animals) taken from its "Paw Trax" system **(Tab 6-pages 18-27)**. As noted above, as such data was no longer available for FY 2001-02 and FY 2002-03, we used an average of the information from FY 2006-07 through FY 2008-09 for those earlier two years.

We used this information to compute allowable costs for care and maintenance activities, as detailed in our Summary of Care and Maintenance Costs schedule (Schedule 2) **(Tab 6-pages 28-29)**. The Authority includes information in its response related to audited costs per animal per day that were obtained from our audit reports of other claimants under this mandated cost program. Those audit reports are available on the SCO website (www.sco.ca.gov). However, our application of the Actual

Cost Method was performed no differently for our audit of the Authority's claims than it was for our audits of other claimants. In addition, our calculations were based on expenditure information that the Authority provided to us.

Our calculations of allowable costs for care and maintenance described above do not include a component for indirect costs. Instead, indirect costs were calculated separately for all cost components and were included as a separate line item for each fiscal year within our Summary of Program Costs schedule (Schedule 1). We prepared a summary of claimed and allowable indirect costs for the audit period **(Tab 6-page 30)**. This schedule identifies that allowable indirect costs totaled $81,077 for the care and maintenance of dogs and cats and $3,161 for the care and maintenance of other animals. Therefore, allowable costs for the care and maintenance of dogs and cats total $208,235 ($127,158 plus $81,077) and for other animals total $8,080 ($4,919 plus $3,161).

III. APPLICATION OF PURIFOY V. HOWELL

Issue

The Authority contests SCO's application of the First District Court of Appeal decision in the matter of *Purifoy v. Howell, supra,* for the entire audit period. The court determined that Saturday was not a business day for purposes of determining the required holding period for a dog. This issue affects the allowable cost calculations in the SCO's final audit report issued June 15, 2012, for Finding 1, Overstated Care and Maintenance Costs and Finding 5, Unclaimed Necessary and Prompt Veterinary Care Costs. The SCO concluded that the Authority claimed unallowable costs because it misstated animal census data, claimed ineligible staff, overstated the number of eligible animals, understated the number of reimbursable days, did not claim allowable costs, misstated indirect costs, and overstated offsetting revenues. The SCO found unallowable costs totaling $1,760,618 for Finding 1 and unclaimed costs totaling $82,487 for Finding 5. For the purposes of determining allowable costs in our audit report, we did not consider Saturday to be a business day consistent with the Appellate Court decision cited above. However, the Authority believes that Saturday should be considered a business day when calculating reimbursable costs.

The following table summarizes the claimed, allowable, and audit adjustment amounts related to audit Findings 1 and 5:

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments	
Care and maintenance of dogs and cats	$ 1,847,462	$ 127,158	$ (1,720,304)	Finding 1
Care and maintenance of other animals	45,233	4,919	(40,314)	Finding 1
Veterinary care	-	82,487	82,487	Finding 5
	$ 1,892,695	$ 214,564	$ (1,678,131)	

SCO's Analysis:

The Authority believes that application of the Appellate Court decision in the case of *Purifoy et al v. Howell*, should not apply to the audit period. 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 affected the allowable cost calculations for unallowable care and maintenance costs (Finding 1) **(Exhibit 4-pages 476-500)** and necessary and prompt veterinary care costs (Finding 5) **(Exhibit 4-pages 511-515)**.

The SCO contends that the court decision clarifies the legal definition of a business day for the required holding period as of the date that the applicable statute was enacted in 1998.

Authority's Response:

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 (IV 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 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.

SCO's Comments:

The Authority's comments in its IRC filed on June 8, 2015, related to our reliance on the court decision in the *Purifoy et al v. Howell* case are identical to the comments that it provided on May 22, 2012 to SCO's draft audit report. The Authority has not provided any additional support since the final audit report was issued showing why Saturday should be considered a business day.

The Authority disagrees with our application of the Appellate Court decision in the case of *Purifoy et al. v. Howell.* In that case, Saturday was determined **not** to be a business day for the purposes of determining the required holding period for a dog. The Authority also contends that enactment of Chapter 97, Statutes of 2011 (Assembly Bill No. 222) (Saturday business day issue) support its position. The SCO's position is that the court decision clarifies the legal definition of a business day for the required holding period and that no changes to the audit findings are necessary.

Appellate Court Decision in *Purifoy et al v. Howell*

The Authority's IRC reiterated the following reasons why the SCO should not apply the court's decision retroactively:

- There has been no change to CSM's parameters and guidelines or SCO claiming instructions.
- The SCO is applying a "new" set of rules without proper notice and approval.
- The 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, the SCO decided on its own that Saturday is not a business day.

A considerable amount of public record is related to this mandated program, including, but not limited to, the initial test claim, statement of decision **(Tab 3)**, the adopted parameters and guidelines **(Exhibit 3-pages 109-124 and 252-271)**, Commission draft and final 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, which opined that Saturday is not to be treated as a business day for the purposes of determining the required holding period **(Tab 4).**

The Authority is correct in stating that there has been no change to the adopted parameters and guidelines or the SCO claiming instructions. 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 Authority's Animal Adoption claims within the audit period.

The court 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. **(Tab 4, page 16)**

The court decision did not change the audit criteria used to audit the claims; the 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. The Authority did not support its opinion with any language from the administrative record related to the Animal Adoption program that supports a definition for a "business day" other than the ordinary meaning, which excludes Saturdays, Sundays, and legal holidays.

The definition of a "business day" for the purpose of the Animal Adoption Program is clarified in Assembly Bill (AB) 222.

The usual and ordinary meaning of the term "business days" remains Monday through Friday, and excludes Saturdays, Sundays, and legal holidays. However, for the purpose of determining the holding period for the Animal Adoption Program, AB 222 (Chapter 97, Statutes of 2011) was enacted on July 25, 2011. This bill was a non-urgency bill and took effect January 1, 2012 **(Tab 5)**. 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.

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 redefine prospectively a "business day."

IV. DEFINITIONS OF MANDATED PROGRAM TERMS AND REQUIREMENTS

Issue

The Authority objects to SCO's definitions of the terms "ultimately euthanized," irremediably suffering animals," and "eligible animals." The Authority believes that the definitions of these terms, as applied to the SCO's audit of the Authority's claims, constitutes arbitrary rulemaking because the definitions create rules and definitions for reimbursement eligibility that are inconsistent with the parameters and guidelines.

SCO's Analysis:

The terms "ultimately euthanized," "irremediably suffering," and "eligible animals" are not implicitly defined in the parameters and guidelines for this mandated program. However, 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 page 14, the Commission noted 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.

After the Commission adopted its statement of decision, Fresno County submitted a request that reimbursement should also be included for animals that die during the increased holding period. The County presented the following reasoning:

> Fresno County recommends that reimbursements apply to animals that are ultimately euthanized also apply to 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 the animal. If the animal dies pending euthanasia, the animal still has to be held until its untimely demise.

Fresno County was not requesting reimbursement for animals that were euthanized during the increased holding period. Instead, it was requesting reimbursement for animals that met an "untimely demise" during the holding period. In responding to this request, the Commission 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. We believe that this supports our position that reimbursement is provided for animals that died of natural causes during the increased holding period and those that were euthanized after the required holding period (ultimately euthanized).

In the Final Staff Analysis for the Proposed Parameters and Guidelines (Item 4 for the Commission's hearing held on February 28, 2002), Commission staff provided guidance on the definition of this term. On page 7 of that document, the Commission states the following:

> 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 owners for *the cost to care, maintain*, [emphasis added] 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.

Webster's New World Dictionary, 3rd College Edition, 1991, defines the word "irremediable" as "that cannot be remedied or corrected, incurable, or irreparable." During audits of Animal Adoption claims filed by other local agencies, our auditors have been advised 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 used in our audit, the term "eligible animals" describes the population of animals that died during the increased holding period (of natural causes) plus those that were ultimately euthanized. This population of animals is used within various cost components of the mandated program for the calculation of allowable costs. For the purposes of our audit, the increased holding period ended on day seven of an animal's impoundment.

Authority's Response:

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 physically 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 in 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 that 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.

SCO's Comments:

The Authority's comments in its IRC filed on June 8, 2015, related to our definitions of the terms "ultimately euthanized," "irremediably suffering," and "eligible animals" are identical to the comments that it provided on May 22, 2012, to the SCO's draft audit report. The Authority's comments that the SCO uses an interpretation that "robs agencies of actual costs incurred," punishes claimants "for their compliance with the law," that shelters should let an "animal suffer and die slowly on its own, just to satisfy the SCO…" and that SCO auditors are "moving the target so that they can obtain maximum cost savings to the state at the expense of fairness and equity to local agencies" are inappropriate and serve no useful purpose. The Authority's accusations are unfounded. SCO auditors acknowledge the State's responsibility to reimburse claimants for mandated costs incurred and are tasked with determining the appropriate level of reimbursement available to claimants consistent with the requirements contained within the parameters and guidelines of mandated programs.

Defining "Ultimately Euthanized" Animals

The Authority is correct that the term "ultimately euthanized" refers to animals for whom the Authority's final action was euthanasia. The Authority notes its understanding that this term was defined by the Commission to describe an event that takes place *after* the required holding period has been satisfied. The Authority is arguing instead that reimbursement should be available for animals that were euthanized at any time for any reason, including those that were euthanized during the holding period. We disagree. The Authority's request is inconsistent with the intent of the test claim statutes. In its Draft Staff Analysis of the test claim issued on August 31, 2000, Commission staff noted on page 8 of that document that "staff finds that the test claim legislation does impose unique requirements on local agencies to implement the state's policy to end euthanasia of adoptable and treatable animals." On page 10 of that document, the Commission states:

> Accordingly, staff finds that Food and Agriculture Code sections 31108, 31752, and 31753 impose a new program or higher level of service by:
>
> - Requiring local agencies to provide care and maintenance for impounded dogs and cats for the increased holding period established by the test claim legislation (measured by calculating the difference between three days from the day of capture, and four business days from the day after impoundment;
> - Requiring local agencies to provide care and maintenance for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property during the four-business day holding period.

This same language was included in the statement of decision adopted by the Commission on January 25, 2001. The statement of decision also noted that "The holding period and adoption requirements stated above do not apply to animals that are irremediably suffering from a serious illness or severe

injury and newborn animals that need maternal care and have been impounded without their mothers. Such animals may be euthanized at any time without being held for owner redemption or adoption." We do not believe that the Commission would include a distinction like this in its statement of decision had the test claim statutes also applied to all other animals that were euthanized at any time for any reason prior to the expiration of the required holding period.

The Authority's argument is centered on providing care and maintenance reimbursement for animals that were euthanized between days 3.5 and day 6 of the required holding period. The logic for this conclusion is that an animal's health can suddenly deteriorate or that injuries could occur to animals within overcrowded kennels and euthanasia is the humane choice under these circumstances. Accordingly, the claimant should receive partial reimbursement for care and maintenance costs incurred under these circumstances. We disagree. If we were to accept the Authority'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. Even if the costs for such animals were reimbursable, the Authority did not identify nor indicate how it would identify the population of animals within its shelter during the audit period that were euthanized during the required holding period that were not irremediably suffering from a serious illness or severe injury or were too severely injured to move during days 1-3 of the holding period, but were subsequently reclassified during days 3.5-6 of the holding period.

The distinction here is important. 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 for these cost components are based on the total numbers of animals that are "ultimately euthanized" and "die during the increased holding period." We believe that the Commission used the term "ultimately" to describe an event that occurs *after* the required holding period. There is no language appearing in any of the public documents for this mandated program suggesting that reimbursement should be available for animals that are euthanized during the increased holding period, regardless of the reason.

Defining "Irremediably Suffering Animals"

The Authority's argument concerning the definition of "irremediably suffering animals" seems to focus on costs incurred for necessary and prompt veterinary care rather than on reimbursement for care and maintenance costs. The Authority's logic is that an animal's health status may change for a variety of reasons and that an animal initially considered as "treatable" may be re-classified as "irremediably suffering" and is euthanized during the required holding period. Accordingly, the Authority believes that it should be able to receive reimbursement for costs incurred during this short window of time. We disagree. The parameters and guidelines exclude reimbursement for costs incurred for animals that are irremediably suffering from a serious illness or severe injury. The parameters and guidelines make no distinction for animals that are "reclassified" as irremediably suffering during the required holding period and are euthanized as a result. Even if costs incurred for such population of animals was reimbursable, the Authority has not identified the number of animals that fit this criteria that were housed within its shelter during the audit period nor identified necessary and prompt veterinary costs that it incurred for such animals. We believe that the Authority is seeking reimbursement for all animals that were euthanized at any time between the original required holding period of 72 hours and the increased holding period under the assumption that they were all reclassified as "irremediably suffering animals." However, we also believe that the mandated program does not provide reimbursement for this population of animals.

The SCO's determination that only animals that die on days 4, 5, 6, and 7 are reimbursable

In our audit of the Authority's claims, the population of animals that died of natural causes on day 7 of the animal's holding period and beyond were not eligible for reimbursement. Our conclusion is that the

parameters and guidelines state that reimbursement is available for animals that die during the increased holding period or are ultimately euthanized. In its comments, the Authority states that "this situation was not foreseen during drafting of the Ps and Gs and instructions." We agree. However, this population of animals was excluded as "eligible animals" from the parameters and guidelines for the calculations of allowable costs. If the Authority believes that the parameters and guidelines should be amended to cover this situation, it may file an amendment request with the Commission.

V. THE AUTHORITY CLAIMED UNALLOWABLE HOLDING PERIOD COSTS

Issue

The Authority's IRC contests Finding 2, Increased Holding Period costs, in the SCO's final audit report issued June 15, 2012, related to the Animal Adoption Program. The SCO concluded that the Authority claimed unallowable costs because the Authority included all expenditures from its Administration and Veterinary Divisions and divided the total by the number of hours that the animal shelter was open to arrive at a cost per hour. However, this calculation does not factor in that the reimbursable costs are only those for the additional staff necessary to keep the animal shelter open for animal redemption. Instead, the Authority believes that it should be reimbursed for every employee and every activity conducted in its animal shelter during the extra hours that the shelter is open for animal redemption. The SCO determined unallowable costs totaled $466,978 **(Exhibit 4-pages 501-505)**. The Authority believes that additional costs may be reimbursable under the mandated program.

SCO's Analysis:

The parameters and guidelines allow reimbursement under this category for the costs associated with holding shelters open to the public on one weekend day, one weekday evening, or under certain circumstances, for costs incurred in establishing an after-hours redemption process. We believe that labor costs related to staff not performing the activity of making animals available for owner redemption should not be included as allowable costs under this cost component.

Costs for certain staff on duty during Saturdays are already reimbursable within other cost components of the mandated program. Shelter employees' time devoted to feeding animals, cleaning cages, duties related to the care of animals, performing lost-and-found list activities, processing non-medical records, performing initial physical examinations, and administering wellness vaccines are already allowable costs that were supported by the time studies that the Authority conducted. Reimbursing the Authority for this same staff under the Increased Holding Period cost component would constitute reimbursing the Authority twice for the same costs.

We believe that other animal services such as animal control officer duties, euthanasia, spay and neutering procedures, implanting microchips, licensing, processing animal adoptions, and certain other animal services do not become temporarily reimbursable activities just because the animal shelter is open for extra hours to make animals available for owner redemption. These activities are not reimbursable under any cost component of the mandated program at any time. Our finding identifies allowable costs under the mandated program per the requirements of the adopted parameters and guidelines.

Authority's Response

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.

SCO's Comments:

The Authority is disputing the SCO's determination that only a portion of its staff time and costs are reimbursable under the Holding Period cost component. The Authority has not provided any additional information to consider since our final audit report was issued. The SCO responded to this same issue in Finding 2 of our final audit report **(Exhibit 4, pages 501-505)**.

Section IV.B.5 of the parameters and guidelines allows reimbursement under this category for the costs associated with holding shelters open for the public on one weekend day, one weekday evening, or under certain circumstances, for costs incurred in operating an after-hours animal redemption process. We believe that labor costs related to staff not performing the activity of making animals available for owner redemption should not be included as allowable costs under this cost component.

The SCO is relying on language in the parameters and guidelines that the reason to be open extra hours is to make animals available for owner redemption on one weekday evening until 7:00 p.m. or on one weekend day. Therefore, this is the criterion by which to determine the actual costs associated with this cost component, which is to make animals available for owner redemption. Our audit report notes the additional employee classifications that performed this activity during the audit period. All salary, benefit, and related indirect costs incurred for the employees that performed this activity at the Authority's animal shelter on Saturdays during the audit period were allowable costs in the final audit report. The Authority's statement that "The SCO calculation does not include departmental ICRP costs" is incorrect.

We held discussions with Authority management to determine the number of hours that the animal shelter was open during the audit period on Saturdays to make animals available for owner redemption. Management also indicated the staffing that was required to perform this activity. Based on the staffing required, the number of hours spent per year, and the productive hourly rates for the employees performing the activity, we determined allowable salary and benefit costs totaling $187,344 plus $156,925 in related indirect costs. The results of our analysis are provided for review **(Tab 7)**.

VI. THE AUTHORITY DID NOT CLAIM LOST AND FOUND LIST COSTS

Issue

The Authority's states in its IRC filing that the rate that it claimed for care and maintenance activities included costs incurred for Lost and Found List activities. As a result, the Authority did not include any costs in its claims under the Lost and Found List cost component. During the audit, Authority staff conducted a time study to determine the amount of time that staff spent performing the reimbursable activities. Our audit found that direct and indirect costs totaling $13,658 were allowable for the audit period based on the Authority's time study.

SCO's Analysis:

Authority staff conducted a two-week time study from September 12 through September 18, 2011, and from September 26 through October 1, 2011, to determine the average amount of time spent by staff performing Lost and Found List activities. The time study revealed that a Desk Clerk spent an average of 69 minutes per week (60 hours per year) and a Front Office Supervisor spent 18 minutes per week (16 hours per year) performing Lost and Found List activities. We applied the time study yearly average by each employee's productive hourly rate and found that salaries and benefits totaling $7,432 **(Exhibit 4-pages 506-507)** and related indirect costs totaling $6,225 were allowable for the audit period **(Tab 11)**.

Authority's Response:

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.

SCO's Comments:

The Authority used its altered version of the Actual Cost method to claim costs for care and maintenance of animals, intending to extend that methodology to include costs incurred for the other cost components of the mandated program. However, we believe that this approach is arbitrary because the two cost components are very different. For this reason, we believe that the Lost and Found List cost component appears separately from the other cost components within the parameters and guidelines. While the Care and Maintenance cost component is designed to provide reimbursement for the cost of labor, materials, supplies, indirect costs, and contract services to care and maintain the animals in its shelter, the Lost and Found List cost component is designed to provide reimbursement of costs for providing information to owners of lost animals and those who find lost animals in an effort to reunite lost animals with their owners. The two components are entirely different in their scope and purpose.

The Authority conducted its own two-week time study from September 12 through September 18, 2011 and again from September 26 through October 2, 2011 to determine the staff involved in performing this activity and the amount of time that they spent performing the activity. We tallied the amount of time in seconds that the staff recorded and determined the number of hours spent per year to perform the activity. Using the productive hourly rates of the staff involved and the allowable indirect cost rates for each year of the audit period, we determined that $13,657 was allowable for the audit period. Actual copies of the Authority's time study and our resulting analysis are provided for review **(Tab 8).**

VII. THE AUTHORITY DID NOT CLAIM MAINTAINING NON-MEDICAL RECORDS COSTS

Issue

The Authority states in its IRC filing that the rate that it claimed for care and maintenance activities included costs incurred for Maintaining Non-Medical Records activities. As a result, the Authority did not include any costs in its claims under the Maintaining Non-Medical Records cost component. During the audit, Authority staff conducted a time study to determine the amount of time that staff spent performing the reimbursable activities. Our audit found that direct and indirect costs totaling $158,870 were allowable for the audit period based on the Authority's time study.

SCO's Analysis:

Authority staff conducted two separate time studies, one from September 19 through September 24, 2011 to determine the average time required to process the final disposition of animals and one from December 2 through December 18, 2011, to determine the average time required to process non-medical records for incoming animals. The first time study revealed that Clerks, Animal Care Technicians, and Animal Control Officers processed incoming animal records and the percentage involvement of each classification. The second time study revealed that Clerks processed the final disposition of animals. The Authority provided information from its Paw Trax system supporting the number of animal records it processed for FY 2006-07 through FY 2008-09. As this same information was unavailable for FY 2001-02 and FY 2002-03, we used a three-year average for those years based on the last three years of the audit period. We applied the time study results by each employee classification's productive hourly rate and found that salaries and benefits totaling $86,633 **(Exhibit 4-pages 508-510)** and related indirect costs totaling $72,237 **(Tab 11)** were allowable for the audit period. We provided the summary of the time study results, animal data information, and the analysis of allowable direct and indirect costs for review **(Tab 9)**.

Authority's Response.

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.

SCO's Comments:

The Authority used its altered version of the Actual Cost method to claim costs for care and maintenance of animals, intending to extend that methodology to include costs incurred for the other cost components of the mandated program. However, we believe that this approach is arbitrary because the two cost components are very different. For this reason, we believe that the Maintaining Non-Medical Records cost component appears separately from the other cost components within the parameters and guidelines. While the Care and Maintenance cost component is designed to provide reimbursement for the cost of labor, materials, supplies, indirect costs, and contract services to care and maintain the animals in its shelter, the Maintaining Non-Medical Records cost component is designed to provide reimbursement of salaries and benefits and related indirect costs for processing incoming and outgoing non-medical records for all animals housed in the Authority's shelter. The two components are entirely different in their scope and purpose.

As noted above, the Authority conducted two separate time studies to determine the staff involved, percentage of involvement, and the amount of time required to process both incoming and outgoing

non-medical animal records. Using the productive hourly rates of the staff involved and the allowable indirect cost rates for each year of the audit period, we determined that $158,870 was allowable for the audit period.

VIII. THE AUTHORITY DID NOT CLAIM NECESSARY AND PROMPT VETERINARY COSTS

Issue

The Authority states in its IRC filing that the rate that it claimed for care and maintenance activities included costs incurred for necessary and prompt veterinary care activities. As a result, the Authority did not include any costs in its claims under the Necessary and Prompt Veterinary Care cost component. During the audit, Authority staff conducted two time studies to determine the amount of time that staff spent performing the initial physical exams and administering wellness vaccines. The Authority also determined the materials and supplies costs that it incurred for the wellness vaccines that it administered. Our audit found that direct and indirect costs totaling $99,067 were allowable for the audit period based on the Authority's time studies and the support it provided for materials and supplies costs.

SCO's Analysis:

Authority staff conducted two separate time studies. The first was conducted from March 21 through April 3, 2011, to determine the average time required to perform an initial physical exam in order to make a determination in regards to an animal being "adoptable," "treatable," or "non-rehabilitatable." The second time study was also conducted from March 31, 2011, through April 3, 2011, to determine the average time required to administer wellness vaccines to "adoptable" and "treatable" animals. Even though the Authority has a licensed Veterinarian on staff, the exams are performed and the vaccines are administered by the Animal Care Technicians and Animal Control Officers.

The parameters and guidelines state that reimbursement is provided for animals that die during the increased holding period or are ultimately euthanized. The Authority provided information from its Paw Trax system supporting the number of animals that fit this criteria for FY 2006-07 through FY 2008-09. As this same information was unavailable for FY 2001-02 and FY 2002-03, we used a three-year average for those years based on the last three years of the audit period. We applied the time study results by each employee classification's productive hourly rate and found that salaries and benefits totaling $19,909 **(Exhibit 4 pages 511-515)** and related indirect costs totaling $16,580 **(Tab 9)** were allowable for the audit period. In addition, the Authority determined the amounts that it incurred in materials and supplies costs during the audit period for the wellness vaccines that it administered. Using that information, we found that materials and supplies costs totaling $62,578 were allowable. We provided the summary of the time study results, animal data information, materials and supplies costs, and the analysis of allowable direct and indirect costs for review **(Tab 10)**.

Authority's Response:

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 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 a 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.

SCO's Comments:

The Authority acknowledges in its response that it did not use a method prescribed in the parameters and guidelines to claim costs under the Necessary and Prompt Veterinary Care cost component. The Authority also objects to the need for "locating and reviewing thousands of veterinary medical records dating back years to determine which procedures were eligible and which were not," and believes that using the "Actual Cost Method" for costs claimed under the cost component of Care and Maintenance "appeared to be a rational method in this component as well." The Authority also believes that the methodology used to claim costs for this cost component "mirrors the 'Actual Cost' method allowed in the claiming instructions for Care and Maintenance" and that it should be able to use the same methodology to claim costs for this cost component. We disagree.

There is no language within the parameters and guidelines allowing the Authority to claim costs in any manner that it chooses. In addition, it is difficult to follow the Authority's logic that the methodology for claiming costs under this cost component "mirrors" the "Actual Cost Method" used for Care and Maintenance activities when the two methods are nothing alike. There is no language within parameters and guidelines Section IV.B.9 (Reimbursable Activities – Ongoing Activities – Necessary and Prompt Veterinary Care) advising claimants to compute costs using animal census data to determine the cost per animal per day and then multiply that cost by the number of eligible animals (those that died during the increased holding period or are ultimately euthanized) by the number of reimbursable days.

For the Necessary and Prompt Veterinary Care cost component, the parameters and guidelines state that:

> 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."

In addition, the parameters and guidelines state that such procedures are limited to "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." We interpreted this phrase to mean that the necessary and prompt veterinary care must have been provided during the holding period to the population of animals that died (of natural causes) during the holding period or were euthanized after the holding period.

We noted during the audit that Authority staff provided initial physical examinations to all animals entering its shelter (other than those that were dead on arrival) to determine the animal's health status and then administered wellness vaccines to all animals classified as treatable and adoptable. As the procedures that Authority staff followed to perform these activities were repetitive in nature, we determined that they were appropriate for a time study. Accordingly, Authority staff performed its own time studies, as noted above, to determine the amount of time spent by staff to perform these activities and the staff that conducted the activities. However, we determined that the activities of veterinary care to stabilize and/or relieve suffering and care intended to remedy any applicable disease, or congenital or hereditary condition are not subject to a time study and must be supported with actual cost documentation. However, as noted in the Authority's response, it did not provide such documentation because "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." However, as pointed out earlier, the Authority was one of the test claimants for this mandated program and was surely aware of the requirements to claim costs when the parameters and guidelines were first adopted on February 28, 2002.

As noted above, the Authority conducted two separate time studies to determine the staff involved, percentage of involvement, and the amount of time required to perform initial physical exams and administer wellness vaccines. The Authority also provided support for its materials and supplies costs for wellness vaccines. Using the productive hourly rates of the staff involved, the allowable indirect cost rates for each year of the audit period, and supported materials and supplies costs, we determined that $99,067 was allowable for the audit period.

IX. THE AUTHORITY MISSTATED INDIRECT COSTS

Issue

The Authority did not directly claim reimbursement for indirect costs for any fiscal year of the audit period. Instead, the Authority included a portion of claimed overhead costs in its calculations of costs for Care and Maintenance and Increased Holding Period cost components. However, including a component for overhead within a cost component is not an option outlined in the parameters and guidelines for claiming indirect costs. The parameters and guidelines state:

> 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.

We worked directly with Authority management and used the Authority's expenditure information from all six of its Divisions for all fiscal years of the audit period to develop ICRPs for the calculation of allowable indirect cost rates for each year of the audit period. We revised our initial calculations of indirect cost rates based on the Authority's response to the draft audit report. Using allowable salaries and benefits as a base, we found that indirect costs totaling $336,205 were allowable. In its IRC, the Authority now wishes to revise the indirect cost rates based on costs incurred only within its Animal Shelter Division rather than use rates based on the Authority as a whole.

SCO's Analysis:

As noted in the final audit report issued on June 15, 2012, the Authority determined overhead costs for each year of the audit period that were included into its alternative formula for claiming costs using the Actual Cost Method reserved for care and maintenance costs. The Authority's logic for determining overhead costs was that all costs incurred within its Animal Shelter, Kennel, and Veterinary Divisions were direct mandated-related costs and that all costs incurred within its Animal Control and License/Canvassing Divisions were direct non mandated-related costs. Using the two totals, it determined the percentage of direct mandate-related costs and multiplied this percentage by the amount

of costs incurred within its Administration Division. However, this is not a correct method for claiming indirect costs that is outlined in the parameters and guidelines for this mandated program. In addition, assuming that all costs incurred within its Animal Shelter, Kennel, and Veterinary Divisions are all mandated-related and that none of the costs incurred within its Animal Control and License/Canvassing Divisions are mandate-related is also incorrect.

During the audit, we worked with Authority representatives to obtain the necessary information for the development of Indirect Cost Rate Proposals to calculate allowable indirect cost rates. After we issued a draft audit report on May 22, 2012, the Authority responded on June 4, 2012 with requests for revisions to the indirect cost rate calculations. The specifics of these revisions are included in our comments to the Authority's draft audit response, on pages 54 and 55 of the final audit report.

To determine the amount of costs within the Authority's indirect cost pool, we included the following:

- All costs included within the Authority's Administrative Support Division (Division #2510)
- All utility expenditures in the Shelter Division recorded within accounts 550 through 579
- All office supplies expenditures recorded within account 130 in the Animal Shelter and License/Canvassing Divisions
- All small tools and implements expenditures recorded within account 290 in the Animal Shelter and Veterinary Divisions
- All building rental costs recorded within account 361 in the Animal Shelter Division
- All building and computer maintenance costs incurred within accounts 360 and 410 in the Animal Shelter Division
- All staff development costs incurred within account 480 in addition to costs incurred within the Administrative Support Division
- Ninety-nine percent of the salary and benefit costs for the Front Office Supervisory position in the Animal Shelter

We believe that the inclusion of these costs is consistent with the provisions of OMB A-87. We also believed that the other line item costs for services and supplies within divisions other than Administrative Support not mentioned above were direct costs to operate the Authority's core business, which is providing animal control services to its contracting partners.

As the indirect cost rates we calculated are based on direct salaries and benefits, we calculated direct salaries and benefits by adding up all salary and benefit costs incurred within all divisions, other than the Administrative Support Division and the Front Office Supervisory position in the Animal Shelter Division identified above. While the Authority requested that we include other supervisory and support positions within the Animal Shelter as partially indirect, it did not provide any actual cost basis on which to base such a determination. The Authority did not provide any actual time records with its IRC filing supporting the allocation of indirect salaries and benefits that it requested.

Authority's Response:

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.

SCO's Comments:

As noted above, we worked with Authority representatives to develop ICRPs and indirect cost rates during the course of the audit. However, in its IRC filing, the Authority is requesting a complete revision to the methodology that was completed during the audit. The allowable indirect cost rates that appear in the audit report were based on costs incurred throughout all of the Authority's six Divisions. In its IRC response, the Authority is suggesting that its indirect cost rates be prepared using only the expenditures within the Animal Shelter Division. The Authority provided a sample of what such a calculation would look like for FY 2008-09, which results in an indirect cost rate of 150.83% for that year instead of the 76.38% indirect cost rate that was allowable during the audit. However, we believe that the Authority's request is flawed.

Establishing indirect cost rates based only on the Animal Shelter Division is an incorrect methodology. What the Authority is proposing is the development of a departmental rate that applies only to this Division. That would be appropriate if the Animal Shelter Division was the only department within the Authority in which mandated costs were incurred. For example, animal shelters that are operated by cities and counties function as a department within the context of the respective government as a whole. The main purpose of the respective governments is to provide services to its citizens, of which animal control services is only a part. Therefore, these shelters operate as separate departments within those governments and are accounted for within their own budget units. Rather than prepare an indirect cost rate based on the entire government as a whole, it is more correct to prepare indirect cost rates based only on costs incurred within the animal shelter department.

In contrast, the Southeast Area Animal Control Authority has six Divisions. All six Divisions of the Authority work towards a common purpose, which is to provide animal control services for its participating cities. Allowable mandated costs were incurred within multiple Divisions of the Authority. The indirect cost rates that are identified as allowable in the audit report are based on the Authority as a whole. It would not be appropriate to prepare and allocate an indirect cost rate based on one Division to allowable salaries and benefits costs incurred within other Divisions, which is what the Authority is proposing.

There is another flaw in the Authority's request. The Authority appears to believe that any mandate-related activities that an employee performs are direct costs, while time spent on activities that are not reimbursable are indirect costs. That is not consistent with the provisions of OMB A-87. Many of the activities performed by the employee classifications identified in the Authority's example for FY 2008-09 perform functions that are directly related to the Authority's common purpose of providing animal shelter services to the public. As identified in parameters and guidelines section V.B-Indirect Costs, "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." For example, the Authority identifies Dispatchers and Clerks as being partially or entirely indirect. However, these employee classifications perform functions unique to their particular Divisions, not the Authority as a whole. The Authority has an entire Division (Administrative Services – Division 2510) that provides the common purpose activities as defined in the parameters and guidelines.

As noted previously, we believe that the indirect cost rate calculations identified in the audit report are consistent with the parameters and guidelines and the provisions of OMB A-87. We have provided a summary of the allowable indirect cost rate calculations and copies of the worksheets that we prepared based on the Authority's expenditure reports for the audit period **(Tab 11)**.

X. CONCLUSION

The SCO audited the Southeast Area Animal Control Authority's claims for costs of the legislatively mandated Animal Adoption Program (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 Authority claimed $2,316,724 for the mandated program. Our audit found that $760,091 is allowable and $1,556,633 is unallowable. The costs are unallowable primarily because the Authority 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 Commission should find that: (1) the SCO correctly reduced the Authority's FY 2001-02 claim by $111,929; (2) the SCO correctly reduced the Authority's FY 2002-03 claim by $152,036; (3) the SCO correctly reduced the Authority's FY 2006-07 claim by $384,965; (4) the SCO correctly reduced the Authority's FY 2007-08 claim by $403,837; and (5) the SCO correctly reduced the Authority's FY 2008-09 claim by $503,866.

XI. CERTIFICATION

I hereby certify by my signature below that the statements made in this document are true and correct of my own knowledge, or, as to all other matters, I believe them to be true and correct based upon information and belief.

Executed on November 10, 2015, at Sacramento, California, by:

Jim L. Spano, Chief
Mandated Cost Audits Bureau
Division of Audits
State Controller's Office

Tab 3

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM:

Civil Code Sections 1815, 1816, 1834, 1834.4, 1845, 1846, 1847, and 2080;
Food and Agricultural Code Sections 17005, 17006, 31108, 31752, 31752.5, 31753, 31754, 32001, and 32003;
Penal Code Sections 597.1 and 599d; and
Business and Professions Code Section 4855,

As Added or Amended by Statutes of 1978, Chapter 1314; and Statutes of 1998, Chapter 752; and

California Code of Regulations, Title 16, Division 20, Article 4, Section 2031 (Renumbered 2032.3 on May 25, 2000); and

Filed on December 22, 1998;

By the County of Los Angeles, City of Lindsay, County of Tulare, County of Fresno, and Southeast Area Animal Control Authority, Claimants.

NO. CSM 98-TC-11

Animal Adoption

STATEMENT OF DECISION PURSUANT TO GOVERNMENT CODE SECTION 17500 ET SEQ.; TITLE 2, CALIFORNIA CODE OF REGULATIONS, DIVISION 2, CHAPTER 2.5, ARTICLE 7

(Adopted on January 25, 2001)

STATEMENT OF DECISION

The attached Statement of Decision of the Commission on State Mandates is hereby adopted in the above-entitled matter.

This Decision shall become effective on February 2, 2001.

Paula Higashi

Paula Higashi, Executive Director

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM:

Civil Code Sections 1815, 1816, 1834, 1834.4, 1845, 1846, 1847, and 2080;
Food and Agricultural Code Sections 17005, 17006, 31108, 31752, 31752.5, 31753, 31754, 32001, and 32003;
Penal Code Sections 597.1 and 599d; and
Business and Professions Code Section 4855,

As Added or Amended by Statutes of 1978, Chapter 1314; and Statutes of 1998, Chapter 752; and

California Code of Regulations, Title 16, Division 20, Article 4, Section 2031 (Renumbered 2032.3 on May 25, 2000); and

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Animal Adoption

STATEMENT OF DECISION PURSUANT TO GOVERNMENT CODE SECTION 17500 ET SEQ.; TITLE 2, CALIFORNIA CODE OF REGULATIONS, DIVISION 2, CHAPTER 2.5, ARTICLE 7

(Adopted on January 25, 2001)

STATEMENT OF DECISION

On October 26, 2000, and November 30, 2000, the Commission on State Mandates (Commission) heard this test claim during regularly scheduled hearings.

At the October 26, 2000 hearing, Mr. Leonard Kaye appeared for the County of Los Angeles. Dr. Dennis Davis, Animal Care and Control Department, Lancaster Shelter, and Mr. Robert Ballenger, Senior Manager, Animal Care and Control Department, appeared as witnesses for the County of Los Angeles. Mr. Allan Burdick and Ms. Pam Stone appeared for the City of Lindsay and County of Tulare. Lt. Ramon Figueroa, Department of Public Safety, appeared as a witness for the City of Lindsay. Ms. Pat Claerbout appeared for the Southeast Area Animal Control Authority. Ms. Meg Halloran, Deputy Attorney General, and Mr. James Apps appeared for the Department of Finance.

At the October 26, 2000 hearing, the Commission received public testimony from the following persons: Mr. Richard Ward, State Humane Association of California; Ms. Dolores Keyes, Coastal Animal Services Authority; Mr. Greg Foss, County of Mendocino; Ms. Lois Newman, The Cat and Dog Rescue Association of California; Ms. Patricia Wilcox, California Animal Control Directors Association; Ms. Kate Neiswender, on behalf of Senator Tom Hayden, author of SB 1785; Dr. Dena Mangiamele and Mr. John Humphrey, County of San Diego; Ms. Virginia Handley, The Fund for Animals; Mr. Mike Ross, Contra Costa County; Ms. Teri Barnato, Association of Veterinarians for Animal Rights; and Mr. Howard J. Davies, Mariposa County Sheriff's Department. In addition, a statement prepared by Ms. Taimie L. Bryant was read into the record by Ms. Kate Neiswender.

At the November 30, 2000, hearing, Mr. Leonard Kaye and Mr. Robert Ballenger appeared for the County of Los Angeles. Mr. Allan Burdick and Ms. Pam Stone appeared for the City of Lindsay and the County of Tulare. Mr. Hiren Patel, Deputy Attorney General, and Mr. James Apps appeared for the Department of Finance.

At the hearings, oral and documentary evidence was introduced, the test claim was submitted, and the vote was taken.

The law applicable to the Commission's determination of a reimbursable state mandated program is article XIII B, section 6 of the California Constitution, Government Code section 17500 and following, and related case law.

The Commission, by a vote of 5 to 2, partially approved this test claim.

BACKGROUND

Test Claim Legislation

In 1998, the Legislature enacted Senate Bill 1785 (Stray Animals) in an attempt to end the euthanasia of adoptable and treatable stray animals by the year 2010. The test claim legislation 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."[1] Thus, the test claim legislation provides, in part, that:

- The required holding period for stray animals is increased from three days, to four to six business days as specified.[2] Stray animals shall be held for owner redemption during the first three days of the holding period. If the owner has not redeemed the stray animal within the first three days, the animal shall be available for redemption or adoption during the remainder of the holding period;
- The stray animal shall be released to a nonprofit animal rescue or adoption organization if requested by the organization prior to the scheduled euthanization of that animal. In addition to the required spay or neuter deposit, the pound or shelter has the authority to assess a fee, not to exceed the standard adoption fee, for animals released;

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[1] See, Civil Code section 1834.4; Food and Agriculture Code section 17005; and Penal Code section 599d.

[2] The stray animals subject to this legislation include dogs, cats, rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property.

- Shelter personnel are required to verify the temperament of an apparent feral cat by using a "standardized protocol" to determine if the cat is truly feral, or simply a frightened or difficult tame cat. If the cat is determined to be tame, then the cat is required to be held for the entire holding period. If the cat is truly feral, the cat may be euthanized or relinquished to a nonprofit animal adoption organization after the first three days of the holding period;
- Animals that are relinquished to a pound or shelter by the purported owner shall be held for two full business days, not including the day of impoundment. The animal shall be available for owner redemption on the first day, and shall be available for owner redemption or adoption on the second day. After the second required day, the animal may be held longer, euthanized, or relinquished to a nonprofit animal adoption organization;
- Public entities and private entities that contract with a public entity have the "mandatory duty' to maintain lost and found lists and other information to aid owners of lost pets;
- All public pounds and private shelters shall keep and maintain accurate records for three years on each animal taken up, medically treated, and impounded; and
- Impounded animals shall receive "necessary and prompt veterinary care."

On October 2, 2000, the claimants amended their test claim to include Business and Professions Code section 4855, enacted in 1978, and section 2032.3 of the regulations issued by the California Veterinary Medical Board. These provisions require all veterinarians to keep a written record of all animals receiving veterinary services for a minimum of three years.

History

In 1981, the Board of Control approved a test claim filed by the County of Fresno on legislation requiring a 72-hour holding period prior to the euthanasia of stray cats (*Detention of Stray Cats*, SB 90-3948).[3] The Parameters and Guidelines adopted by the Board of Control authorized reimbursement for the one-time costs of building modification; feeding, water and litter receptacles; and additional cages. The Parameters and Guidelines also authorized reimbursement for ongoing personnel activities, and the purchase of food, litter and cleaning supplies. Except for the County of Los Angeles, all cities and counties were eligible for reimbursement. The County of Los Angeles sponsored the "stray cat" legislation and, thus, was not entitled to reimbursement under the former Revenue and Taxation Code. In 1982, the Board of Control adopted a statewide cost estimate. However, the Legislature elected not to fund the mandate in 1984.[4]

Claimants' Position

The claimants contend that the test claim legislation constitutes a reimbursable state mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514. The claimants are requesting reimbursement for the initial costs to obtain

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[3] Food and Agriculture Code section 31752, as added by Statutes of 1980, Chapter 1060.

[4] Statutes of 1984, Chapter 268.

new and additional facilities, to develop new policies and procedures, and to develop new protocols such as the one required for feral cats. The claimants are also requesting continuing costs to maintain records; provide veterinary services; provide services to animals, other than dogs and cats; and costs resulting from the increased holding period.

On October 2, 2000, the claimants filed a response to the Draft Staff Analysis clarifying that they are seeking reimbursement for the following activities: construction of cat housing; construction of isolation/treatment facilities; construction of additional kennel buildings; extra kennel staffing; lost and found staffing; additional medical personnel; medical equipment and supplies; emergency treatment costs; and additional administrative costs. The County of Los Angeles estimates their initial costs to implement the program at $5,762,662.

Department of Finance Position

The Department contends that the test claim should be denied. The Department argues that the test claim legislation imposes animal control activities on both public and private sector entities. Therefore, although the test claim legislation may result in additional costs to local agencies, those costs are not reimbursable because they are not unique to local government. The Department further states the duty imposed on local agencies to accept and care for lost or abandoned animals is not a new duty and, thus, does not constitute a new program or higher level of service. Finally, the Department contends that no reimbursement is required since there are no costs mandated by the state pursuant to Government Code section 17556, subdivisions (d) and (e).

Position of Interested Party, City of Fortuna

The City of Fortuna contends that the test claim legislation constitutes a reimbursable state mandated program by increasing the length of time animals can be held before they are euthanized, by adding new requirements related to adoption services, and by adding new requirements related to veterinary care. The City contends that the test claim legislation increased the cost of its animal control program by 284 percent.

Position of Interested Party, County of Mariposa

Howard Davies, assistant sheriff of Mariposa County, testified that the test claim legislation has resulted in increased costs in the form of housing animals, building a new facility, and increased staffing. He further testified that the four to six business-day holding period required by the test claim legislation essentially forces agencies to hold animals for six or seven days, when taking weekends into account.

Position of Interested Parties, Counties of San Diego, Fresno, and Mendocino

The Counties of San Diego, Fresno, Mendocino, and Contra Costa contend that the test claim legislation constitutes a reimbursable state mandated program. Both counties filed comments on the Draft Staff Analysis. The Counties of San Diego and Contra Costa contend that local agencies are required by the test claim legislation to provide "new" veterinary care services. The County of San Diego further contends that local agencies are required to perform new activities related to the seizure of animals. The County of Fresno filed comments, and Greg

Foss of the County of Mendocino provided testimony, clarifying the list of offsetting savings to be included in the parameters and guidelines.

Position of Interested Person, Senator Tom Hayden, Author of SB 1785

Kate Neiswender, staff to Senator Tom Hayden, testified that the test claim legislation does not impose a reimbursable state mandated program. The test claim legislation seeks to increase adoptions and reduce the rate, and costs, of killing animals. If all of the pieces of the test claim legislation are fully implemented, there is a net effect of no new costs.

Position of Interested Person, Taimie L. Bryant, Ph.D., J.D.

Ms. Bryant is a Professor of Law at UCLA Law School. She assisted in the design and drafting of the test claim legislation at the request of Senator Tom Hayden. She teaches a course entitled "Animals and the Law," which has been offered at UCLA each academic year since 1995. She is also the faculty sponsor for the UCLA Animal Welfare Association.

Ms. Bryant contends that this test claim should be denied. Ms. Bryant argues that the test claim legislation applies to both public and private entities and, thus, is not unique to local government pursuant to the court's holding in *County of Los Angeles* v. *State of California*.[5] She further contends that the test claim legislation authorizes local agencies to assess fees sufficient to pay for the mandated program and that the legislation "has no net negative financial impact on local government." Therefore, Ms. Bryant contends that no reimbursement is required since there are no costs mandated by the state pursuant to Government Code section 17556, subdivisions (d) and (e).

Position of Other Interested Persons

Virginia Handley of the Fund for Animals, Inc., contends that the test claim legislation constitutes a reimbursable state mandated program. Ms. Handley filed comments on the Draft Staff Analysis supporting reimbursement for the entire holding period, for owner relinquished animals, and for increased veterinary care.

Lois Newman, founder and president of The Cat and Dog Rescue, states that the test claim legislation is cost-effective. Ms. Newman contends that the claimants' argument that the costs resulting from the test claim legislation are substantial is without merit. She further argues that some local agencies decided to expend monies for capital improvements before the test claim legislation was enacted and, thus, there is no proof that the test claim legislation resulted in costs mandated by the state.

The San Francisco Society for the Prevention of Cruelty to Animals (SPCA) states that it entered into a partnership called the "Adoption Pact" with the San Francisco Animal Care and Control Department in 1994. Several provisions and incentives provided in the Adoption Pact were written into the test claim legislation. The San Francisco SPCA contends that the test claim legislation is cost-effective and can be accomplished on a revenue-neutral or revenue-positive basis without expenditures for new facilities or increased space.

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[5] *County of Los Angeles* v. *State of California* (1987) 43 Cal.3d 46.

B. Robert Timone, Executive Director for the Haven Humane Society, states that the test claim legislation imposes a reimbursable state mandated program by increasing civil and criminal liability, by severely increasing mandatory shelter retention time for stray and owner released animals, and by subjecting animal sheltering agencies to open-ended veterinary medical expenses. The Haven Humane Society has contracted with the City of Redding for 15 years and can no longer provide animal care services as a result of the test claim legislation.

Jeffrey E. Zinder filed comments on behalf of Animal Issues Movement (a Los Angeles/Orange County nonprofit organization) and United Activists for Animal Rights (a Riverside County nonprofit organization) contending that the test claim legislation constitutes a reimbursable state mandated program. Mr. Zinder filed comments on the Draft Staff Analysis contending that veterinary care and care and treatment for owner-relinquished animals are reimbursable activities.[6]

Richard Ward of the State Humane Association of California contends that the test claim legislation constitutes a reimbursable state mandated program and supports the positions of the County of San Diego, Mr. Jeffrey Zinder, and the claimants.

Dolores Keyes of the Coastal Animal Services Authority, a small shelter providing animal care services for the cities of Dana Pointe and San Clemente, testified that she has seen a definite fiscal impact that includes higher veterinarian costs, higher staffing costs, and new in-house services as a result of the test claim legislation.

Patricia Wilcox of the California Animal Control Directors Association testified that the test claim legislation has resulted in increased costs for medical care for lost, stray, abandoned, and relinquished animals.

Teri Barnato of the Association of Veterinarians for Animal Rights testified that veterinary care is not a new activity imposed by the test claim legislation since prior law required care and treatment for stray and abandoned animals. She testified that many shelters have increased their veterinary care, not because of the test claim legislation, but as a result of public pressure.

FINDINGS

In order for a statute to impose a reimbursable state mandated program under article XIII B, section 6 of the California Constitution and Government Code section 17514, the statutory language must direct or obligate an activity or task upon local governmental agencies. If the statutory language does not mandate or require local agencies to perform a task, then compliance with the test claim statute is within the discretion of the local agency and a reimbursable state mandated program does not exist.

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[6] The comments filed by Yvonne Hunter of the League of California Cities and the comments filed by the Animal Care and Control Department of the City and County of San Francisco are helpful in providing background information. However, these comments do not address the issue before the Commission as to whether the test claim legislation imposes a reimbursable state mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

In addition, the required activity or task must constitute a new program or create an increased or higher level of service over the former required level of service. The California Supreme Court has defined the word "program" subject to article XIII B, section 6, of the California Constitution as a program that carries out the governmental function of providing a service to the public, or laws which, to implement a state policy, impose unique requirements on local governments and do not apply generally to all residents and entities in the state. To determine if the "program" is new or imposes a higher level of service, a comparison must be made between the test claim legislation and the legal requirements in effect immediately before the enactment of the test claim legislation. Finally, the new program or increased level of service must impose "costs mandated by the state."[7]

This test claim presents the following issues:

- Is the test claim legislation subject to article XIII B, section 6 of the California Constitution?
- Does the test claim legislation impose a new program or higher level of service on local agencies within the meaning of article XIII B, section 6 of the California Constitution?
- Does the test claim legislation impose "costs mandated by the state" within the meaning of Government Code sections 17514 and 17556?

The Commission also addresses a fourth issue raised by the claimants and interested party, County of San Diego, pertaining to seized animals under Penal Code section 597.1:

- Do the activities imposed by Penal Code section 597.1, relating to the seizure of animals, constitute a reimbursable state mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514?

These issues are addressed below.

Issue 1: Is the test claim legislation subject to article XIII B, section 6 of the California Constitution?

In order for the test claim legislation to be subject to article XIII B, section 6 of the California Constitution, the legislation must constitute a "program." The California Supreme Court, in the case of *County of Los Angeles* v. *State of California*[8], defined the word "program" within the meaning of article XIII B, section 6 as a program that carries out the governmental function of providing a service to the public, *or* laws which, to implement a state policy, impose unique requirements on local governments and do not apply generally to all residents and entities in the state. Only one of these findings is necessary to trigger the applicability of article XIII B, section 6.[9]

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[7] Article XIII B, section 6 of the California Constitution; *County of Los Angeles v. State of California, supra,* 43 Cal.3d at 56; *Carmel Valley Fire Protection Dist.* v. *State of California* (1987) 190 Cal.App.3d 521, 537; *City of Sacramento* v. *State of California* (1990) 50 Cal.3d 51, 66; *Lucia Mar Unified School Dist.* v. *Honig* (1988) 44 Cal.3d 830, 835; Government Code section 17514.

[8] *County of Los Angeles, supra,* 43 Cal.3d 46, 56.

[9] *Carmel Valley Fire Protection Dist., supra,* 190 Cal.App.3d at 537.

The Commission analyzes this issue in two parts. The first part addresses Senate Bill 1785, the stray animal legislation. The second part addresses the provisions added to the test claim by the claimants' test claim amendment; namely, Business and Professions Code section 4855 and section 2032.3 of the California Veterinary Medical Board's regulations.

Senate Bill 1785 – Stray Animals

Both the Department of Finance and Ms. Bryant contend that the test claim legislation on stray animals is not subject to article XIII B, section 6 of the California Constitution because the animal control activities required by the test claim legislation are not unique to local government. With the exception of posting lost and found lists, it is their position that the test claim activities are imposed on both public and private shelters.

The claimants disagree and contend that the test claim legislation is subject to article XIII B, section 6 of the California Constitution. The claimants argue that the Legislature has imposed a duty on local government to provide animal services in the state pursuant to Penal Code sections 597f and 597.1, Food and Agriculture Code section 31105, and Health and Safety Code section 121690, subdivision (e). Private animal shelters do not have similar duties and can refuse to accept a stray animal. Therefore, the claimants contend that the test claim legislation is unique to local government. The claimants also argue that the test claim legislation provides a service to the public and, thus, the test claim legislation qualifies as a program under article
XIII B, section 6 of the California Constitution.

For the reasons stated below, the Commission finds that the test claim legislation constitutes a "program" within the meaning of article XIII B, section 6 of the California Constitution.

The purpose of the test claim legislation is to carry out 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.[10] In this respect, the test claim legislation does impose duties on both public and private animal shelters. In Section 1 of the test claim legislation, the Legislature declared that "public and private shelters and humane organizations share a common purpose in saving animals' lives" and that "public and private shelters and humane organizations should work together to end euthanasia of adoptable and treatable animals." Thus, the test claim legislation requires both public and private shelters to perform the following activities:

- keep stray animals for a longer holding period;
- provide the animal with necessary and prompt veterinary care, adequate nutrition, water, and shelter, and make reasonable attempts to notify the owner if the animal has identification;
- release the stray animal to an animal rescue and adoption organization upon request prior to the euthanization of the animal;
- determine whether an apparently feral cat is truly feral; and

[10] Civil Code section 1834.4; Penal Code section 599d; and Food and Agriculture Code section 17005.

- keep and maintain accurate records on each animal for three years.[11]

Although the test claim legislation applies to both public and private shelters, existing law, which was not amended or repealed by the test claim legislation, does *not* require private shelters to accept stray or abandoned animals. Instead, the act of accepting and caring for stray animals is within the discretion of the private shelter. Thus, the Commission finds that the requirements imposed by the test claim legislation apply to private shelters only if the private shelter decides to accept the stray or abandoned animal, and that existing law cannot be ignored.

For example, Civil Code section 1816, subdivision (a), provides that a private entity with whom a stray animal is deposited "is bound to take charge of it, *if able to do so.*"

The Department of Finance contends that Civil Code section 1816, subdivision (a), is not relevant to this analysis. Instead, the Department contends that it is subdivision (b) of section 1816 that applies and requires both public and private shelters to accept stray animals. That section states the following: "*A public agency or shelter* with whom a thing is deposited in the manner described in Section 1513 is bound to take charge of it, as provided in Section 597.1 of the Penal Code." (Emphasis added.) The Department argues that the phrase "a public agency or shelter" means *both* public and private shelters. The Department supports its position with Senate and Assembly floor analyses that state that the test claim legislation applies to both private and public shelters.[12]

The Commission disagrees with the Department of Finance's argument. When determining the intent of a statute, the first step is to look at the statute's words and give them their plain and ordinary meaning. Where the words of the statute are not ambiguous, they must be applied as written and may not be altered in any way. Moreover, the intent must be gathered from the whole of a statute, rather than from isolated parts or words, in order to make sense of the entire statutory scheme.[13]

There is no evidence that the Legislature intended the phrase "a public agency or shelter" in Civil Code section 1816, subdivision (b), to include private shelters. Such a reading ignores the plain language of Civil Code section 1816, subdivision (a), which does address private shelters by the express reference to a "private entity." In subdivision (a), the Legislature expressly stated that private entities are only required to take charge of stray animals "if able to do so."

Moreover, other statutes enacted as part of Senate Bill 1785 specifically include the word "private" when referring to private shelters.[14] Thus, had the Legislature intended to apply

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[11] Ms. Lois Newman of The Cat and Dog Rescue Association submitted a survey revealing the number of private animal shelters operating in California. There are 187 private shelters and 246 public shelters.

[12] Department of Finance's response to Draft Staff Analysis.

[13] *City of Merced* v. *State of California* (1984) 153 Cal.App.3d 777; *Carrisales* v. *Department of Corrections* (1999) 21 Cal.4th 1132.

[14] See Section 1, subdivision (a)(1) and (2), and subdivision (e), of Statutes of 1998, Chapter 752 (Legislature's Findings and Declarations); Food and Agriculture Code section 32001 (Lost and Found Lists); and Food and Agriculture Code section 32003 (Maintaining Records).

Civil Code section 1816, subdivision (b), to private shelters, they would have included the word "private" in subdivision (b).

Finally, the Senate Floor Analysis of Senate Bill 1785, dated August 27, 1998, specifically recognizes that the duties imposed by the test claim legislation are mandatory duties for public entities and only those private entities which contract with the public entity to perform *their* required governmental duties.[15]

Accordingly, the Commission finds that Civil Code section 1816, subdivision (a), supports the conclusion that private animal shelters are not required to perform the activities imposed by the test claim legislation since the act of accepting and caring for stray animals is within the discretion of the private shelter.

Moreover, Civil Code section 2080 states that "any person who finds a thing lost [including a stray animal] is *not* bound to take charge of it, unless the person is otherwise required to do so by contract or law." In this regard, the Department of Finance and Ms. Bryant contend that many private shelters have the legal obligation to take in stray animals because their mission statements and by-laws require them to take in strays. However, there is *no state law* requiring private shelters to accept and care for an animal. Thus, only if the private shelter decides to accept and care for an animal, or enter into a contract with a local agency to perform such services, is the private shelter required to perform the activities imposed by the test claim legislation.

Public shelters, on the other hand, have a pre-existing legal duty to accept and care for stray animals. Food and Agriculture Code section 31105 requires the county board of supervisors to take up and impound stray dogs. That section states the following:

> The board of supervisors *shall* provide for both of the following:

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[15] The Commission notes that the Senate Floor Analysis, analyzing the same version of the bill, changed for the August 30, 1998 hearing. The August 30, 1998 analysis did not contain the paragraph recognizing that the duties imposed by the test claim legislation are mandatory duties for public entities and those private entities that contract with the public entity. The vote on the bill by the Senate occurred on August 30, 1998.

The Commission notes, however, that the Senate Floor Analysis dated August 28, 1998 is consistent with Corporations Code section 14503, which provides that the governing body of a local agency may contract with private humane societies and societies for the prevention of cruelty to animals to provide animal care or protection services. In this regard, the private entity's jurisdiction is limited to the jurisdiction of the local agency. Corporations Code section 14503 states the following:

> The governing body of a local agency, by ordinance, may authorize employees of public pounds, societies for the prevention of cruelty to animals, and humane societies, who have qualified as humane officers pursuant to Section 14502, and which societies or pounds have contracted with such local agency to provide animal care or protection services, to issue notices to appear in court
> . . . . for violations of state or local animal control laws. Those employees shall not be authorized to take any person into custody even though the person to whom the notice is delivered does not give his or her written promise to appear in court. The authority of these employees is to be limited to the jurisdiction of the local agency authorizing the employees.

(a) The taking up and impounding of all dogs which are found running at large in violation of any provision of this division.

(b) The killing in some humane manner or other disposition of any dog which is impounded. (Emphasis added.)[16]

Health and Safety Code section 121690, subdivision (e), also requires counties and cities to maintain a pound system. That section states the following:

> (e) It *shall be the duty* of the governing body of each city, city and county, or county to maintain or provide for the maintenance of a pound system and a rabies control program for the purpose of carrying out and enforcing this section. (Emphasis added.)[17]

The test claim legislation, in Civil Code section 1816, subdivision (b), furthers this duty by stating that public agencies or shelters with whom a thing is deposited is "bound to take charge of it, as provided in Section 597.1 of the Penal Code." Since 1991, Penal Code section 597.1 has required peace officers and animal control officers employed by local agencies to take possession of any stray or abandoned animal, and provide care and treatment for the animal.[18] Penal Code section 597.1 states in relevant part the following:

> Any peace officer, humane society officer, or animal control officer shall take possession of the stray or abandoned animal and shall provide care and treatment for the animal until the animal is deemed to be in suitable condition to be returned to the owner.

Although the above provision includes privately employed humane society officers, the law does *not* require humane societies and/or societies for the prevention of cruelty to animals to hire humane society officers. Rather, these private entities have the choice to hire such employees.[19] Accordingly, the requirement in Penal Code section 597.1, to take possession of any stray or abandoned animal, imposes a state-mandated duty on local governmental agencies only.

Therefore, unlike private animal shelters, local agencies have no choice but to perform the activities required by the test claim legislation. Accordingly, the Commission finds that the

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[16] Added by Statutes of 1967, Chapter 15.

[17] Added by Statutes of 1995, Chapter 415 (derived from Statutes of 1957, Chapter 1781).

[18] Added by Statutes of 1991, Chapter 4.

[19] Corporations Code section 14502. Pursuant to the provisions of Corporations Code section 14502, if the private entity decides to hire a humane society officer, the entity must first file an application with the court for the appointment of the prospective employee as a humane society officer. If the individual meets the requirements, then the individual will be appointed a humane society officer and possess limited peace officer powers to prevent the perpetration of any act of cruelty upon an animal. Corporations Code section 14502, subdivision (n), further states that "[a] humane society or a society for the prevention of cruelty to animals shall notify the sheriff of the county in which the society is incorporated, prior to appointing a humane officer, of the *society's intent* to enforce laws for the prevention of cruelty to animals."

test claim legislation does impose unique requirements on local agencies to implement the state's policy to end euthanasia of adoptable and treatable animals.

The Commission further finds that the test claim legislation satisfies the second test that triggers the applicability of article XIII B, section 6 in that it constitutes a program that carries out the governmental function of providing a service to the public. As indicated above, only local agencies are mandated by the state to accept and care for stray and abandoned animals. The courts have held that the licensing and regulation of the manner in which animals are kept and controlled are within the legitimate sphere of governmental police power.[20] In this respect, the Legislature recognized in Section 1 of the test claim legislation that "taking in of animals is important for public health and safety, to aid in the return of the animal to its owner, and to prevent inhumane conditions for lost or free roaming animals." Although Ms. Bryant urges the Commission to deny this test claim, she acknowledges that "collection of stray animals has been deemed a legitimate and necessary function of government as opposed to a duty to be placed on private citizens."

Based on the foregoing, the Commission finds that Senate Bill 1785 (Stray Animals) constitutes a "program" within the meaning of article XIII B, section 6 of the California Constitution.

Sections Added by the Claimants' Test Claim Amendment

On October 2, 2000, the claimants amended their test claim to add Business and Professions Code section 4855 and section 2032.3 of the Veterinary Medical Board's regulations. These provisions require all veterinarians to keep a written record of all animals receiving veterinary services for a minimum of three years.

For the reasons stated below, the Commission finds that these provisions do *not* constitute a "program" within the meaning of article XIII B, section 6 of the California Constitution.

In order for a statute or an executive order to constitute a "program" subject to article XIII B, section 6 of the California Constitution, the statute or executive order must be unique to local government or carry out the governmental function of providing a service to the public. Neither test is satisfied here.

Business and Professions Code section 4855 states the following:

> *A veterinarian subject to the provisions of this chapter* shall, as required by regulation of the [Veterinary Medical Board], keep a written record of all animals receiving veterinary services, and provide a summary of that record to the owner of animals receiving veterinary services, when requested. The minimum amount of information which shall be included in written records and summaries shall be established by the board. The minimum duration of time for which a licensed premise shall retain the written record or a complete copy of the written record shall be determined by the board. (Emphasis added.)

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[20] *Simpson* v. *City of Los Angeles* (1953) 40 Cal.2d 271, 278 (where the California Supreme Court stated that "it is well settled that the licensing of dogs and the regulation of the manner in which they shall be kept and controlled are within the legitimate sphere of the police power, and that statutes and ordinances may provide for impounding dogs and for their destruction or other disposition.")

In response to Business and Professions Code section 4855, the Veterinary Medical Board issued section 2032.3 of its regulations. That regulation provides in pertinent part the following:

> (a) *Every veterinarian* performing any act requiring a license pursuant to the provisions of Chapter 11, Division 2, of the [Business and Professions Code], upon any animal or group of animals shall prepare a legible, written or computer generated record concerning the animal or animals. . . . (Emphasis added.)

Based on the express language of these provisions, the Commission finds that the record keeping requirements imposed by Business and Professions Code section 4855 and the regulation issued by the Veterinary Medical Board apply to *all* veterinarians licensed in this state. Thus, these provisions are not unique to local government. Nor does the activity to keep records constitute a peculiarly governmental function since the activity is imposed on *all* veterinarians.

Therefore, the Commission finds that Business and Professions Code section 4855 and section 2032.3 of the Veterinary Medical Board's regulations do not constitute a "program" and, thus, are not subject to article XIII B, section 6 of the California Constitution.

Accordingly, the remainder of this analysis addresses only those provisions enacted as part of Senate Bill 1785 (Stray Animals).

Issue 2: Does the test claim legislation impose a new program or higher level of service on local agencies within the meaning of article XIII B, section 6 of the California Constitution?

To determine if the "program" is new or imposes a higher level of service, a comparison must be made between the test claim legislation and the legal requirements in effect immediately before the enactment of the test claim legislation.

Holding Period for Dogs and Cats

Food and Agriculture Code sections 31108 and 31752 describe the required holding period for impounded dogs and cats. Those sections provide that an impounded dog or cat shall be held for six business days, not including the day of impoundment. The six-day holding period can be reduced to four business days if the local agency complies with one of the following provisions:

- If the pound or shelter has made the dog or cat 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.
- If the pound or shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dog or cat by appointment at a mutually agreeable time when the pound or shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

These test claim statutes further require, that prior to euthanizing an impounded dog or cat for any reason other than irremediable suffering, the impounded dog or cat shall be released to a nonprofit animal rescue or adoption organization, if requested by the organization, before the scheduled euthanization of the impounded animal. In addition to any spay or neuter deposit, the pound or shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for the animals released.

The holding period and adoption requirements described above do not apply to animals that are irremediably suffering from a serious illness or severe injury and newborn animals that need maternal care and have been impounded without their mothers. Such animals may be euthanized without being held for owner redemption or adoption.[21]

Before the test claim legislation was enacted, public shelters were required to hold impounded dogs and cats for 72 hours from the time of capture. The 72-hour holding period did not apply to cats that were severely injured, seriously ill, or to newborn cats unable to feed themselves.[22]

In addition, there was no requirement under prior law to release impounded animals to nonprofit animal rescue or adoption organizations, upon request of the organization, prior to euthanizing the animal.

Accordingly, the Commission finds that Food and Agriculture Code sections 31108 and 31752 impose a new program or higher level of service by:

- Requiring local agencies to provide care and maintenance during the increased holding period for impounded dogs and cats. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and six business days from the day after impoundment, or four business days from the day after impoundment requiring local agencies to either:

  (1) Make 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, establish a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed;[23] and by

- Requiring the release of the animal to a nonprofit animal rescue or adoption organization upon request by the organization prior to euthanasia.

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[21] Food and Agriculture Code section 17006.

[22] Food and Agriculture Code sections 31108 (as added by Statutes of 1967, Chapter 15) and 31752 (as added by Statutes of 1980, Chapter 1060)

[23] The claimants and several commentators contend that as a result of the increased holding period, the cost of veterinary care has increased. The Commission can consider the argument, that veterinary care during the increased holding period is reimbursable, at the parameters and guidelines phase.

Holding Period for Other Animals

Food and Agriculture Code section 31753 imposes the same holding period and adoption requirements for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property, as is required for dogs and cats. Thus, section 31753 provides that the holding period for these other animals is six business days, not including the day of impoundment. The six-day holding period can be reduced to four business days if the local agency complies with one of the following provisions:

- If the pound or shelter has made the other animals 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.
- If the pound or shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the pound or shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Ms. Bryant contends that Food and Agriculture Code section 31753 does not constitute a new program or higher level of service. Ms. Bryant contends that before the enactment of the test claim legislation, Penal Code sections 597f and 597.1 required peace officers, humane society officers, and animal control officers to take possession of any abandoned or neglected animal and care for the animal until the owner redeems the animal. Under these provisions, the animal control officer is required to perform a "due search" for the owner prior to euthanizing the animal. Thus, she argues that a holding period is legally implied from the requirement that owners be given a chance to redeem their animals.

Ms. Bryant further argues that the holding period established under prior law is equivalent to a "reasonable" period that allows the owner to redeem the animal. In this respect, Ms. Bryant argues that a five-day holding period has been deemed reasonable and, thus, required under prior law. In support of her position, Ms. Bryant cites a federal regulation, governing the sale of shelter animals to research labs, that deems five days the minimum necessary to provide owners a reasonable chance to reclaim their pets. She also cites California's vicious dog law, Food and Agriculture Code section 31621, which provides that an owner must receive five days notice to contest the "vicious dog" designation in order to reclaim the dog. Finally, Ms. Bryant states that the Humane Society of the United States promotes five days as the minimum reasonable holding period. Accordingly, Ms. Bryant contends that the test claim requirement to hold other animals for four days constitutes a lower level of service.

Government Code section 17565 states that "if a local agency or 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." The Commission finds that Government Code section 17565 applies here.

Before the enactment of the test claim legislation, Penal Code sections 597f and 597.1 required animal control officers to take possession and provide care and treatment to *any* stray or abandoned animal until the animal was deemed to be in suitable condition to be returned to the

owner. If the owner could not be found after a due search, the animal control officer could have the animal euthanized or placed in a suitable home. Thus, the Commission agrees that Penal Code sections 597f and 597.1 apply to the animals specified in the test claim statute and that *some* holding period is implied in these sections.

However, there was *no prior state or federal law* mandating local agencies to hold these specified animals for *any* time period. Rather, the appropriate time period was left up to the discretion of the local agency. With the enactment of Food and Agriculture Code section 31753, the state is now requiring local agencies, for the first time, to hold these animals for four days. Therefore, the Commission finds that the four or six day holding period is new.

Accordingly, the Commission finds that Food and Agriculture Code sections 31753 imposes a new program or higher level of service by:

- Requiring local agencies to provide care and maintenance during the increased holding period for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and six business days from the day after impoundment, or four business days from the day after impoundment requiring local agencies to either:

  (1) Make 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, establish a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed; and by

- Requiring the release of the animal to a nonprofit animal rescue or adoption organization upon request by the organization prior to euthanasia.

Feral Cats

The test claim legislation added section 31752.5 to the Food and Agriculture Code to address feral cats. Feral cats are defined as cats without owner identification whose usual and consistent temperament is extreme fear and resistance to contact with people. A feral cat is totally unsocialized to people.

Food and Agriculture Code section 31752.5, subdivision (c), states the following:

> Notwithstanding Section 31752 (establishing the holding period for stray cats), if any apparently feral cat has not been reclaimed by its owner or caretaker within the first three days of the required holding period, shelter personnel qualified to verify the temperament of the animal *shall verify whether it is feral or tame by using a standardized protocol.* If the cat is determined to be docile or a frightened or difficult tame cat, the cat shall be held for the entire required holding period specified in Section 31752. If the cat is determined to be truly feral, the cat *may* be euthanized or relinquished to a nonprofit . . . .animal adoption organization that agrees to the spaying or neutering of the cat

if it has not already been spayed or neutered. In addition to any required spay or neuter deposit, the pound or shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for the animal released. (Emphasis added.)

The claimants contend that section 31752.5 constitutes a new program or higher level of service by establishing holding periods for feral cats and by requiring local agencies to verify whether a cat is feral or tame by using a "newly developed or obtained" standardized protocol. The claimants state the following:

> The mandatory holding periods for feral cats are completely new. There is no prior law on the subject. The 'standard adoption fee[s]' for feral cats shall not be exceeded. In addition, local government must now 'verify whether it is feral or tame by using a standardized protocol' in order to determine the correct holding period. Therefore, the costs of obtaining or developing such a protocol as well [as] its administration would be reimbursable 'costs mandated by the state' as claimed herein.
>
> Regarding holding periods for feral cats, the clock starts to run after (not including) '. . . the day of impoundment.' Under prior law, there were no holding periods for feral cats. Now holding periods are established, mandated, and defined in terms of a number of 'business days', considerably longer than the same number of calendar days. Therefore, Chapter 752/98 explicitly increases mandatory holding periods for feral cats and related costs upon local government.

The Commission disagrees with the claimants' statement that holding periods for feral cats are completely new and that there was no prior law on the subject. Before the enactment of the test claim legislation, Food and Agriculture Code section 31752 required a 72-hour holding period from the time of capture for *all* impounded stray cats, except cats that were severely injured, seriously ill, or newborn cats unable to feed themselves. That section stated the following:

> *No stray cat* which has been impounded by a public pound, society for the prevention of cruelty to animals shelter, or humane shelter shall be killed before 72 hours have elapsed from the time of the capture of the stray cat.
>
> This section shall not apply to cats which are severely injured or seriously ill, or to newborn cats unable to feed themselves. (Emphasis added.)

Thus, the 72-hour holding period established under prior law applied to both feral and tame cats.

The Commission finds that the only new requirement imposed by Food and Agriculture Code section 31752.5 is the requirement to verify within the first three days of the holding period whether the cat is feral or tame by using a standardized protocol. If the cat is determined to be tame, the same holding period established by Food and Agriculture Code section 31752, as amended by the test claim legislation and described in the section above, applies; i.e., four or six business days.

Accordingly, the Commission finds that Food and Agriculture Code section 31752.5 constitutes a new program or higher level of service by requiring local agencies to verify, within the first three days of the holding period, whether a cat is feral or tame by using a standardized protocol.

Owner Relinquished Animals

The test claim legislation added Food and Agriculture Code section 31754 to address animals relinquished by their owners. That section provides in relevant part the following:

> [A]ny animal relinquished by the purported owner that is of a species impounded by pounds or shelters shall be held for two full business days, not including the day of impoundment. The animal shall be available for owner redemption for the first day, not including the day of impoundment, and shall be available for owner redemption and adoption for the second day. After the second required day, the animal may be held longer, killed, or relinquished to a nonprofit . . . . animal adoption organization under the same conditions and circumstances provided for stray dogs and cats. . . .

Section 31754 became operative on July 1, 1999, and sunsets on July 1, 2001.

On July 1, 2001, Food and Agriculture Code section 31754 will provide, with the exception stated below, that any animal relinquished by the purported owner that is of a species impounded by pounds or shelters shall be held for the same holding periods, and with the same requirements of care, applicable to stray dogs and cats in sections 31108 and 31752 of the Food and Agriculture Code.[24] However, the period for owner redemption shall be one day, not including the day of impoundment, and the period for owner redemption or adoption shall be the remainder of the holding period.

The holding period described above does not apply to relinquished animals that are irremediably suffering from a serious illness or severe injury, or newborn animals that need maternal care and have been impounded without their mothers.

Ms. Bryant contends that neither prior law, nor Food and Agriculture Code section 31754, require local agencies to take in owner-relinquished animals. Thus, she argues that taking in such animals is within the discretion of the local agency and that the holding periods established by section 31754 only apply if the local agency chooses to accept owner-relinquished animals.

The claimants contend that section 31754 imposes mandatory duties on the local agency to accept owner-relinquished pets since, in reality, owners relinquish their animals on the streets

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[24] The Commission notes that section 31754 requires the same holding periods for owner-relinquished animals as the holding period for stray dogs and cats. The statute correctly refers to section 31108 for the holding period for stray dogs. But, the statute references section 31755, which is not the statute relating to stray cats. The statute relating to stray cats is section 31752. Accordingly, the Commission finds that there is a typographical error in section 31754 and that the Legislature intended to refer to section 31752 instead of 31755.

if the agency will not accept the animal. At that point, the animal will be deemed a stray or an abandoned animal and, thus, require the agency to take possession of the animal.[25]

The Commission agrees with Ms. Bryant. At the time the test claim legislation was enacted, local agencies were not required to accept owner-relinquished animals. They were simply required to take possession of stray or abandoned animals.[26]

The test claim legislation did not change existing law. Rather, based on the plain language of the test claim legislation and existing law, taking possession of owner-relinquished animals, and caring and maintaining the owner-relinquished animal during the required holding period, is within the discretion of the local agency.

Accordingly, the Commission finds that Food and Agriculture Code section 31754 does not constitute a new program or higher level of service since there are no state mandated duties imposed on local agencies.

Posting Lost and Found Lists

Food and Agriculture Code section 32001 provides the following:

> All public pounds, shelters operated by societies for the prevention of cruelty to animals, and humane shelters, that contract to perform public animal control services, shall provide the owners of lost animals and those who find lost animals with all of the following:
>
> (a) Ability to list the animals they have lost or found on 'Lost and Found' lists maintained by the pound or shelter.
>
> (b) Referrals to animals listed that may be the animals the owner or finders have lost or found.
>
> (c) The telephone numbers and addresses of other pounds and shelters in the same vicinity.
>
> (d) Advice as to means of publishing and disseminating information regarding lost animals.
>
> (e) The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.
>
> *The duties imposed by this section are mandatory duties for public entities for all purposes of the Government Code and for all private entities with which a public entity has contracted to perform those duties.* (Emphasis added.)

Before the enactment of the test claim legislation, the duty imposed by section 32001 to post lost and found lists was *not* mandatory. The last two sentences of former section 32001 stated the following:

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[25] Other commentators share the claimants' view (e.g., Virginia Handley, Jeffrey Zinder, and Richard Ward.)

[26] Food and Agriculture Code section 31105; Penal Code section 597.1.

> Notwithstanding Section 9, a violation of this section is not a misdemeanor. Furthermore, the duty imposed by this section is *not a mandatory duty* for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code [entitled " Claims and Actions Against Public Entities and Public Employees"], and *no cause of action for damages is created by this section against a public entity* or employee or against any other person. (Emphasis added.)

The above sentences were repealed with the enactment of the test claim legislation. Thus, the test claim legislation created a legal duty for local agencies to post the lost and found lists required by section 32001, and at the same time, established a cause of action for an agency's failure to comply.

Accordingly, the Commission finds that Food and Agriculture Code section 32001 imposes a new program or higher level of service by requiring local agencies to provide the 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 pound or shelter.
- 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.
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

Records

The test claim legislation amended Penal Code section 597.1 and added section 32003 to the Food and Agriculture Code to address the maintenance of records.

Penal Code section 597.1, subdivision (d), provides that "[a]n animal control agency that takes possession of an animal pursuant to subdivision (c) [i.e., injured cats and dogs found without their owners and conveyed to a veterinarian to determine if the animal should be euthanized or treated] shall keep records of the whereabouts of the animal from the time of possession to the end of the animal's impoundment, and those records shall be available for inspection by the public upon request for three years after the date the animal's impoundment ended."

Food and Agriculture Code section 32003 requires the maintenance of records on each animal taken up, medically treated, or impounded. That section states the following:

> All public pounds and private shelters shall keep accurate records on each animal taken up, medically treated, or impounded. The records shall include all of the following information and any other information required by the California Veterinary Medical Board:

(a) The date the animal was taken up, medically treated, euthanized, or impounded.

(b) The circumstances under which the animal is taken up, medically treated, euthanized, or impounded.

(c) The names of the personnel who took up, medically treated, euthanized, or impounded the animal.

(d) A description of any medical treatment provided to the animal and the name of the veterinarian of record.

(e) 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. These records shall be maintained for three years after the date the animal's impoundment ends.

The claimant contends that these sections impose new and increased duties. Ms. Bryant, on the other hand, contends that no new records are required. She states that the requirement to keep records was previously required by the Public Records Act and by other areas of California law. Thus, Ms. Bryant contends that Penal Code section 597.1, subdivision (d), and Food and Agriculture Code section 32003 do not impose a new program or higher level of service.

For the reasons described below, the Commission finds that Food and Agriculture Code section 32003 imposes a partial new program or higher level of service.

Before the enactment of the test claim legislation, Penal Code section 597.1, subdivision (d), and Penal Code section 597f, subdivision (c), required animal control agencies to keep records for public inspection indicating the whereabouts of an injured dog or cat conveyed to a veterinarian for a 72-hour period from the time of possession.

In addition, pursuant to the Business and Professions Code and regulations enacted by the California Veterinary Medical Board in 1979, existing law requires all veterinarians to keep a written record of all animals receiving veterinary services. The record shall contain the following information, if available: name, address and phone number of the owner; name and identity of the animal; age, sex and breed of the animal; dates of custody (with the veterinarian); short history of the animal's condition; diagnosis or condition at the beginning of custody; medication and treatment provided; progress and disposition of the case; and surgery log. Such records shall be maintained for a minimum of three years after the last visit.[27]

The Commission agrees that the test claim legislation imposes some of the same record-keeping responsibilities as existing law. For example, the Commission agrees that the requirements imposed by Penal Code section 597.1, subdivision (d), to keep records for three years on the whereabouts of the animal are not new. That section applies to injured cats and dogs that are conveyed to a veterinarian to determine whether the animal should be euthanized

[27] Business and Professions Code section 4855; California Code of Regulations, title 16, division 20, article 4, section 2032.3.

or treated. Although the test claim legislation increased the retention of the records from 72 hours to three years, existing regulations issued by the Veterinary Medical Board already require the maintenance of records describing the dates of custody, progress and disposition of the case for three years. Thus, the Commission finds that Penal Code section 597.1, subdivision (d), does not constitute a new program or higher level of service.

Similarly, the requirement imposed by Food and Agriculture Code section 32003 to maintain records for three years on animals receiving medical treatment by veterinarians is not new since the same requirement was previously imposed by the regulations issued by the Veterinary Medical Board.

However, the requirement imposed by Food and Agriculture Code section 32003 on local agencies to maintain records describing the "taking up" or "impoundment" of an animal is broader than the record keeping requirements imposed on veterinarians in prior law. Moreover, the requirement for local agencies to keep records regarding the euthanasia of an animal was not a requirement imposed in prior law. In this respect, the Commission disagrees with the arguments raised by Ms. Bryant and other commentators that euthanasia is a veterinary procedure and, thus, information regarding the euthanasia of an animal was required to be kept in the veterinarian's records.[28] The Commission finds that euthanasia is not a veterinary procedure since employees of animal control shelters who are *not* veterinarians or registered veterinary technicians are legally allowed to perform the procedure after eight hours of training. The training covers the following topics: history and reasons for euthanasia; humane animal restraint techniques; sodium pentobarbital injection methods and procedures; verification of death; safety training and stress management for personnel; and record keeping and regulation compliance for sodium pentobarbital.[29]

Accordingly, the Commission finds that Food and Agriculture Code section 32003 imposes new requirements on local agencies to maintain records for three years after the date the animal's impoundment ends on animals that are *not medically treated* by a veterinarian, but are either taken up, euthanized after the end of 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 Commission agrees that making these records available to the public complies with the Public Records Act, as argued by Ms. Bryant. "Public records" are defined as any writing containing information relating to the conduct of the public's business that is prepared, owned, used or retained by any state or local agency, regardless of the physical form or characteristic

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[28] Comments filed by Ms. Bryant and comments filed by Lois Newman of The Cat and Dog Rescue Association.

[29] See section 2039 of the Veterinary Medical Board's regulations.

of the writing. Local agencies are required under the Public Records Act to keep public records open for inspection at all times during the office hours of the local agency.[30] However, local agencies would not be compelled to make information on animals that do not receive veterinary services available to the public if the state had not created the requirement to maintain such records.

Accordingly, the Commission finds that the requirement to maintain records for three years on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the end of the holding period, or impounded constitutes a new program or higher level of service.

Veterinary Care

The claimants contend that the test claim legislation imposes a new program or higher level of service by requiring local agencies to provide veterinary care, which was not required under prior law. The claimants cite Civil Code section 1834.4, Penal Code section 599d, and Food and Agriculture Code section 17005, which expresses the state's policy that no adoptable animal should be euthanized and no treatable animal should be euthanized. All of these sections state the following:

> (a) It is the policy of the state that no adoptable animal should be euthanized if it can be adopted into a suitable home. Adoptable animals include only those animals eight weeks of age or older that, at or subsequent to the time the animal is impounded or otherwise taken into possession, have manifested no sign of a behavioral or temperamental defect that could pose a health or safety risk or otherwise make the animal unsuitable for placement as a pet, and have manifested no sign of disease, injury, or congenital or hereditary condition that adversely affect the animal's health in the future.
>
> (b) It is the policy of the state that no treatable animal should be euthanized. *A treatable animal shall include any animal that is not adoptable but that could become adoptable with reasonable efforts*. This subdivision, by itself, shall not be the basis of liability for damages regarding euthanasia. (Emphasis added.)

The claimants contend that the italicized language quoted above "requires" local agencies to provide reasonable veterinary treatment services in order to make them adoptable.

The claimants also cite Civil Code section 1834, which was amended by the test claim legislation. That section provides that:

> A depositary of living animals *shall* provide the animals with *necessary and prompt veterinary care*, nutrition, and shelter, and treat them kindly. Any depositary that fails to perform these duties may be liable for civil damages as provided by law. (Emphasis added.)

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[30] Government Code section 6253.

Similarly, Civil Code section 1846 was amended by the test claim legislation to provide in part that "[a] gratuitous depositary of a living animal *shall provide the animal with necessary and prompt veterinary care.*" (Emphasis added.)

Ms. Bryant contends that veterinary care does not constitute a new program or higher level of service. She states the following:

> It is important to note that veterinary care is already mandated under Penal Code Sections 597f and 597.1, which require humane officers and animal control officers to 'take possession of [a] stray or abandoned animal and . . . **provide care and treatment** for the animal until the animal is deemed to be in suitable condition to be returned to the owner.' (Penal Code Sec. 597.1(a)) Subsection (b) permits injured or sick animals other than cats or dogs to be killed or impounded and treated. Cats and dogs must be seen by a veterinarian before a determination is made to kill.
>
> Accordingly, the addition of the words 'prompt and necessary veterinary care' to Civil Code Section 1834 does not add to shelters' veterinary care responsibilities because of the pre-existing care provisions of Penal Code Section 597f and 597.1. (Emphasis in original.)

First, the Commission finds that the policy statements found in Civil Code section 1834.4, Penal Code section 599d, and Food and Agriculture Code section 17005 do not impose any requirements on local agencies. They simply describe the state's policy regarding euthanasia. The Commission acknowledges that the word "shall" is used in the sentence, which provides that "a treatable animal *shall* include any animal that is not adoptable but that could become adoptable with reasonable efforts." However, that sentence is merely defining "treatable animals." It is not imposing the requirement to provide veterinary care for animals.

The issue of whether the requirement imposed by Civil Code sections 1834 and 1846 to provide necessary and prompt veterinary care constitutes a new program or higher level of service is more complicated, however.

Before the enactment of the test claim legislation, Penal Code section 597.1 contained a provision requiring local agencies to provide "care and treatment" for the animal until the animal is in a suitable condition to be returned to the owner. The Commission agrees that care and treatment can include necessary veterinary treatment. But, the provisions of Penal Code section 597.1 became operative *only if* the governing body of the local agency determined that it would operate under section 597.1. Penal Code section 597.1 stated in relevant part the following:

> (a) . . . .Any peace officer, humane society officer, or animal control officer shall take possession of the stray or abandoned animal and shall provide *care and treatment* for the animal until the animal is deemed to be in suitable condition to be returned to the owner. . . .
>
> (l) This section *shall be operative* in a public agency or a humane society under the jurisdiction of the public agency, or both, *only if* the governing body of that public agency, by ordinance or resolution, determines that this section shall be

operative in the public agency or the humane society and that Section 597f shall not be operative. (Emphasis added.)[31]

Thus, the Commission finds that local agencies were not required to comply with the provisions of Penal Code section 597.1 before the enactment of the test claim legislation.

Before the test claim legislation was enacted, existing law, through Penal Code section 597f, also required local agencies to "care" for abandoned animals until the animal is redeemed by the owner. Penal Code section 597f further required local agencies to convey all injured dogs and cats to a veterinarian for treatment or euthanization. Local agencies had the option of providing "suitable care" for abandoned animals, other than cats and dogs, until the animal is deemed to be in a suitable condition to be delivered to the owner. Penal Code section 597f states in relevant part the following:

> (a) . . . .And it shall be the duty of any peace officer, officer of the humane society, or officer of a pound or animal regulation department of a public agency, to take possession of the animal so abandoned or neglected and ***care*** for the animal until it is redeemed by the owner or claimant, and the cost of caring for the animal shall be a lien on the animal until the charges are paid. Every sick, disabled, infirm, or crippled animal, except a dog or cat, which shall be abandoned in any city, city and county, or judicial district, may, if after due search no owner can be found therefore, be killed by the officer; and it shall be the duty of all peace officers, an officer of such society, or officer of a pound or animal regulation department of a public agency to cause the animal to be killed on information of such abandonment. The officer may likewise take charge of any animal, including a dog or cat, that by reason of lameness, sickness, feebleness, or neglect, is unfit for the labor it is performing, or that in any other manner is being cruelly treated; and if the animal is not then in the custody of its owner, the officer shall give notice thereof to the owner, if known, *and **may provide suitable care** for the animal until it is deemed to be in a suitable condition to be delivered to the owner*, and any necessary expenses which may be incurred for taking care of and keeping the animal shall be a lien thereon, to be paid before the animal can be lawfully recovered.
>
> (b) It *shall* be the duty of all officers of pounds or humane societies, and animal regulation departments of public agencies to convey, and for police and sheriff departments, to cause to be *conveyed all **injured cats and dogs** found without their owners in a public place directly to a veterinarian* known by the officer or agency to be a veterinarian that ordinarily treats dogs and cats for a determination of whether the animal shall be immediately and humanely destroyed or shall be hospitalized under proper care and given emergency treatment. . . . (Emphasis added.)

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[31] The Commission notes that the test claim legislation deleted subdivision (l) from Penal Code section 597.1 to codify the court's decision in *Carrera* v. *Bertaini* (1976) 63 Cal.App.3d 721. There, the court held that making optional the provisions on post-seizure hearings in Penal Code section 597.1 was unconstitutional. Thus, with the deletion of subdivision (l), post-seizure hearings are now required.

Based on the language of section 597f, the Commission finds that local agencies had a pre-existing duty to obtain necessary veterinary care for injured cats and dogs. Thus, the Commission finds that providing "necessary and prompt veterinary care" for injured cats and dogs given emergency treatment, as required by Civil Code sections 1834 and 1846, does *not* constitute a new program or higher level of service.

However, the Commission finds that the requirement to provide "prompt and necessary veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, is new. The Commission acknowledges that Penal Code section 597f requires local agencies to provide "care" to other animals. The word "care" is not defined by the Legislature. Nevertheless, for the reasons stated below, the Commission finds that the word "care" in section 597f does *not* include veterinary treatment.

The courts have determined that if a statute on a particular subject contains a particular word or provision, and another statute concerning the same or related subject omits that word or provision, then a different intention is indicated.[32]

Penal Code section 597f requires local agencies to "care" for the animal until it is redeemed by the owner. That section was originally added by the Legislature in 1905, and was last amended in 1989. In 1991, the Legislature added Penal Code section 597.1. That section provides that local agencies shall provide "care *and treatment*" for the animal until it is redeemed by the owner. As indicated above, "care and treatment" can include veterinary care and treatment. However, since the Legislature did *not* use the word "treatment" in Penal Code section 597f like it did in Penal Code section 597.1, the Commission finds that the Legislature did not intend Penal Code section 597f to require local agencies to treat or provide "prompt and necessary veterinary care" to these other abandoned animals.

Accordingly, the Commission finds that providing prompt and necessary veterinary care for abandoned animals, other than injured cats and dogs given emergency treatment, as required by Civil Code sections 1834 and 1846, is new and, thus, imposes a new program or higher level of service.[33]

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[32] Volume 58, Cal. Jur., sections 127 and 172; *Kaiser Steel Corp.* v. *County of Solano* (1979) 90 Cal.App.3d 662.

[33] Interested party, County of San Diego, contends that the test claim legislation constitutes a new program or higher level of service by "providing veterinary care for stray or abandoned animals found and delivered by any person (other than a peace officer, humane society officer, or animal control officer) to a public animal shelter, that are ultimately euthanized." The County of San Diego contends that Penal Code sections 597f and 597.1, when read in context, only apply when animals are seized by specified officers in the field and do not apply when other individuals find such animals.

The Commission disagrees with this interpretation. Penal Code section 597f, subdivision (a), states that "it shall be the duty of any peace officer, officer of the humane society, or officer of a pound or animal regulation department of a public agency, to take possession of the animal so abandoned or neglected and care for the animal until it is redeemed by the owner. . . ." While section 597f does apply to seized animals, it does not limit the requirement to care for the animal to only those animals that are seized by an officer. The duty to care for the animal is imposed on the "animal regulation department of a public agency" once the animal comes into their possession.

Construction of New Buildings

Finally, the claimants' are requesting reimbursement for the construction of cat housing, isolation/treatment facilities, and additional kennel buildings in order to comply with the test claim legislation. The Department of Finance and other commentators contend that this request is suspect.

The Commission notes that the test claim legislation does *not* expressly require or mandate local agencies to construct new buildings. However, the Commission's regulations allow reimbursement for the most reasonable methods of complying with the activities determined by the Commission to constitute reimbursable state mandated activities under article XIII B, section 6 of the California Constitution.[34] Therefore, in order for the claimants to be entitled to reimbursement for construction of new buildings, the claimants will have to show at the parameters and guidelines phase that construction of new buildings occurred as a direct result of the mandated activities and was the most reasonable method of complying with the mandated activities.

Issue 3: Does the test claim legislation impose "costs mandated by the state" within the meaning of Government Code sections 17514 and 17556?

As indicated above, the Commission finds that the test claim legislation constitutes a new program or higher level of service for the following activities:

- Providing care and maintenance for impounded dogs and cats for the increased holding period established by the test claim legislation (measured by calculating the difference between three days from the day of capture, and four business days from the day after impoundment, as specified in the third bullet below, or six business days from the day after impoundment);
- Providing care and maintenance for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property during the increased holding period established by the test claim legislation (measured by calculating the difference between three days from the day of capture, and four business days from the day after impoundment, as specified in the third bullet below, or six business days from the day after impoundment);
- For impounded dogs, cats, and other specified animals that are 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;

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[34] Title 2, California Code of Regulations, section 1183.1, subdivision (a)(4).

- Requiring the release of the impounded animal to a nonprofit animal rescue or adoption organization upon request prior to the euthanization of the animal;
- Verifying whether a cat is feral or tame by using a standardized protocol;
- Posting lost and found lists;
- Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded; and
- Providing prompt and necessary veterinary care for abandoned animals, other than injured cats and dogs that receive emergency treatment.

The Commission continues its inquiry to determine if these activities impose "costs mandated by the state."

Increased Holding Periods/ Release to Nonprofit Rescue or Adoption Organization/ Veterinary Care for Animals Other Than Cats and Dogs

The claimants contend that the longer holding periods established by the test claim legislation for impounded and owner-relinquished animals, and the veterinary care result in increased costs mandated by the state. The claimant acknowledges that, in addition to a spay or neuter deposit, the test claim legislation authorizes the local agency to assess a fee, not to exceed the standard adoption fee, for animals released to an adoption organization. However, the claimants argue that the fee authority is not sufficient to cover the "substantial new costs."

Both the Department of Finance and Ms. Bryant, citing Government Code section 17556, subdivisions (d) and (e), contend that the test claim legislation does not impose "costs mandated by the state" since the legislation authorizes local agencies to assess fees sufficient to pay for the mandated program and that the legislation has no net negative financial impact on local government. Ms. Bryant states the test claim legislation includes a number of cost saving measures such as (a) turning over shelter animals to qualified nonprofit animal rescue and adoption groups, which saves the costs of killing and carcass disposal and brings in adoption revenues paid by the nonprofit groups; (b) waiting before automatically killing owner-relinquished pets so that they can be reunited with their real owner or adopted by a new owner or nonprofit group - - thereby bringing in revenues and saving the expense of killing and disposing of the bodies; (c) providing for lost/found listings and other information to aid owners of lost pets, which obviates the need for many animals to enter the shelters at all; (d) enabling shelters to collect freely offered rewards for the return of lost pets; and (e) creating more legal avenues for dealing with anti-cruelty statute enforcement. The Department of Finance and Ms. Bryant further contend that the costs of impoundment must be passed on to the owners under the existing authority of Penal Code sections 597f and 597.1 and Government Code section 25802.

Government Code section 17514 defines "costs mandated by the state" as *any increased cost* a local agency is required to incur as a result of a statute that mandates a new program or higher level of service.

Government Code section 17556 lists seven exceptions to reimbursement, two of which are pertinent here. That section states that the Commission shall not find "costs mandated by the state" if the Commission finds that:

- The local agency has the authority to levy service charges, fees or assessments sufficient to pay for the mandated program or increased level of service (Gov. Code, § 17556, subd. (d)); or
- The statute provides for offsetting savings to local agencies which result in no net costs to the local agencies, 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 (Gov. Code, § 17556, subd. (e)).

Government Code section 17556, subdivisions (d) and (e), are analyzed below.

Fee Authority – Government Code Section 17556, Subdivision (d). Government Code section 17556, subdivision (d), provides that there shall be no costs mandated by the state if the local agency has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program.

In the present case, local agencies do have the authority, under certain circumstances, to assess fees upon the owner of an impounded animal for the care and maintenance of the animal. For example, pursuant to Civil Code section 2080, any public agency that takes possession of an animal has the authority to charge the owner, *if known*, a reasonable charge for saving and taking care of the animal.

Similarly, Penal Code sections 597f and 597.1 also allow local agencies to pass on the costs of caring for abandoned or seized animals to their owners by providing that "the cost of caring for the animal shall be a lien on the animal until the charges are paid."

Moreover, Penal Code section 597f allows the cost of hospital and emergency veterinary services provided for impounded animals to be passed on to the owner, if known.[35]

The fee authority granted under the foregoing authorities applies only if the owner is known. Thus, local agencies have the authority to assess a fee to care and provide treatment for animals relinquished by their owners pursuant to Food and Agriculture Code section 31754. Local agencies also have the authority to assess a fee for the care and treatment of impounded animals that are ultimately redeemed by their owners. Under such circumstances, the Commission finds that the fee authority is sufficient to cover the increased costs to care,

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[35] Penal Code section 597f also allows the cost of such veterinary services to be *partially* paid pursuant to Food and Agriculture Code section 30652, which provides the following: "All fees for the issuance of dog license tags and all fines collected pursuant to this division shall be paid into the county, city, or city and county treasury, as the case may be, and shall be used: (a) First, to pay fees for the issuance of dog license tags; (b) Second, to pay fees, salaries, costs, expenses, or any or all of them for the enforcement of this division and all ordinances which are made pursuant to this division; (c) Third, to pay damages to owners of livestock which are killed by dogs; (d) Fourth, to pay costs of any *hospitalization or emergency care of animals pursuant to Section 597f of the Penal Code*. (Emphasis added.) The monies collected for licenses and fines can be identified as an offset in the Parameters and Guidelines.

maintain, and provide necessary veterinary treatment for the animal during the required holding period since the "cost of caring" for the animal can be passed on to the owner.

Accordingly, pursuant to Government Code section 17556, subdivision (d), the Commission finds that there are no costs mandated by the state for the care, maintenance and necessary veterinary treatment of animals relinquished by their owners or redeemed by their owners during the required holding period.

The Commission further finds that there are no costs mandated by the state under Government Code section 17556, subdivision (d), for the care, maintenance, and treatment of impounded animals that are ultimately adopted by a new owner; for the care, maintenance, and treatment of impounded animals that are requested by a nonprofit animal rescue or adoption organization; or for the administrative activities associated with releasing the animal to such organizations.

The test claim legislation gives local agencies the authority to assess a standard adoption fee, in addition to any spay or neuter deposit, upon nonprofit animal rescue or adoption organizations that request the impounded animal prior to the scheduled euthanization of the animal.[36]

The claimant contends that the "standard adoption fee" is not sufficient to cover the costs for animals adopted or released to nonprofit animal rescue or adoption organizations. However, based on the evidence presented to date, the Commission finds that local agencies are not prohibited by statute from including in their "standard adoption fee" the costs associated with caring for and treating impounded animals that are ultimately adopted by a new owner or released to nonprofit animal rescue or adoption organizations, and the associated administrative costs. Rather, local agencies are only prohibited from charging nonprofit animal rescue or adoption organizations a higher fee than the amount charged to individuals seeking to adopt an animal.

However, the fees recovered by local agencies under the foregoing authorities do *not* reimburse local agencies for the care and maintenance of stray or abandoned animals, or the veterinary treatment of stray or abandoned animals (other than cats and dogs) during the holding period required by the test claim legislation when:

- The owner is unknown;
- The animal is not adopted or redeemed; or
- The animal is not released to a nonprofit animal rescue or adoption organization.

Thus, the fee authority is not sufficient to cover the increased costs for care, maintenance, and treatment during the required holding period for those animals that are ultimately euthanized. Under such circumstances, the Commission finds that that Government Code section 17556, subdivision (d), does not apply to deny this claim. Rather, local agencies may incur increased costs mandated by the state to care for these animals during the required holding period.

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[36] See Food and Agriculture Code sections 31108 (dogs), 31752 (cats), 31752.5 (feral cats), 31753 (other animals), and 31754 (owner-relinquished animals).

Offsetting Savings or Additional Revenue – Government Code Section 17556, Subdivision (e). Government Code section 17556, subdivision (e), states that the Commission shall not find costs mandated by the state if:

- The *test claim statute* provides for offsetting savings to local agencies which result in no net costs to the local agencies, or
- The *test claim statute* 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.

As indicated above, the Department of Finance and Ms. Bryant contend that Government Code section 17556, subdivision (e), applies to this claim since the legislation has no net negative financial impact on local government and includes a number of cost saving measures.

Additionally, the San Francisco SPCA contends that the test claim legislation is cost-effective and can be accomplished on a revenue-neutral or revenue-positive basis without expenditures for new facilities or increased space.

The Commission agrees that one of the purposes of the test claim legislation was to reduce the cost of euthanasia. The Legislature expressly declared in Section 1 of the test claim legislation that the "redemption of owned pets and adoption of lost or stray adoptable animals is preferable to incurring social and economic costs of euthanasia." To reduce the rate of killing, the Legislature made it easier for owners to redeem their pets by establishing longer holding periods, mandatory record-keeping, and lost and found lists.

In this respect, both the Department of Finance and Ms. Bryant describe a hypothetical situation showing the projected cost savings to a local agency when complying with the test claim legislation. The Commission recognizes that if complying with the test claim legislation really does result in cost savings, then local agencies will not be filing claims for reimbursement with the State Controller's Office. Government Code section 17514 only authorizes reimbursement by the state for the *increased* costs in complying with the mandate. The Commission notes that the claimants and several other commentators have filed declarations stating that local agencies have incurred increased costs as a result of the test claim legislation.

But, with regard to the legal issue of whether Government Code section 17556, subdivision (e), applies to this test claim, the only provision *in the test claim legislation* that provides for offsetting savings for the care and maintenance of the animal during the required holding period is the authorization to accept advertised rewards or rewards freely offered by the owner of the animal.[37] Rewards are not offered in every case, however. In addition, the rewards do not reimburse local agencies for the care and maintenance of a stray or abandoned animal when the owner cannot be found.

Thus, the Commission finds that there is no evidence that the test claim legislation provides for offsetting savings that result in *no* net costs to local agencies.

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[37] Civil Code section 1845.

Moreover, the test claim legislation does not include additional revenue specifically intended to fund the costs of the mandate.

Accordingly, the Commission finds that Government Code section 17556, subdivision (e), does not apply to this claim.

Feral Cats, Lost and Found Lists, Maintaining Records

The Commission finds that none of the exceptions to reimbursement in Government Code section 17556 apply to deny this test claim with respect to the activities listed below. In this regard, the Commission finds that local agencies may incur increased costs mandated by the state pursuant to Government Code section 17514:

- For impounded dogs, cats, and other specified animals that are held for four business days after the day of impoundment, to either:

  (1) Make 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, establish 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);

- To verify whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);

- To post lost and found lists (Food & Agr. Code, § 32001); and

- To maintain 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).

Issue 4: Do the activities imposed by Penal Code section 597.1, relating to the seizure of animals, constitute a reimbursable state mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514?

At the hearing on October 26, 2000, interested party, the County of San Diego, testified that the activities required by Penal Code section 597.1, relating to the seizure of animals, constitutes a reimbursable state mandated program. The claimants did not request reimbursement for such activities.

However, on November 9, 2000, the claimants submitted a "Review of Transcript and Proposed Recommendation" requesting that the Commission's decision incorporate the County of San Diego request. Specifically, the claimants are requesting that the Commission find that the activities listed below constitute reimbursable state mandated activities, and that the Commission adopt the following language in the statement of decision:

> For dogs, cats and other animals seized pursuant to Penal Code Section [PC] 597.1:

A. Conducting pre-seizure hearings [PC 597.1(g)],

B. Conducting post-seizure hearings [PC 597.1(f)], in those cases where it is determined the seizure was justified,

C. Providing care, maintenance, and required veterinary treatment, except for emergency treatment of injured dogs and cats, during the new segment of the 14 day holding period, if not paid for by the animals' owner or on the owner's behalf [PC 597.1(h)], or, if required veterinary care is not provided by the owner and the animal is deemed to be abandoned [PC 597.1(i)].

For the reasons stated below, the Commission disagrees with the claimants and interested parties, and finds that the activities listed above do not constitute reimbursable state mandated activities pursuant to article XIII B, section 6 of the California Constitution and Government Code
section 17514.

Pre-Seizure and Post-Seizure Hearings

Before the test claim legislation was enacted, Penal Code section 597.1 made it a misdemeanor to permit an animal to be in any building, street, or lot without proper care and attention. In cases where the local agency determined that prompt action was required to protect the health and safety of the animal or others, the local agency was authorized to immediately seize the animal. Under such circumstances, subdivision (f) required that the local agency provide the owner, if known, with the opportunity for a post-seizure hearing before the commencement of the criminal proceeding to determine the validity of the seizure.

In cases where the immediate seizure was not justified, the local agency was required by subdivision (g) to provide the owner, if known, with the opportunity of a pre-seizure hearing. In such cases, the owner was required to produce the animal at the time of the hearing, unless the owner made arrangements with the local agency to view the animal, or unless the owner could provide verification that the animal was euthanized. The purpose of the hearing was to determine if the animal should be seized for care and treatment.

Although, in prior law, subdivisions (f) and (g) contained language requiring agencies to conduct pre-seizure and post-seizure hearings, the provisions of Penal Code section 597.1, including subdivisions (f) and (g), became operative *only if* the governing body of the local agency determined that it would operate under section 597.1. Former Penal Code section 597.1, subdivision (l), stated the following:

> (l) This section shall be operative in a public agency or a humane society under the jurisdiction of the public agency, or both, only if the governing body of that public agency, by ordinance or resolution, determines that this section shall be operative in the public agency or the humane society and that Section 597f shall not be operative.

Thus, before the test claim legislation was enacted, adherence to Penal Code section 597.1 was optional.

The test claim legislation deleted subdivision (l). With the deletion of subdivision (l), pre-seizure and post-seizure hearings are now required.

Nevertheless, for the reasons provided below, the Commission finds the requirement to conduct either a pre-seizure or post-seizure hearing does *not* constitute a new program or higher level of service, and does not impose costs mandated by the state.

In 1976, the California Court of Appeal determined, in the case of *Carrera v. Bertaini,*[38] that pre-seizure and post-seizure hearings are constitutionally required pursuant to Fourteenth Amendment, Due Process Clause, of the United States Constitution. In *Carrera*, the petitioner's farm animals were seized and impounded for running at large and the owner was charged with cruelty and neglect. The seizure immediately resulted in petitioner incurring several hundred dollars in fees and costs that had to be paid before she could get possession of her animals. Petitioner was not given the opportunity under either a pre-seizure or post-seizure hearing to determine if the seizure was valid. Instead, by the time she was able to institute a lawsuit and obtain a court hearing, six weeks after the seizure, the fees increased to over $2,500. The court found that the county's procedures violated the Due Process Clause and recognized that where the government takes a person's property, the Due Process Clause requires some form of notice and hearing. The court stated the following:

> As a matter of basic fairness, to avoid the incurrence of unnecessary expenses appellant was entitled to a hearing *before* her animals were seized or, if the circumstances justified a seizure without notice and a hearing, she was entitled to a *prompt hearing after* the animals were seized. Manifestly, the hearing in the superior court six weeks after the seizure cannot be said to satisfy appellant's due process rights.[39] (Emphasis added.)

Since pre-seizure and post-seizure hearings were *previously required* by the United States Constitution, these same activities imposed by Penal Code section 597.1 do not constitute a new program or higher level of service.

Moreover, the requirement to conduct pre-seizure and post-seizure hearings does not impose costs mandated by the state. Government Code section 17556, subdivision (b), provides that the Commission shall not find costs mandated by the state when "the statute or executive order affirmed for the state that which had been declared existing law or regulation by action of the courts." The Commission finds that Government Code section 17556, subdivision (b), applies here since before the enactment of the test claim legislation, the court in *Carrera* declared that existing law, through the Due Process Clause of the United States Constitution, required local agencies to conduct pre-seizure and post-seizure hearings when animals are seized. Moreover, bill analyses of the test claim legislation reveal that the amendment to Penal Code section 597.1 was intended to codify the court's decision in *Carrera.*

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[38] *Carrera v. Bertaini* (1976) 63 Cal.App.3d 721.

[39] *Id.* at 729.

Accordingly, the Commission finds that the requirement imposed by Penal Code section 597.1 to conduct pre-seizure and post-seizure hearings does not constitute a reimbursable state mandated activity pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514.

Holding Period for Seized Animals

The claimants and interested parties also request reimbursement for the following activities as a result of the 14-day holding period for seized animals:

> Providing care, maintenance, and required veterinary treatment, except for emergency treatment of injured dogs and cats, during the new segment of the 14 day holding period, if not paid for by the animals' owner or on the owner's behalf [PC 597.1(h)], or, if required veterinary care is not provided by the owner and the animal is deemed to be abandoned [PC 597.1(i)].

The Commission disagrees with the claimants' request.

Penal Code section 597.1, subdivisions (h), provides that if an animal is properly seized, the owner shall be personally liable to the local agency for the cost of the seizure and care of the animal. The owner has 14 days after the animal was seized to pay the charges and redeem the animal. The charges constitute a lien on the animal. If the owner does not pay the charges permitted under section 597.1, then the animal shall be deemed an abandoned animal and may be disposed of by the local agency.

Penal Code section 597.1, subdivision (i), further provides that if the seized animal requires veterinary care and the local agency is not assured, within 14 days of the seizure of the animal, that the owner will provide the necessary care, the animal is deemed abandoned and may be disposed of by the local agency.

The 14-day holding period does *not* apply if it has been determined that the seized animal incurred severe injuries, is incurably crippled, or is afflicted with a serious contagious disease and the owner does not immediately authorize treatment of the animal at the expense of the owner. In such cases, the seized animal may be euthanized without regard to the holding period. (Pen. Code, § 597.1, subd. (i).)

Furthermore, the Commission finds that the 14-day holding period does *not* apply when the owner is truly unknown. Under such circumstances, the animal may be euthanized if sick or injured without regard to the 14-day holding period, or is deemed an abandoned or stray animal requiring the local agency to comply with the four or six day holding period established for dogs, cats, and other animals in Food and Agriculture Code sections 31108, 31752, and 31753. For example, Penal Code section 597.1, subdivision (b), provides that "every sick, disabled, infirm, or crippled animal, except a dog or cat, that is abandoned in any city, county, city and county, or judicial district may be killed by the officer if, after a reasonable search, no owner of the animal can be found." Subdivision (b) further provides that the local agency has the duty to cause the animal to be euthanized or rehabilitated and placed in a suitable home on information that the animal is stray or abandoned. Moreover, subdivision (c) requires that all injured dogs and cats be conveyed to a veterinarian. If the owner does not redeem the injured

dog or cat "within the locally prescribed waiting period," the veterinarian may euthanize the animal.

When the 14-day holding period does apply, the Commission agrees that it constitutes a new program or higher level of service. Before the enactment of the test claim legislation, Penal Code section 597f required local agencies to take possession of animals that were abandoned, neglected, unfit for labor, or cruelly treated, and care for the animal until it is redeemed by the owner.

The Commission finds that prior law established in Penal Code section 597f implies *some* holding period for seized animals to allow the owner to redeem the animal after payment of expenses. However, there was *no prior state or federal law* mandating local agencies to hold seized animals for any specified time period. With the enactment of the test claim legislation, which deleted subdivision (l) of section 597.1 making its provisions mandatory, the state is now requiring local agencies, for the first time, to hold seized animals for 14 days before the animal may be disposed of by the local agency.

Thus, the Commission finds that providing care and maintenance for seized animals during the 14-day holding period constitutes a new program or higher level of service.

The Commission also finds the providing treatment for seized animals during the 14-day holding period, constitutes a new program or higher level of service. Penal Code section 597.1, subdivision (a), states that "any peace officer, humane society officer, or animal control officer shall take possession of the stray or abandoned animal and shall provide care *and treatment* for the animal until it is deemed in suitable condition to be returned to the owner." Subdivisions (f) and (g) of section 597.1 also require that the due process notice given to owners of seized animals contain a statement that the owner is liable for the cost of caring for *and treating* the seized animal. Thus, necessary treatment is required during this time period.

But, the Commission finds that there are *no* costs mandated by the state associated with the 14-day holding period.

Government Code section 17556, subdivision (d), provides that the Commission shall not find costs mandated by the state when the local agency has the authority to levy service charges, fees or assessments sufficient to pay for the mandated program or increased level of service.

The Commission finds that Government Code section 17556, subdivision (d), applies here. Penal Code section 597.1 authorizes the local agency to pass on the costs of the seizure and care, including veterinary care, of the animal to the owner when the seizure is upheld at the due process hearing. The charges become a lien on the animal until paid. If the owner pays all costs associated with the seizure of the animal, then the owner can redeem the animal and the local agency's costs are fully recovered. (Pen. Code, § 597.1, subd. (a).) Under such circumstances, there are no costs mandated by the state.

Even in situations where the owner abandons the seized animal, and fails or refuses to pay the costs of the seizure and care during the 14-day holding period, the local agency still has the authority to recover their costs in full from the owner. Under such circumstances, the owner becomes personally liable for the charges. For example, subdivisions (f) and (g) of section 597.1 provide that the owner's failure to request or attend the due process hearing "shall result

in liability" for the cost of caring for and treating any animal properly seized. Moreover, once the owner is found guilty of a misdemeanor under section 597.1, the costs of caring for and treating the animal become restitution to be paid by the owner to the local agency. Thus, even if the owner abandons the animal, liability for the costs of care and treatment during the 14-day holding period follow the owner and are collectible by the local agency.

The Commission further finds that Government Code section 17556, subdivision (d), applies to deny reimbursement for the costs incurred as a result of the 14-day holding period when the local agency is not able to collect the full amount of the charges from the owner. In *Santa Margarita Water District* v. *Kathleen Connell, as State Controller*[40] the court rejected the interpretation that authority to levy fees sufficient to cover costs under Government Code section 17556, subdivision (d), turns on economic feasibility. Rather, the court held that the plain language of subdivision (d) precludes reimbursement where the local agency has the authority, the right or the power to levy fees sufficient to cover the costs of the state-mandated program. The court stated the following:

> The Districts in effect ask us to construe 'authority,' as used in the statute, as a practical ability in light of surrounding economic circumstances. However, this construction cannot be reconciled with the plain language of the statute and would create a vague standard not capable of reasonable adjudication. Had the Legislature wanted to adopt the position advanced by the Districts, it would have used "reasonable ability' in the statute rather than "authority".[41]

Accordingly, the Commission finds that the 14-day holding period established under Penal Code
section 597.1 does not constitute a reimbursable state mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

CONCLUSION

The Commission concludes that the test claim legislation imposes a partial reimbursable state mandated program on local agencies 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:

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);

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[40] (1997) 59 Cal.App.4th 382.

[41] *Id.* pg. 401

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 impounded dogs, cats, and other specified animals that are 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).

The Commission also concludes that all other statutes included in the test claim legislation that are not listed above do not impose a reimbursable state mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

The Commission further concludes that several statutes outside the test claim legislation that provide local agencies with revenues to offset the costs of the mandated program should be included in the Parameters and Guidelines as offsetting savings to the extent they are collected and received by the local agency. For example, local agencies have the authority to attribute part of the fees collected from owners for dog license tags and fines to pay salaries, costs, and expenses for the enforcement of animal control and emergency care of impounded animals. (Food & Agr. Code, § 30652; Pen. Code, § 597f.) Local agencies also have the authority to use a portion of the unclaimed spay and neuter deposits and fines collected for not complying with spay and neuter requirements to the administrative costs incurred by a local agency. (Food & Agr. Code, §§ 30520 et seq., and 31751 et seq.)[42] Finally, local agencies have the

[42] The Commission recognizes that as of January 1, 2000, dogs and cats are required to be spayed or neutered before they are adopted or released. (Food & Ag. Code, §§ 30503 and 31751.3.) Thus, local agencies stopped collecting spay/neuter deposits for cats and dogs as of January 1, 2000. (See comments from County of Fresno.) The reimbursement period for this test claim will begin January 1, 1999. Accordingly, the Commission concludes

authority to use the fines imposed and collected from owners of impounded animals to pay for the expenses of operation and maintenance of the public pound and for the compensation of the poundkeeper. (Gov. Code, § 25802.)

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that the spay/neuter deposits collected by local agencies for cats and dogs from January 1, 1999 to January 1, 2000, be identified as an offset.

Tab 4

Filed 3/26/10

CERTIFIED FOR PUBLICATION

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION THREE

VEENA PURIFOY et al., Plaintiffs and Appellants, v. GLENN HOWELL et al., Defendants and Respondents.	A123856 (Contra Costa County Super. Ct. No. C 06-02174)

Food and Agricultural Code[1] section 31108, subdivision (a) (section 31108(a)) provides that the required "holding period" for a stray dog impounded in a public or private animal shelter is "six business days" (or, if certain exceptions apply, "four business days"), not including the day of impoundment. (§ 31108(a).) Contra Costa County Animal Services (CCCAS) operates two animal shelters, both of which are open to the public Tuesday through Saturday for owner redemption and adoption of animals. CCCAS states that it counts those days as "business days" in calculating the holding period under section 31108(a).

Plaintiffs Veena Purifoy, Lorree Lewis, and Voices for Pets filed suit against defendants Contra Costa County (County) and Glenn Howell, the director of CCCAS,[2] alleging that defendants violated section 31108(a) by counting Saturday as a "business day." The trial court granted summary judgment in favor of defendants, and plaintiffs appealed.

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[1] All undesignated statutory references are to the Food and Agricultural Code.

[2] Plaintiffs' operative second amended complaint (SAC) names CCCAS and Howell as defendants; County answered for CCCAS.

We conclude that the term "business days" in section 31108(a) does not include Saturdays. Accordingly, we reverse the judgment and remand for further proceedings.

I. SECTION 31108(a)

Section 31108(a) provides that the required holding period for a stray dog impounded in a public or private shelter is "six business days, not including the day of impoundment[.]" (§ 31108(a).) There are two exceptions to the six-business-day holding period. (*Ibid.*) First, under section 31108, subdivision (a)(1) (section 31108(a)(1)), if the shelter "has made the dog 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." (§ 31108(a)(1).) Second, under section 31108, subdivision (a)(2) (section 31108(a)(2)), if the shelter "has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment." (§ 31108(a)(2).) Section 31108(a) provides that, with exceptions that are not relevant here, "stray dogs shall be held for owner redemption during the first three days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period."[3] (§ 31108(a).)

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[3] Section 31108(a) provides in full:

(a) The required holding period for a stray dog impounded pursuant to this division shall be six business days, not including the day of impoundment, except as follows:

(1) If the public or private shelter has made the dog 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.

(2) If the public or private shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Except as provided in Section 17006, stray dogs shall be held for owner redemption during the first three days of the holding period, not including the day of

II. FACTUAL AND PROCEDURAL BACKGROUND

Purifoy's dog Duke was impounded by CCCAS on Thursday, October 5, 2006, and was held at the CCCAS animal shelter in Pinole. A new owner adopted Duke on Wednesday, October 11, 2006. Duke was subsequently returned to Purifoy.

As noted above, the shelters operated by CCCAS, including the Pinole shelter, are open Tuesday through Saturday for owner redemption and adoption, and CCCAS counts those days as "business days" in calculating the holding periods under section 31108(a). The shelters are closed on Sunday, Monday, and major holidays.

Because Duke was made available for owner redemption on a weekend day (Saturday, October 7, 2006), a four-business-day holding period applied pursuant to section 31108(a)(1). CCCAS states that, in calculating the four-business-day holding period for Duke, it excluded Thursday, October 5, 2006 (the day of impoundment) and Sunday and Monday, October 8 and 9, 2006 (days on which the shelter was closed). CCCAS counted the following days as "business days": (1) Friday, October 6, 2006; (2) Saturday, October 7, 2006; (3) Tuesday, October 10, 2006; and (4) Wednesday, October 11, 2006. CCCAS held Duke exclusively for owner redemption for the first three of those days, and permitted his adoption on the fourth day, i.e., Wednesday, October 11, 2006.

Purifoy, along with plaintiffs Lorree Lewis and Voices for Pets, filed suit, alleging in their SAC that CCCAS and Howell violated section 31108(a) by counting Saturday as a "business day."[4] The SAC included four causes of action: (1) violation of section 31108 (First Cause of Action); (2) preemption of a Contra Costa County Code provision by section 31108 (Second Cause of Action); (3) trespass and damage to chattel (Third Cause

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impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period.

[4] The parties state that Lewis and Voices for Pets are "taxpayer plaintiffs." The trial court granted a motion by plaintiffs to file a third amended complaint (TAC), in which different taxpayer plaintiffs would replace Lewis and Voices for Pets; however, the TAC apparently had not yet been filed when the trial court granted defendants' motion for summary judgment.

of Action); and (4) a taxpayer claim for waste of public funds (Code of Civil Procedure section 526a) (Fourth Cause of Action). The SAC requested that Purifoy be awarded special and punitive damages, prejudgment interest, costs and attorneys' fees. For the taxpayer plaintiffs, Lewis and Voices for Pets, the SAC requested a writ of mandate requiring defendants to comply with section 31108(a)(1), declaratory and injunctive relief, costs and attorneys' fees.

Defendants filed a demurrer to the SAC. Prior to the initial hearing on the demurrer, the trial judge assigned to hear the matter issued a tentative ruling, in which she stated in part: " 'Business days' in ordinary parlance is generally accepted to mean days other than a weekend (Saturday or Sunday) or public holiday." After holding a hearing, the judge issued an order sustaining the demurrer without leave to amend as to the Second Cause of Action (preemption), overruling it as to the Third and Fourth Causes of Action (the trespass and taxpayer claims), and striking the request for punitive damages. As to the First Cause of Action (violation of section 31108), the judge directed the parties to submit supplemental briefing as to the meaning of "business days" in section 31108(a).

The matter was assigned to another judge, who, after the filing of supplemental briefs and a further hearing, entered an order overruling defendants' demurrer as to the First Cause of Action. The judge stated in part: "The usual and ordinary meaning of the term 'business days' is weekdays, excluding Saturday, Sunday and public holidays. This meaning of 'business days' is also the one most frequently used in the Codes. [¶] Applying the ordinary meaning of the terms also complements the legislative intent of the statute. . . . [¶] Because the Legislature clearly knows how to define the term 'business days,' but elected not to do so, this court applies its ordinary, usual meaning, which comports with the purpose of the statute."

Defendants answered the three remaining causes of action in the SAC.

Subsequently, defendants filed a motion for summary judgment or in the alternative for summary adjudication, and plaintiffs filed a motion for summary adjudication, both of which addressed the interpretation of "business days" in section

31108(a). Defendants argued that, if the term "business days" were construed to include Saturdays, all of plaintiffs' remaining causes of action failed. Defendants also raised other arguments in their motion, including contending that Purifoy could not establish the elements of public entity liability for a violation of section 31108, that Purifoy could not pursue a common law theory of trespass and damage to chattel against a public entity, and that the taxpayer plaintiffs could not establish a cause of action under Code of Civil Procedure section 526a.[5] Defendants requested the entry of summary judgment, or, in the alternative, summary adjudication on five specified issues.[6]

The matter was again assigned to another judge, Judge Joyce Cram. After a hearing, Judge Cram entered a written order granting defendants' motion for summary judgment (based on the interpretation of "business days" in section 31108(a)), and denying plaintiffs' motion for summary adjudication. In her order, Judge Cram stated: "The term 'business days,' as used in [section 31108(a)] has more than one possible meaning. This court finds that Defendant's interpretation of the term 'business days' to include all days on which a shelter is open, including Saturdays, is consistent with the purposes and legislative history of the statute, and 'will best attain the purposes of the statute.['] [Citation.]" Judge Cram also stated: "Presumably, the legislature was aware that if shelters could not count Saturdays as business days for the purpose of the holdover period, they would have no incentive to stay open on Saturdays. In fact, shelters like the Pinole shelter, which is open on Saturday but closed on a weekday, would, in effect, be

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[5] Plaintiffs' motion for summary adjudication is not in the record, so it is not clear whether plaintiffs presented issues other than the interpretation of "business days" in section 31108(a).

[6] In their notice of motion and motion, defendants requested "summary adjudication as follows: [¶] 1. 'Business days' as defined in [section 31108] includes Saturday; [¶] 2. [Section 31108] authorizes the adoption of stray dogs beginning on the fourth business day after the stray dog was impounded; [¶] 3. Defendants complied with [section 31108] by holding plaintiff Veena Purifoy's stray dog for three business days exclusively for owner redemption prior to the dog's adoption by a new owner on the fourth business day; [¶] 4. Plaintiff Veena Purifoy cannot prosecute a common law action for trespass to chattel against defendants; and [¶] 5. Plaintiffs cannot prove any illegal or wasteful expenditure of public funds pursuant to Code of Civil Procedure [section] 526a."

penalized for staying open on Saturday, because neither day would count toward the holding period." Judge Cram also ruled on the parties' objections to evidence submitted in connection with the motions. Because she granted summary judgment on the basis of the meaning of "business days" in section 31108(a), Judge Cram did not reach the other issues defendants raised in their motion (although she suggested at oral argument that she would be inclined to rule against defendants on those issues).

Judge Cram entered judgment in favor of defendants and against plaintiffs.

Plaintiffs appealed. Plaintiffs challenge Judge Cram's interpretation of section 31108(a), her conclusion that defendants did not violate the statute, and one of her evidentiary rulings.[7]

III. DISCUSSION

A. Standard of Review

"The rules of review [of summary judgment rulings] are well established. If no triable issue as to any material fact exists, the defendant is entitled to a judgment as a matter of law. [Citations.] In ruling on the motion, the court must view the evidence in the light most favorable to the opposing party. [Citation.] We review the record and the determination of the trial court de novo. [Citations.]" (*Shin v. Ahn* (2007) 42 Cal.4th 482, 499.) In particular, the interpretation of section 31108(a) is a question of law that

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[7] Defendants state in a footnote that the Legislature has suspended the operation of section 31108 for fiscal year 2009-2010, and that therefore "to the extent [plaintiffs] are seeking redress for alleged ongoing violations of section 31108, this action is moot." (See Assem. Bill No. 4X 1 (2009-2010 4th Ex. Sess.) enacted as Stats. 2009, 4th Ex. Sess. 2009-2010, ch. 1, § 537, subd. (3)(c), amending Item 8885-295-0001 of the Budget Act of 2009 (Stats. 2009-2010, 3d Ex. Sess. 2009, ch. 1, § 2.00).) We need not address this undeveloped argument. (See *People v. Lucatero* (2008) 166 Cal.App.4th 1110, 1115, fn. 1 ["[a] footnote is not a proper place to raise an argument on appeal"].) In any event, even if the legislation cited by defendants affected the viability of some of plaintiffs' underlying claims (a question we need not decide), that legislation provides no basis for dismissing this appeal as moot. Section 31108 was operative in 2006, when Purifoy's dog was impounded. To resolve the parties' legal arguments arising from that incident, we must interpret "business days" in section 31108. (See *Eye Dog Foundation v. State Board of Guide Dogs for the Blind* (1967) 67 Cal.2d 536, 541 [appeal will not be dismissed where there remain material questions for the court's determination].)

we review de novo. (*People ex rel. Lockyer v. Shamrock Foods Co.* (2000) 24 Cal.4th 415, 432.)

B. The Meaning of "Business Days" in Section 31108(a)

In order to resolve the parties' dispute over the proper construction of the term "business days," we are guided by the time-honored principles that govern the interpretation of statutes. "In construing a statute, our fundamental task is to ascertain the Legislature's intent so as to effectuate the purpose of the statute. [Citation.] We begin with the language of the statute, giving the words their usual and ordinary meaning. [Citation.] The language must be construed 'in the context of the statute as a whole and the overall statutory scheme, and we give "significance to every word, phrase, sentence, and part of an act in pursuance of the legislative purpose." ' [Citation.] . . . If the statutory terms are ambiguous, we may examine extrinsic sources, including the ostensible objects to be achieved and the legislative history. [Citation.] In such circumstances, we choose the construction that comports most closely with the Legislature's apparent intent, endeavoring to promote rather than defeat the statute's general purpose, and avoiding a construction that would lead to absurd consequences. [Citation.]" (*Smith v. Superior Court* (2006) 39 Cal.4th 77, 83 (*Smith*); accord, *California Highway Patrol v. Superior Court* (2006) 135 Cal.App.4th 488, 496-497 (*California Highway Patrol*).)

1. Legal Definitions of "Business Days"

Section 31108 does not define the term "business days." Plaintiffs argue that the usual and ordinary meaning of "business days" is weekdays (Monday through Friday), and that the term excludes Saturdays, Sundays, and legal holidays. As noted above, the assigned trial judge reached this conclusion in overruling defendants' demurrer.

We agree that this is a common understanding of the term "business days," as it is used in ordinary discourse. Moreover, as plaintiffs note, several California statutory provisions define "business days" (for purposes of particular statutory schemes) to include weekdays and to exclude Saturdays, Sundays and legal holidays. (See, e.g., Cal.

U. Com. Code, § 6105, subd. (b)(3) ["As used in this subdivision, 'business day' means any day other than a Saturday, Sunday, or day observed as a holiday by the state government"]; Ins. Code, § 1215, subd. (g) [as used in Article 4.7 of Chapter 2 of Part 2 of Division 1 of the Insurance Code, " '[b]usiness day' is any day other than Saturday, Sunday, and any other day that is specified or provided for as a holiday in the Government Code"]; Fin. Code, § 867, subd. (c)(2) [for purposes of section 867 of the Financial Code, " '[b]usiness day' means any day other than a Saturday, Sunday, or legal holiday"]; *id.*, § 1852, subd. (b) [as used in Chapter 14A of Division 1 of the Financial Code, " '[b]usiness day' means any day other than Saturday, Sunday or any other day which is specified or provided for as a holiday in the Government Code"]; *id.*, §§ 31030, 31033 [same definition governs Division 15 of the Financial Code]; *id.*, §§ 33040, 33044, subd. (a) [similar definition governs Division 16 of the Financial Code]; see also Code Civ. Proc., §§ 10, 135 [" '[h]olidays' " within meaning of Code of Civil Procedure are Sundays and days specified as "judicial holidays," which include Saturdays]; *id.*, §§ 12, 12a, subd. (a) [in computing time in which to perform an act, if the last day falls on a "holiday," the time is extended to and including the next day that is not a "holiday"; " 'holiday[s]' " include Saturdays]; Cal. Rules of Court, rule 1.10(a) & (b) [if last day for performance of act falls on "a Saturday, Sunday, or other legal holiday," the period is extended to and includes the next day that is not a holiday].)

Additionally, plaintiffs assert that courts, in numerous opinions, have used the term "business days" (in general discussions rather than in connection with particular statutory language) to mean weekdays and not Saturdays, Sundays or legal holidays. (See, e.g., *Southern California Edison Co. v. Public Utilities Com.* (2006) 140 Cal.App.4th 1085, 1106 ["Excluding the weekend and holiday, the time allowed for the parties to respond to the merits of the new proposals was only three business days"]; *Berry v. Chaplin* (1946) 74 Cal.App.2d 669, 680 ["Counsel labored on the case not only during business days but on many nights, Saturdays and Sundays including the holiday season"].)

However, just as Judge Cram found in her order granting summary judgment, a review of California code provisions also reflects that the Legislature has often defined the term "business days" in a manner that includes Saturdays.[8] Specifically, the Civil Code includes a definition of "business days" that includes Saturdays. Civil Code section 9 states that "[a]ll other days than those mentioned in [Civil Code] Section 7 are business days for all purposes . . . ." (Civ. Code, § 9.) Section 7 of the Civil Code states that "holidays" within the meaning of the Civil Code are "every Sunday and such other days as are specified or provided for as holidays in" the Government Code. (Civ. Code, § 7.) Finally, Government Code section 6700 lists California's state holidays, including "[e]very Sunday" and a number of specified holidays; the list does not include Saturdays. (Gov. Code, § 6700.) Accordingly, under these statutes, Saturday is not a holiday (see *Gans v. Smull* (2003) 111 Cal.App.4th 985, 989); it is instead a "business day."[9] (Civ. Code, § 9.)

In addition, provisions of the Civil Code and other codes incorporate (for the purposes of those provisions) the definition of "business days" in Civil Code section 9, or use similar definitions that also treat Saturday as a "business day." (See, e.g., Civ. Code, § 2924b, subd. (h) [incorporating definition in Civ. Code, § 9]; *id.*, § 2924c, subd. (e) [same]; *id.*, § 1689.5, subd. (e) [" '[b]usiness day' " means any calendar day except

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[8] At the summary judgment hearing, Judge Cram stated that the term "business days" in section 31108 was ambiguous. Plaintiffs' counsel appeared to agree, stating: "What is meant [by 'business days'] is unclear because they [the Legislature] didn't reference the definition anywhere."

[9] Government Code section 6702 provides that a portion of each Saturday is considered a holiday for certain purposes. "Every Saturday from noon to midnight is a holiday as regards the transaction of business in the public offices of the state and political divisions where laws, ordinances, or charters provide that public offices shall be closed on holidays. . . ." (Gov. Code, § 6702.) However, this provision does not establish that Saturdays are holidays for all purposes (or that Saturdays are excluded from the term "business days"). (See *Lancel v. Postlethwaite* (1916) 172 Cal. 326, 330-331 [Saturday was not a holiday where statute did not specify the entire day was a holiday]; *People v. Englehardt* (1938) 28 Cal.App.2d 315, 317-318 [same].) This treatment of Saturdays contrasts with the Legislature's categorical exclusion of Sundays and legal holidays from the term "business days." (See Civ. Code, §§ 7, 9; Gov. Code, § 6700.)

Sunday and specified "business holidays"]; Bus. & Prof. Code, § 2546.6, subd. (a)(2) [" 'business day' means each day except a Sunday or a federal holiday"]; *id.*, § 7165, subd. (h) [adopting meaning of "business day" in Civ. Code, § 9]; *id.*, § 17550.17, subd. (g) [same]; Food & Agr. Code, § 55601.4 [adopting same definition, "[f]or purposes of this section"]; Ins. Code, § 15027, subd. (k) [adopting definition of "business day" in Civ. Code, § 1689.5, subd. (e)].)

These statutory provisions illustrate that the Legislature has both excluded and included Saturdays in defining the term "business days." We agree, therefore, with Judge Cram's conclusion that the term "business days" in section 31108(a) is ambiguous. Accordingly, we must consider the other language in the statute, as well as the legislative purpose underlying the statute, and "choose the construction that comports most closely with the Legislature's apparent intent[.]" (*Smith, supra,* 39 Cal.4th at p. 83; accord, *California Highway Patrol, supra,* 135 Cal.App.4th at pp. 496-497.)

2. The Legislative Intent to Lengthen the Holding Period and to Promote Owner Redemption and Adoption

a. The 1998 Amendments to Section 31108

Prior to the Legislature's 1998 amendment of the statute, section 31108 provided that an impounded dog could not be killed before 72 hours had elapsed from the time the dog was impounded. (Former § 31108 (Stats. 1967, ch. 15, § 2, p. 358) amended by Stats. 1998, ch. 752, § 12, p. 4907; see Legis. Counsel's Dig., Sen. Bill No. 1785, 6 Stats. 1998 (1997-1998 Reg. Sess.) Summary Dig., p. 322.) In 1998, the Legislature replaced the 72-hour holding period with the current holding periods of six or four "business days." (Stats. 1998, ch. 752, § 12, p. 4907.) The Legislature enacted this amendment as part of Senate Bill No. 1785, which made a number of statutory changes relating to stray animals. (See Stats. 1998, ch. 752, §§ 1-22, pp. 4903-4917; Legis. Counsel's Dig., *supra,* at pp. 322-323.) In 2000, the Legislature made further changes to section 31108, which

are not material to the issue presented in this appeal.[10] (§ 31108; Assem. Bill No. 2754 (1999-2000 Reg. Sess.) enacted as Stats. 2000, ch. 567.)

b. The Statutory Language

The amended text of section 31108(a) demonstrates that the Legislature intended both to lengthen the holding period for stray dogs and to ensure that owners and potential adoptive owners have sufficient access to shelters to redeem and adopt dogs. The core mandate of the revised statute is a holding period (six or four "business days") that is longer (and, in some cases, significantly longer) than the previous 72-hour holding period. (§ 31108(a).) The longer holding period increases opportunities for redemption and adoption. In addition, the Legislature sought to encourage shelters to provide owner access at times other than typical weekday business hours. In this regard, the statute rewards shelters that do so with a shorter holding period of four, rather than six, business days.[11]

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[10] County has incorporated the provisions of section 31108 into its code. (See § 30501, subd. (a) [county or city may adopt specified state statutory provisions, including § 31108, for application within the county or city]; Contra Costa County Code § 416-4.206 [incorporating § 31108 and other provisions by reference].)

[11] As discussed above, the four-business-day holding period applies if (1) the shelter "has made the dog available for owner redemption *on one weekday evening until at least 7:00 p.m. or one weekend day*," or (2) the shelter "has fewer than three full-time employees or is not open during all regular weekday business hours," and "*has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the [shelter] would otherwise be closed*[.]" (§ 31108(a)(1)-(2), italics added.)

In a letter printed in the Senate Daily Journal, the author of Senate Bill No. 1785, Senator Tom Hayden, stated that the shorter holding period specified in the second of these exceptions (section 31108(a)(2)) is "intended to accommodate the needs of shelters in rural areas or very small cities where shelters have limited staffing capability, and are not open during regular weekday business hours." (Sen. Tom Hayden, letter to Sen. Secretary Gregory Schmidt, Aug. 28, 1998, 4 Sen. J. (1997-1998 Reg. Sess.) p. 6534, also reprinted at Historical & Statutory Notes, 31C, pt. 2, West's Ann. Food & Agr. Code (2001 ed.) foll. § 31108, p. 140.)

c. Statements of Intent in the Enacting Legislation

In section 1 of Senate Bill No. 1785 (which is uncodified) (section 1), the Legislature included findings and declarations and summarized the intent of the act. (Stats. 1998, ch. 752, § 1, pp. 4903-4905.) Section 1 confirms that the central purposes of the act included lengthening holding periods and ensuring access to shelters for owner redemption and adoption.

In section 1, the Legislature stated that it sought to provide for an adequate holding period, increase opportunities for redemption and adoption of impounded stray animals, and end euthanasia of adoptable and treatable animals. (See Stats. 1998, ch. 752, §§ 1(a)(2), (b)(1)-(2), (c)(1), (h), (i), pp. 4903-4905.) The Legislature stated in section 1 that "lost animals should be held for a period of time to ensure that the owner has proper access to redeem the animal." (*Id.*, § 1(i), p. 4905.) The Legislature also found and declared that "[r]edemption of owned pets and adoption of lost or stray adoptable animals is preferable to incurring social and economic costs of euthanasia." (*Id.*, § 1(b)(1), p. 4904; see also *id.*, § 1(a)(2), pp. 4903-4904 [finding that "[p]ublic and private shelters and humane groups should work together to end euthanasia of adoptable and treatable animals by 2010"].)[12]

Consistent with the purpose of promoting access to shelters, the Legislature found that "[s]helters should be open during hours that permit working pet owners to redeem pets during nonworking hours." (Stats. 1998, ch. 752, § 1(b)(2), p. 4904; accord, *id.*, § 1(i), p. 4905.) If the owner does not claim the animal, the shelter "should have the duty to make the animal available for adoption for a reasonable period of time . . ." (*Id.*, § 1(h), p. 4905.) Finally, the Legislature stated that one purpose of the act was to "[i]ncrease the focus of shelters to owner redemption and adoption by making recordkeeping mandatory to aid in owner redemption, providing owner relinquished pets

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[12] Senate Bill No. 1785 also added provisions to the Food and Agricultural Code and the Civil Code specifying that it is "the policy of the state" that adoptable and treatable animals should not be euthanized. (See § 17005, subds. (a), (b), added by Sen. Bill No. 1785, § 10; Civ. Code, § 1834.4, subds. (a), (b), added by Sen. Bill No. 1785, § 5.)

the same holding period as stray animals to allow for adoption, and providing for an explicit adoption period." (*Id.*, § 1(c)(1), p. 4904.)

d. Legislative History

The legislative history of Senate Bill No. 1785[13] includes no direct evidence of legislative intent as to the meaning of "business days."[14] However, the committee analyses of Senate Bill No. 1785 include general statements of legislative intent (some attributed to the author of the bill, and others stated generally by the reporting committees) that are consistent with the purposes the Legislature ultimately expressed in section 1 of Senate Bill No. 1785, including lengthening the holding period, increasing opportunities for owner redemption and adoption, and reducing euthanasia. (See, e.g., Sen. Rules Com., Off. of Sen. Floor Analyses, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended August 24, 1998, "ARGUMENTS IN SUPPORT"; Sen. Com. on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 14, 1998, "COMMENT," par. 1, 4; Assem. Com. on Appropriations, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended June 18, 1998, "BACKGROUND," par. 1;

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[13] We take judicial notice of the legislative history of Senate Bill No. 1785. (See *People v. Superior Court* (2005) 132 Cal.App.4th 1525, 1531-1533.)

[14] Some committee reports refer to a statement by an opponent of Senate Bill No. 1785, Pat Claerbout, the Director of El Dorado County Animal Control, who stated that a holding period of six business days "would necessitate the holding of animals for a minimum of up to eight days, since weekends do not constitute business days. During the holidays, shelters could be required to hold animals for as long as eleven or twelve days." (Sen. Rules Com., Off. of Sen. Floor Analyses, 3d reading analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 29, 1998, "ARGUMENTS IN OPPOSITION"; Sen. Com. on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 14, 1998, "COMMENT," par. 2(a).) This statement by an individual opponent of the bill is not evidence of the Legislature's collective intent. (See, e.g., *Metropolitan Water Dist. v. Imperial Irrigation Dist.* (2000) 80 Cal.App.4th 1403, 1425-1426 [in analyzing legislative history, courts generally consider only materials "indicative of the intent of the Legislature *as a whole*"; materials showing the motive or understanding of an individual legislator, including the bill's author, or other interested persons, are generally not considered, because "such materials are generally not evidence of the Legislature's *collective* intent"].) Judge Cram correctly declined to consider this statement in seeking to ascertain the Legislature's intent.

Sen. Com. on Appropriations, Fiscal Summary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 29, 1998, "STAFF COMMENTS.")

3. "Business Days" Do Not Include Saturdays.

In light of the statutory language and the express legislative findings accompanying the 1998 amendments to section 31108(a), we conclude that the term "business days" in that statute includes weekdays (Monday through Friday), but excludes Saturdays. As we explain below, our construction of "business days" most reasonably comports with the Legislature's express findings in amending the statute.

Consideration of the legislative purposes—lengthening holding periods and ensuring access for redemption and adoption—supports a construction of "business days" that *excludes* Saturdays. Treating only weekdays, and not Saturdays, as "business days" will in many instances result in longer holding periods, at least when a holding period includes a weekend. Excluding Saturdays is also consistent with the legislative goal of access, because longer holding periods will often provide more opportunities for redemption and adoption. As the trial judge noted in his order overruling defendants' demurrer, if "business days" means weekdays, "the hold period is significantly expanded, if a weekend falls in the middle of the four business days. Impounded dogs are held longer, making owner redemption more likely and decreasing the chance of having to euthanize the dog."[15]

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[15] Defendants contend that construing "business days" to include Saturdays would not shorten holding periods. CCCAS does not count Monday as a "business day," because its shelters are closed on Monday; defendants argue that, under their interpretation, there are five "business days" in a typical calendar week, just as there are if Monday through Friday are counted as "business days." As discussed below, we need not determine in this appeal whether a weekday on which a shelter is closed (such as Monday, in CCCAS's case) is a "business day." But, under either resolution of that question, construing "business days" to exclude Saturdays results in longer holding periods — counting Tuesday through Friday (instead of Tuesday through Saturday) as "business days" results in a longer holding period; counting Monday through Friday (instead of Monday through Saturday) also results in a longer period.

In addition, as noted above, the exceptions to the six-business-day holding period promote access by providing an incentive (a shorter, four-business-day holding period) for shelters that make dogs available for owner redemption on weekend days or weekday evenings (§ 31108(a)(1)), and for smaller shelters that establish procedures for owners to reclaim their dogs by appointment at a mutually agreeable time when the shelter would otherwise be closed (§ 31108(a)(2)). This incentive applies regardless of whether Saturday is treated as a "business day." The Legislature thus expressly addressed the significance to be given to "weekend day[s]" in determining the length of the holding period—a shelter that makes a dog available for owner redemption on a "weekend day" only needs to hold that dog for four, instead of six, business days. (§ 31108(a)(1).) Accordingly, a construction of "business days" that excludes Saturdays is consistent with the legislative goal of access, including the specific goal of encouraging shelters to "be open during hours that permit working pet owners to redeem pets during nonworking hours."[16] (Stats. 1998, ch. 752, § 1(b)(2), p. 4904.)

By contrast, a construction of "business days" that *includes* Saturdays would often result in shorter holding periods, and thus fewer opportunities for redemption or adoption. Arguably, such a construction would promote the goal of access to some degree by providing an *additional* incentive for shelters to remain open on Saturdays, i.e., a shelter that is open on Saturdays could take advantage of the shorter, four-business-day holding

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[16] In her order granting summary judgment, Judge Cram stated that, if shelters could not count Saturdays as "business days" in calculating the holding period, they "would have no incentive to stay open on Saturdays." This is incorrect. As we discuss above, under any interpretation of "business days," section 31108(a) provides an incentive for shelters to make dogs available on weekend days—the shorter holding period of four business days. (§ 31108(a)(1).)

Judge Cram also stated that shelters (like the CCCAS shelters) that are open on Saturday but closed on a weekday would be "penalized," because "neither day would count toward the holding period." As noted, we do not reach in this appeal the question of whether a weekday on which a shelter is closed is a "business day." But, regardless of the answer to that question, a shelter that is open on Saturday is not penalized, but is rewarded with the shorter, four-business-day holding period; a shelter that instead is open Monday through Friday and is closed on weekday evenings and weekends must comply with the six-business-day holding period. (§ 31108(a).)

period *and* could count Saturday as a "business day" in computing that period. However, because the Legislature already provided an explicit incentive for shelters to remain open on "weekend days," and because construing "business days" to include Saturdays would result in shorter holding periods, we conclude that this result is not reasonable in light of the legislative purposes.

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.

Defendants' remaining arguments to the contrary are not persuasive. First, defendants contend that we should adopt the definition of "business days" in Civil Code section 9 (which includes Saturdays), because the different codes should be regarded as " 'blending' " into each other, and because we must presume the Legislature was aware of Civil Code section 9 when it included the term "business days" in section 31108. Courts have stated that, "for purposes of statutory construction the codes are to be regarded as blending into each other and constituting but a single statute." (*In re Porterfield* (1946) 28 Cal.2d 91, 100; *People v. Vassar* (1962) 207 Cal.App.2d 318, 322-323.) And, in construing section 31108, we presume the Legislature was aware of existing laws, including prior statutory and judicial constructions of the term "business

days." (See *Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072, 1096; *People v. Scott* (1987) 194 Cal.App.3d 550, 556, fn. 5.) However, neither of these principles is dispositive here, because the codes reflect differing definitions of "business days." Neither the principle of "blending" codes together nor the Legislature's presumed knowledge of existing definitions of "business days" serves as an interpretive aid in determining the proper construction of the term "business days" here.[17]

Second, defendants, citing *Yamaha Corp. of America v. State Bd. of Equalization* (1998) 19 Cal.4th 1 (*Yamaha Corp.*), argue that we should defer to CCCAS's interpretation of "business days." While it is often appropriate for a court to give some deference to an interpretation by a state agency charged with administering a particular statutory scheme (see *Yamaha Corp.*, 19 Cal.4th at pp. 7-8, 14-15), this principle is of little assistance in this case, because the many local public and private agencies that operate shelters may have inconsistent interpretations of "business days." (See *California Highway Patrol, supra,* 135 Cal.App.4th at pp. 501-502 [rejecting argument that Legislature failed to modify, and thus tacitly approved, a local agency practice; "While this principle may apply when a state agency is charged with administering a particular statutory scheme, it has dubious application when numerous cities and counties are charged with applying state law, particularly when they apply the law inconsistently"].)[18]

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[17] In his order overruling defendants' demurrer, the trial judge stated that treating the codes as "blending together" would require the court "to arbitrarily select a meaning of 'business days' from the many definitions in the law."

[18] Defendants note that the City of Berkeley and the County of Los Angeles have adopted local code provisions stating that Saturdays are treated as "business days" in this context. (See Berkeley Mun. Code, § 1.04.080(C) ["[f]or purposes of calculating the number of days an animal is to be held at the animal shelter pursuant to state or local law, a business day shall include any Saturday on which the shelter is open"]; Los Angeles County Code, §§ 10.08.010, 10.08.075 [for purposes of Title 10 of Code ("Animals"), " '[b]usiness days' are all days other than Sunday and legal holidays"].) These local code provisions, which were adopted after the Legislature added the term "business days" to section 31108 in 1998, are not persuasive evidence as to the Legislature's intent. (See Berkeley Mun. Code, § 1.04.080, added by "[Berkeley] Ord. 6779-N.S. § 1, 2003:

Third, defendants assert that interpreting "business days" in section 31108(a) to exclude Saturdays would require shelters to maintain "dual calendaring systems for stray dogs: one which would determine if a stray dog was made available for owner redemption on a Saturday, thus reducing the holding period from six to four business days; and a second calendar which would calculate the overall holding period for the stray dog, yet exclude Saturday." However, any recordkeeping burden on shelters does not result from our interpretation of "business days," but from the structure of the statute itself. Under any interpretation of "business days," a shelter must keep track of (1) whether an individual dog was made available for owner redemption on a weekday evening or a weekend day and thus may be held for four, rather than six, business days (see § 31108(a)(1)), and (2) how many "business days" the dog has been held (see § 31108(a)).

Finally, defendants focus on the language of section 31108(a)(2), which specifies a shorter, four-business-day holding period for a shelter that "has fewer than three full-time employees or is not open during all *regular weekday business hours*" and has a procedure for owners to reclaim dogs by appointment. (§ 31108(a)(2), italics added.) Defendants argue that if we construe "business days" to mean Monday through Friday, then the phrase "regular weekday" before "business hours" is surplusage, a result that should be avoided. However, in our view, the phrase "regular weekday business hours" is simply a reference to the usual hours of operation during weekdays. This language in section 31108(a)(2) provides an incentive (a shorter holding period) for shelters to provide a procedure for owners to redeem their dogs by appointment, just as section 31108(a)(1) provides an incentive (a shorter holding period) for shelters to make dogs available for owner redemption on weekday evenings and weekend days. The reference to "regular weekday business hours" in section 31108(a)(2) does not address or define the broader term at issue in this suit—"business days." Accordingly, defendants' argument based on the language of section 31108(a)(2) is not persuasive.

[Berkeley] Ord. 6511-N.S. § 1, 1999"; Los Angeles County Code, § 10.08.075, added by Los Angeles County Ord. 2000-0075 § 6, 2000.)

For the foregoing reasons, we conclude that the trial court erred by interpreting "business days" in section 31108(a) to include Saturdays.

4. The Holding Period in This Case

Because Saturday is not a "business day," the holding period that CCCAS calculated for Purifoy's dog Duke did not comply with section 31108(a). As noted above, Duke was impounded on Thursday, October 5, 2006, and was adopted by a new owner on Wednesday, October 11, 2006. Because Duke was made available for owner redemption on a weekend day (Saturday, October 7, 2006), the applicable holding period under section 31108(a)(1) was "four business days, not including the day of impoundment." (§ 31108(a)(1).) In calculating the holding period, CCCAS counted the following days as "business days": (1) Friday, October 6, 2006; (2) Saturday, October 7, 2006; (3) Tuesday, October 10, 2006; and (4) Wednesday, October 11, 2006.

For the reasons discussed above, Saturday, October 7, 2006 was not a "business day" within the meaning of section 31108(a).[19] In the trial court, defendants conceded that, if Saturday is not a "business day" under section 31108, CCCAS did not hold Duke

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[19] In addition, the parties agree (for different stated reasons) that Monday, October 9, 2006 was not a "business day." Defendants do not count Mondays as "business days" because the CCCAS shelters are closed on Mondays; plaintiffs argue more narrowly that Monday, October 9, 2006 was not a "business day" because it was Columbus Day, a legal holiday.

In their briefs, plaintiffs do not state a position as to whether a *non-holiday* weekday on which a shelter is closed is a "business day" under section 31108(a). Plaintiffs do argue generally that an interpretation of "business days" that depends on whether a given shelter is open on certain days (such as the interpretation adopted by Judge Cram) is inappropriate because it permits individual shelters to "decide the meaning" of the term "business days." In a related argument, plaintiffs challenge Judge Cram's ruling excluding evidence of the number of shelters in California, which plaintiffs introduced to support their claim that allowing a large number of shelters to "define" the term "business days" would be unworkable.

In this appeal, we need not decide whether a shelter must be open on a non-holiday weekday in order to count that day as a "business day," because the only weekday on which the CCCAS shelters were closed during the holding period for Duke was a holiday (Monday, October 9, 2006). Accordingly, we need not address plaintiffs' arguments on this point, or their challenge to Judge Cram's evidentiary ruling.

for the minimum holding period. CCCAS held Duke for only three business days, not including the day of impoundment: (1) Friday, October 6, 2006; (2) Tuesday, October 10, 2006; and (3) Wednesday, October 11, 2006.[20]

C. The Three-Day Owner Redemption Period

Plaintiffs contend that, even if "business days" in section 31108(a) includes Saturdays, CCCAS violated the statute by permitting the adoption of Purifoy's dog Duke on the fourth business day after his impoundment. Plaintiffs claim that CCCAS was obligated to hold Duke exclusively for owner redemption for the entire four-business-day holding period. Although we need not reach this question in light of our conclusion above that Saturdays are not "business days" and that therefore CCCAS did not hold Duke for the required minimum holding period, we will address plaintiffs' argument to provide guidance to the parties and future litigants.

Plaintiffs are incorrect in asserting that a shelter must hold a dog exclusively for owner redemption for the entire holding period. The last sentence of section 31108(a) expressly specifies that "stray dogs shall be held for owner redemption during the first *three* days of the holding period, not including the day of impoundment, and shall be available for *owner redemption or adoption* for the remainder of the holding period." (§ 31108(a), italics added.)

Plaintiffs argue briefly that this sentence applies only to the four-business-day holding period set forth in section 31108(a)(2) (applicable to smaller shelters). This is incorrect. The last sentence of section 31108(a) applies to all of the holding periods specified in section 31108(a), i.e., the default six-business-day holding period and the four-business-day holding periods specified in sections 31108(a)(1) and 31108(a)(2). That sentence appears in a separate paragraph at the end of section 31108(a). It is not

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[20] Plaintiffs argue in their reply brief that Contra Costa County Code § 22-2.202 requires county offices to be open Monday through Friday, and that the CCCAS shelters violate this provision by staying open on Saturday and closing on Monday. We need not address this argument, because plaintiffs did not raise it in their opening brief (see *Reichardt v. Hoffman* (1997) 52 Cal.App.4th 754, 764), and because we reverse on other grounds.

part of section 31108(a)(2), and there is no indication that it should apply only to the holding period specified in section 31108(a)(2).

Even if this result were not clear from the face of the statute, we also note that plaintiffs' interpretation would be contrary to legislative intent and would lead to absurd results. As noted above, in section 1 of Senate Bill No. 1785, the Legislature stated its intention to promote both owner redemption *and* adoption, and to reduce euthanasia. (Stats. 1998, ch. 752, §§ 1(a)(2), (b)(1)-(2), (c)(1), (h), (i), pp. 4903-4905.) To promote these goals, the Legislature stated that "the duties of shelters to properly care for an animal do not cease *if the owner of a lost animal does not claim the animal*"; in that event, the shelter "*should have the duty to make the animal available for adoption for a reasonable period of time* and to care properly for the animal during this period" (*id.*, § 1(h), p. 4905, italics added). Under plaintiffs' interpretation, a shelter would have to hold an impounded dog exclusively for owner redemption for the entire holding period (if either the default six-business-day holding period or the four-business-day holding period in section 31108(a)(1) applied); the dog could then be euthanized without ever being made available for adoption.

The legislative history of Senate Bill No. 1785 provides additional confirmation that an impounded dog is to be held exclusively for owner redemption for the first three days of the holding period, and is to be available for owner redemption *or* adoption for the remainder of the period. For example, one analysis of the bill states: "Any impounded animal that may be legally owned must be held for six business days before it may be killed. [Senate Bill No. 1785] provides that an impounded animal would be available for owner redemption during the first three business days and for adoption or owner redemption during the following three business days." (Sen. Rules Com., Off. of Sen. Floor Analyses, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended August 24, 1998, "ANALYSIS," par. 1; accord, Assem. Com. on Appropriations, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended June 18, 1998, "SUMMARY," par. 2.a; Assem. Com. on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended June 18, 1998, "SUMMARY," par. 2.a; Sen. Com.

on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 14, 1998, "DESCRIPTION.")

Finally, the Legislative Counsel's Digest accompanying the Legislature's subsequent amendments to section 31108 (in 2000) states: "Existing law provides that stray animals shall be held for owner redemption during the first 3 days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period." (Legis. Counsel's Dig., Assem. Bill No. 2754 (1999-2000 Reg. Sess.) Stats. 2000, ch. 567, par. 1.)

IV. DISPOSITION

The judgment is reversed. The case is remanded to the trial court with directions to consider the remaining issues raised in defendants' motion for summary judgment/adjudication and in plaintiffs' motion for summary adjudication.

In addressing the above matters, the court shall treat the following as established: (1) Saturday is not a "business day" within the meaning of section 31108(a); (2) under all of the holding periods outlined in section 31108(a), a shelter must hold an impounded dog exclusively for owner redemption for the first three business days of the holding period, not including the day of impoundment, and may then make the dog available for owner redemption or adoption beginning on the fourth business day of the holding period; and (3) CCCAS did not hold Purifoy's dog for the minimum holding period specified in section 31108(a).

Plaintiffs shall recover their costs on appeal.

Jenkins, J.

We concur:

McGuiness, P. J.

Pollak, J.

Purifoy et al. v. Howell et al., A123856

Trial Court:	Superior Court, Contra Costa County
Trial Judge:	Hon. Joyce Cram, Judge
Counsel for Appellant:	Corey A. Evans, EVANS & PAGE
Counsel for Respondent:	Silvano B. Marchesi, County Counsel Steven P. Rettig, Deputy County Counsel, Contra Costa County

Tab 5

Assembly Bill No. 222

CHAPTER 97

An act to amend Sections 221.1, 492, 4171, 31108, 31752, and 77067 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 25, 2011. Filed with Secretary of State July 25, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 222, Committee on Agriculture. Food and Agriculture: omnibus bill.

(1) Existing law establishes the Department of Food and Agriculture Fund, a continuously appropriated fund used for specified purposes relating to enforcement of various provisions of law relating to various agriculture programs. Notwithstanding those provisions, existing law requires the Department of Food and Agriculture to establish all permanent positions within the department with the Controller's office pursuant to standard state administrative practices, and to report to the chairs of the fiscal committees of the Legislature, no later than January 10, 2005, on the positions established and funded, as specified.

Existing law also establishes the Food Biotechnology Task Force and authorizes the task force to request particular agencies to lead the effort to evaluate various factors related to food biotechnology. Existing law requires the task force to report the issues studied, findings, basis for their findings, and recommendations to the Governor and the Legislature by January 1, 2003.

This bill would delete the obsolete reporting requirements from these provisions.

(2) Existing law divides the state into agricultural districts, as specified, and provides for district agricultural associations, which are state institutions. Existing law authorizes the 50th District Agricultural Association, with the consent of the Secretary of Food and Agriculture, to enter into a joint powers agreement for, among other purposes, the purpose of creating a joint powers agency to operate, maintain, and improve the facilities and functions of the 50th District Agricultural Association. Existing law requires, prior to the commencement of the joint powers agreement, the parties to the agreement and the Department of Food and Agriculture to ensure that every employee in the civil service of the 50th District Agricultural Association is provided with the option of continuing his or her employment with the state. Existing law requires the joint powers agency to contract with the department for the services of the employee who chooses to continue his or her employment with the state, consistent with his or her civil service classification and status.

This bill would authorize the joint powers agency to contract with the department or the 50th District Agricultural Association for the services of an employee, consistent with his or her civil service classification and status.

(3) Existing law requires that the holding period for a stray dog or a stray cat impounded in a shelter be 6 business days, not including the day of impoundment, with exceptions, as provided.

This bill would define the term "business day" for purposes of these provisions as any day that a public or private shelter is open to the public for at least 4 hours, excluding state holidays.

(4) Existing law establishes the California Walnut Commission, composed of 8 walnut producers, 4 walnut handlers, and one member of the public. Existing law requires the commission to elect alternate members, and provides for the appointment of ex officio members.

Existing law provides that each member of the commission or each alternate member serving in place of a member, except for ex officio government members, and each member of a committee established by the commission who is a nonmember of the commission, may receive per diem not to exceed $100 per day, as established by the commission, for each day spent in actual attendance at, or in traveling to and from, meetings of the commission or committees of the commission, or on special assignment from the commission. Existing law also authorizes members of the commission to receive necessary traveling expenses and meal allowances, as approved by the commission.

This bill would delete the provision for a $100 per diem for members, alternate members, and committee members, and would instead provide that members of the commission may receive an amount not to exceed the reasonable and necessary traveling expenses and meal allowances, as established by the commission.

The people of the State of California do enact as follows:

SECTION 1. Section 221.1 of the Food and Agricultural Code is amended to read:

221.1. Notwithstanding Section 221, the department shall establish all permanent positions with the Controller's office, pursuant to standard state administrative practices.

SEC. 2. Section 492 of the Food and Agricultural Code is amended to read:

492. (a) The Legislature hereby creates the Food Biotechnology Task Force. The task force shall be cochaired by the Secretary of California Health and Human Services, and the Secretary of the California Department of Food and Agriculture. The task force shall consult with appropriate state agencies and the University of California. The Department of Food and Agriculture shall be the lead agency.

(b) An advisory committee shall be appointed by the task force to provide input on issues reviewed by the task force. The advisory committee shall

consist of representatives from consumer groups, environmental organizations, farmers, ranchers, representatives from the biotechnology industry, researchers, organic farmers, food processors, retailers, and others with interests in the issues surrounding biotechnology.

(c) The Department of Food and Agriculture shall make funds available to other agencies to accomplish the purposes of this article and shall contract, where appropriate, with the California Council on Science and Technology, the University of California, or other entities to review issues evaluated by the task force or support activities of the advisory committee.

(d) The task force may request particular agencies to lead the effort to evaluate various factors related to food biotechnology. As funding becomes available, the task force shall evaluate factors including all of the following:

(1) Definition and categorization of food biotechnology and production processes.

(2) Scientific literature on the subject, and a characterization of information resources readily available to consumers.

(3) Issues related to domestic and international marketing of biotechnology foods such as the handling, processing, manufacturing, distribution, labeling, and marketing of these products.

(4) Potential benefits and impacts to human health, the state's economy, and the environment accruing from food biotechnology.

(5) Existing federal and state evaluation and oversight procedures.

(e) An initial sum of one hundred twenty-five thousand dollars ($125,000) is hereby appropriated from the General Fund for disbursement to the Department of Food and Agriculture. It is the intent of the Legislature to make further funds available to accomplish the purposes contained in this article.

SEC. 3. Section 4171 of the Food and Agricultural Code is amended to read:

4171. (a) Notwithstanding any other provision of law, the 50th District Agricultural Association, with the consent of the secretary, may enter into a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code for the purpose of creating a joint powers agency to operate, maintain, and improve the facilities and functions of the 50th District Agricultural Association. This joint powers agency's duties shall include planning, designing, and constructing real property improvements, including new construction, alteration, extension, betterment, and repair, and purchasing fixed and movable equipment related to the facilities and functions of the 50th District Agricultural Association.

(b) The joint powers agency may accept the donation of, acquire, own, sell, or lease real property, and may pledge its property or revenue for the sale of bonds to construct, equip, and furnish the facilities, parking facilities, and any betterments, improvements, and facilities related thereto.

(c) The joint powers agency may make and enter into contracts and employ agents and employees. The joint powers agency may manage, maintain, and operate the facilities, or may enter into management contracts for the operation of the facilities. The planning, designing, and constructing

of these improvements, and the agency's other duties, as specified in this section, shall be undertaken in accordance only with those restrictions applicable to the joint powers agency.

(d) Prior to the commencement of the joint powers agreement, the parties to the agreement and the department shall ensure that every employee in the civil service of the 50th District Agricultural Association is provided with the option of continuing his or her employment with the state, or of accepting a position as an employee of the joint powers agency.

(1) With respect to an employee who chooses to continue his or her employment with the state, the employee shall continue to be subject to all of the provisions governing civil service employees, and, additionally, all of the following shall apply:

(A) The joint powers agency shall contract with the department or the 50th District Agricultural Association for the services of the employee, consistent with his or her civil service classification and status.

(B) The employee has the right to continue to provide services to the joint powers agency pursuant to that contract during the time the employee continues in the civil service classification he or she held at the time of the employee's election.

(2) With respect to an employee who chooses to leave his or her employment with the state and become an employee of the joint powers agency, those employees are not employees of the state, and are not subject to the requirements of Chapter 10.3 (commencing with Section 3512) and Chapter 10.5 (commencing with Section 3525) of Division 4 of Title 1 of the Government Code.

(3) If a position filled by a civil service employee pursuant to contract with the department becomes vacant, the joint powers agency may fill the position with a non-civil-service employee.

(e) If the joint powers agency contracts with another entity for the operation or management of the facilities, the requirements of subdivision (d) shall apply to the new entity prior to commencement of any agreement.

(f) The State of California is not liable for any debts, liabilities, settlements, liens, or any other obligations incurred by or imposed upon the joint powers agency. The joint powers agreement executed pursuant to this section shall expressly provide that the General Fund and the Fair and Exposition Fund shall be held harmless from all debts, liabilities, settlements, judgments, or liens incurred by the joint powers agency, and that neither the state nor any agency or division thereof shall be liable for any contract, tort, action or inaction, error in judgment, mistake, or other act taken by the joint powers agency, or any of its employees, agents, servants, invitees, guests, or anyone acting in concert with, or on the behalf of, the joint powers agency.

SEC. 4. Section 31108 of the Food and Agricultural Code is amended to read:

31108. (a) The required holding period for a stray dog impounded pursuant to this division shall be six business days, not including the day of impoundment, except as follows:

(1) If the public or private shelter has made the dog available for owner redemption on one weekday evening until at least 7 p.m. or one weekend day, the holding period shall be four business days, not including the day of impoundment.

(2) If the public or private shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Except as provided in Section 17006, stray dogs shall be held for owner redemption during the first three days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period.

(b) Except as provided in Section 17006, any stray dog that is impounded pursuant to this division shall, prior to the euthanasia of that animal, be released to a nonprofit, as defined in Section 501(c)(3) of the Internal Revenue Code, animal rescue or adoption organization if requested by the organization prior to the scheduled euthanasia of that animal. The public or private shelter may enter into cooperative agreements with any animal rescue or adoption organization. In addition to any required spay or neuter deposit, the public or private shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for animals adopted or released.

(c) During the holding period required by this section and prior to the adoption or euthanasia of a dog impounded pursuant to this division, a public or private shelter shall scan the dog for a microchip that identifies the owner of that dog and shall make reasonable efforts to contact the owner and notify him or her that his or her dog is impounded and is available for redemption.

(d) As used in this division, a "business day" includes any day that a public or private shelter is open to the public for at least four hours, excluding state holidays.

SEC. 5. Section 31752 of the Food and Agricultural Code is amended to read:

31752. (a) The required holding period for a stray cat impounded pursuant to this division shall be six business days, not including the day of impoundment, except as follows:

(1) If the public or private shelter has made the cat available for owner redemption on one weekday evening until at least 7 p.m. or one weekend day, the holding period shall be four business days, not including the day of impoundment.

(2) If the public or private shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their cats by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Except as provided in Sections 17006 and 31752.5, stray cats shall be held for owner redemption during the first three days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period.

(b) Except as provided in Section 17006, any stray cat that is impounded pursuant to this division shall, prior to the euthanasia of that animal, be released to a nonprofit, as defined in Section 501(c)(3) of the Internal Revenue Code, animal rescue or adoption organization if requested by the organization prior to the scheduled euthanasia of that animal. In addition to any required spay or neuter deposit, the public or private shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for animals adopted or released. The public or private shelter may enter into cooperative agreements with any animal rescue or adoption organization.

(c) During the holding period required by this section and prior to the adoption or euthanasia of a cat impounded pursuant to this division, a public or private shelter shall scan the cat for a microchip that identifies the owner of that cat and shall make reasonable efforts to contact the owner and notify him or her that his or her cat is impounded and is available for redemption.

(d) As used in this division, a "business day" includes any day that a public or private shelter is open to the public for at least four hours, excluding state holidays.

SEC. 6. Section 77067 of the Food and Agricultural Code is amended to read:

77067. No member of the commission or of any committee established by the commission that may include nonmembers of the commission shall receive a salary. Except for ex officio government members, the members may receive an amount not to exceed reasonable and necessary traveling expenses and meal allowances, as established by the commission, for each day spent in actual attendance at, or in traveling to and from, meetings of the commission or committees of the commission, or on special assignment for the commission, as approved by the commission.

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95

Tab 6

Auditors Testimonial Evidence – < G.6.2 >
Care and Maintenance

Date of interview:

Week of August 23, 2010

Auditor:

Rosa Gonzalez, AIC

Staff interviewed:

Dan Morrison, Executive Director
Nicole Boulding, Licensing Supervisor
Cathy Kyle, Administrative Assistant

The SEAACA staff was able to provide the actual salary and benefit costs incurred for personnel who provide care and maintenance to animals housed at the shelter. Based on discussions with management, we determined a reasonable percentage of the time that the specific classifications actually spend providing care and maintenance.

Dan Morrison, determined that Animal Care Technicians (ACT's) and Sr. Animal Care Attendants (Sr. ACT's) spend **89%** of the time providing care and maintenance to the animals. The rest of the time they may spend on other reimbursable components such as entering non-medical records, performing an initial physical examination, administering wellness vaccines and some non reimbursable activities.

Dan Morrison suggested that Lead Animal Care Technician (Lead ACT) spend approximately **60 %** of the time performing care and maintenance to animals. This position performs some Animal Care Technician duties such as care and maintenance. However, **40%** of the time, this position spends performing other mandate related activities such as those mentioned above for the ACT's. In addition, this position handles supervisory duties such as coordinating recruiting, training and scheduling of ACT's; preparation and authorization for animals scheduled for euthanasia; handling of customer complains; handles disciplinary issue involving kennel staff.

We determined that the percentage suggested by Mr. Morrison are reasonable based on his descriptions along with the SEAACA's job duty descriptions which were obtained and documented.

We discussed the rest of the positions and their involvement in the care and maintenance of animals with SEAACA's management. However, we determined that the rest of the positions are not responsible for any of the care and maintenance of the animals.

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

JOB DESCRIPTION

LEAD ANIMAL CARE TECHNICIAN

Compensation: $2,413.00 to $2,990.00 monthly + liberal benefits package

DEFINITION:
Under the direction of the Director of Operations, responsible for managing daily kennel operations, supervising Animal Care Technician staff and occasionally performing typical ACT duties, as needed.

REPRESENTATIVE DUTIES:
- Supervises the proper daily care and handling of all animals in SEAACA's care and custody.
- Supervises kennel operations to ensure excellent customer and animal care.
- Performs animal inventory for accountability of all animals in SEAACA's care.
- Coordinates recruiting, training and scheduling of Animal Care Technicians.
- Preparation and authorization of paperwork for animals scheduled for euthanasia.
- Handles customer complaints.
- Handles disciplinary issues involving kennel staff.
- Prepares or oversees preparation of payroll records for kennel staff.
- Coordinates pick ups and deliveries of pet and kennel supplies as needed.
- Performs duties of animal care technician as needed.
- Maintains facility, interior and exterior.
- Attends administrative staff meetings.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:
- High School Graduation, G.E.D., or a combination of education and related experience totaling twelve years.
- Minimum of three years experience as an animal care technician (kennel worker) at an outside agency or one year at SEAACA with favorable performance evaluations.
- No felony convictions or convictions of driving while under the influence of drugs or alcohol.
- Valid California Driver's License, or the ability to obtain one, and a good driving record.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES:
- Establish and maintain effective, cooperative relations with the public and fellow employees.
- Equitably supervise staff and provide guidance and feedback to staff.
- Familiar with animal shelter operations.
- Knowledge of the proper care, handling and feeding of domestic and exotic animals.
- Knowledge of proper cleaning and disinfecting of an animal housing facility.
- Animal disease recognition.
- Organize and delegate duties.
- Sound supervisory skills.
- Compassionate and professional approach to all duties.

PHYSICAL CLASSIFICATIONS / ESSENTIAL JOB FUNCTIONS:
- Ability to lift 75 pounds as demonstrated by a challenge test.
- Frequent direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Stooping and bending.
- Communicate effectively with citizens, staff and city contacts in person, by telephone, two-way radio and in writing.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient for handwritten records and for computer entry.
- Must be able to tolerate loud animal noises and odors.
- Endurance sufficient for standing and walking during entire duty shift.

SPECIAL INFORMATION:
Posted 1/7/08 - Open until filled. Submit completed application to:
SEAACA
9777 SEAACA Street, Downey, California 90241
Attn. Human Resources
(562) 803-3301 ext. 221 or Fax # (562) 803-3676
administration@seaaca.org

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JOB DESCRIPTION

Hourly Rate: $14.51 - $17.91, plus benefits

SENIOR ANIMAL CARE TECHNICIAN

DEFINITION:
Under the supervision of the Lead Animal Care Technician, responsible for managing daily kennel operations, assists with supervising Animal Care Technician staff and occasionally performing typical ACT duties, as needed.

REPRESENTATIVE DUTIES:
- Assists with the supervision of the proper daily care and handling of all animals in SEAACA's care and custody.
- Assists with the supervision of kennel operations to ensure excellent customer and animal care.
- Assists and/or performs animal inventory for accountability of all animals in SEAACA's care.
- Assists with the training and scheduling of Animal Care Technicians.
- Preparation and authorization of paperwork for animals scheduled for euthanasia.
- Handles customer complaints.
- Handles disciplinary issues involving kennel staff.
- Assists with or oversees preparation of payroll records for kennel staff.
- Performs duties of animal care technician as needed.
- Maintains facility, interior and exterior.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:
- High School Graduation, G.E.D., or a combination of education and related experience totaling twelve years.
- Minimum of three years experience as an animal care technician (kennel worker) at an outside agency or one year at SEAACA with favorable performance evaluations.
- No felony convictions or convictions of driving while under the influence of drugs or alcohol.
- Valid California Driver's License, or the ability to obtain one, and a good driving record.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES:
- Establish and maintain effective, cooperative relations with the public and fellow employees.
- Familiar with animal shelter operations.
- Knowledge of the proper care, handling and feeding of domestic and exotic animals.
- Knowledge of proper cleaning and disinfecting of an animal housing facility.
- Animal disease recognition.
- Organize and delegate duties.
- Sound supervisory skills.
- Compassionate and professional approach to all duties.

PHYSICAL CLASSIFICATIONS / ESSENTIAL JOB FUNCTIONS:
- Ability to lift 75 pounds as demonstrated by a challenge test.
- Frequent direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Stooping and bending.
- Communicate effectively with citizens, staff and city contacts in person, by telephone, two-way radio and in writing.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient for handwritten records and for computer entry.
- Must be able to tolerate loud animal noises and odors.
- Endurance sufficient for standing and walking during entire duty shift.

SPECIAL INFORMATION
Working hours and days off rotate. Hours may be for various durations, up to 12 hours a day, however, normally do not exceed eighty (80) hours in any two week period.

(3)

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

JOB DESCRIPTION

Hourly Rate: $13.04 - $16.15
ANIMAL CARE TECHNICIAN

DEFINITION:

Under direct supervision of the Lead and Senior Animal Care Technicians, cares for the animals that come into the SEAACA Animal Care Center and maintains the facility.

REPRESENTATIVE DUTIES:

- Provides food and water for domestic, exotic and wild animals at shelter.
- Cleans and disinfects animal enclosures (some outside of the building) and feed bowls.
- Impounds in to animal care center and releases animals to owners and new adopters.
- Euthanizes animals.
- Maintains facility.
- Computer data entry, record keeping, and scanning animals for microchips.
- Observes animals for signs of illness or injury and reports these to Veterinary Division.
- Other work as assigned.

MINIMUM QUALIFICATIONS / EXAMINATIONS:

- No felony convictions or recent convictions of driving while under the influence of drugs or alcohol.
- Valid California Drivers License or the ability to obtain one, and a good driving record.
- Ability to pass a specified written test with a minimum score of 70%.
- Must pass a pre-employment physical examination.
- Must pass a background investigation.
- Minimum 18 years of age.

KNOWLEDGE AND ABILITIES:

- Animal breeds and knowledge of behavior traits.
- Proper methods of safely handling and restraining a wide variety of animals.
- Animal nutritional needs.
- Symptoms of common diseases of dogs and cats.

PHYSICAL CLASSIFICATIONS/ESSENTIAL JOB FUNCTIONS:

- Ability to lift 75 pounds as demonstrated by a challenge test.
- Extensive direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Extensive stooping, bending and carrying.
- Communicate effectively with citizens, staff and city contacts in person and by telephone.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient to prepare handwritten records and for computer data entry.
- Must be able to tolerate loud animal noises and objectionable odors.
- Endurance sufficient for standing and walking during entire duty shift.
- Occasional running to apprehend loose animals evading capture.

SPECIAL INFORMATION

Working hours and days off are rotated 7 days per week. Hours may be for various durations.

Final Filing Date: Saturday, August 7, 2010 at 4:30 p.m.
or when the first 40 complete applications are received.

A resume in lieu of a completed employment application, facsimile, and/or postmark will not be accepted

(4)

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009
Audit ID # S11-MCC-006
Care and Maintenance - Actual Salary and Benefits

Position	Amount Claimed	Allowable per Audit: Salaries & Benefits	Mandated Percentage	Allowable per Audit: Amount Allowable	Audit Adjusmtne
FY 2001-02		A.4.6			
Animal Care Tech	$ -	$ 149,645	89%	$ 133,184	133,184
Lead animal Care Tech.	-	72,135	60%	43,281	43,281
Total	-	221,780		176,465	176,465
FY 2002-03		A.4.6			
Animal Care Tech	$ -	$ 169,565	89%	$ 150,913	150,913
Lead animal Care Tech.	-	74,667	60%	44,800	44,800
Total	-	244,232		195,713	195,713
FY 2006-07		A.4.6			
Animal Care Tech	$ -	$ 106,755	89%	$ 95,012	95,012
Lead animal Care Tech.	-	43,764	60%	26,258	26,258
Total	-	150,519		121,270	121,270
FY 2007-08		A.4.6			
Animal Care Tech	$ -	$ 182,899	89%	$ 162,780	162,780
Lead animal Care Tech.	-	51,621	60%	30,973	30,973
Total	-	234,520		193,753	193,753
FY 2008-09		A.4.6			
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	-	317,356		265,244	265,244
		$ 1,168,407		$ 952,445	$ 952,445

EX.22

A.3.2

Labor - Salaries, Benefits FY 2001/2002

Position Title	No. Positions	Salaries	Annual Health Premium *All Positions Listed*	Annual Dental Premium *All Positions Listed*	Annual Retirement Benefits *All Positions Listed*
Clerical	**3**	**$ 90,284.00**	**$ 7,545.77**	**$ 566.39**	
Dispatch	**2**	**$ 55,516.00**	**$ 4,639.93**	**$ 348.28**	
Front Office Supervisor	**1**	**$ 38,373.00**	**$ 3,207.15**	**$ 240.73**	
Animal Care Technicians	**6**	**$ 122,879.00**	**$ 10,270.01**	**$ 770.88**	
Lead ACT	**1**	**$ 59,233.00**	**$ 4,950.59**	**$ 371.60**	
	13	$ 366,285.00	$ 30,613.44	$ 2,297.88	$ 46,875.00

Health , Dental and Retirement Benefits allocated based on salaries earned. SEAACA provided a lump sum of these benefits only under the clerical classification.

(9)

SEAACA generated

Final Audit Report - June 15, 2012 Findings

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	$ 122,879.00	26,766.22	$ 149,645.22	89%	$ 133,184.00
Lead ACT	59,233.00	12,902.48	72,135.48	60%	43,281.00
	$ 182,112.00	$ 39,668.69	$ 221,780.69		$ 176,465.00
		A4.PS	A.4.7		A.4.7

Labor - Salaries, Benefits FY 2002/2003

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits *All Positions Listed*
Clerical	**4**	**$ 110,354.00**	**$ 10,125.96**	**$ 358.08**	
Dispatch	**2**	**$ 57,814.00**	**$ 6,600.00**	**$ -**	
Front Office Supervisor	**1**	**$ 39,181.00**	**$ 4,128.00**	**$ -**	
Animal Care Technicians	**6**	**$ 142,385.00**	**$ 11,340.00**	**$ 716.16**	
Lead ACT	**2**	**$ 62,344.00**	**$ 5,342.64**	**$ 358.08**	
	15	$ 412,078.00	$ 37,536.60	$ 1,432.32	$ 43,771.00

Retirement Benefits allocated based on salaries earned. SEAACA provided a lump sum of these benefits only under the clerical classification.

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(5)

SEAACA generated

Final Audit Report - June 15, 2012 Findings

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	$ 142,385.00	27,180.32	$ 169,565.32	89%	$ 150,913.00
Lead ACT	62,344.00	12,322.91	$ 74,666.91	60%	44,800.00
	$ 204,729.00	$ 39,503.23	$ 244,232.23		$ 195,713.00
		A4.PS	A.4.7		A.4.7

Labor - Salaries, Benefits FY 2006/2007

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits
Clerical	4	$ 138,873.62	$ 15,830.40	$ 622.08	$ [illegible]
Dispatch	2	$ 65,115.06	$ 9,708.00	$ -	$ [illegible]
Front Office Supervisor	1	$ 32,631.44	$ 3,468.00	$ -	$ [illegible]
Animal Care Technicians	7	$ 91,411.74	$ 4,120.80	$ -	$ 11,221.69
Lead ACT	2	$ 25,500.24	$ 8,241.60	$ 414.72	$ [illegible]
	16	$ 353,532.10	$ 41,368.80	$ 1,036.80	$ 52,150.04

(8)

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Auditor Analysis	Salaries	Benefits	Salaries and Benefits.	% of Care Allowable	
Animal Care Technicians	$ 91,411.74	15,342.49	$ 106,754.23	89%	$ 95,011.00
Lead ACT	25,500.24	18,263.66	43,763.90	60%	26,258.00
	$ 116,911.98	$ 33,606.15	$ 150,518.13		$ 121,270.00

A.4.7

Labor - Salaries, Benefits FY 2007/2008

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits
Clerical	**4**	**$ 150,171.66**	**$ 16,598.40**	**$ 414.72**	**$**
Dispatch	**2**	**$ 76,214.13**	**$ 10,855.80**	**$ -**	**$**
Front Office Supervisor	**1**	**$ 26,322.34**	**$ 4,236.00**	**$ -**	**$**
Animal Care Technicians	**7**	**$ 167,354.58**	**$ 4,120.80**	**$ 207.36**	**$**
Lead ACT	**2**	**$ 43,741.64**	**$ 4,120.80**	**$ -**	**$**
	16	$ 463,804.35	$ 39,931.80	$ 622.08	$ 44,173.46

(9)

SEAACA generated

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	$ 167,354.58	15,544.22	$ 182,898.80	89%	$ 162,780.00
Lead ACT	43,741.64	7,879.25	51,620.89	60%	30,973.00
	$ 211,096.22	$ 23,423.47	$ 234,519.69		$ 193,753.00

A.4.7

Labor - Salaries, Benefits FY 2008/2009

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits
Clerical	**5**	**$ 150,225.65**	**$ 17,155.20**	**$ 423.12**	**$**
Dispatch	**2**	**$ 61,142.73**	**$ 11,409.00**	**$ 211.56**	**$**
Front Office Supervisor	**1**	**$ 45,491.65**	**$ 4,620.00**	**$ -**	**$**
Animal Care Technicians	**8**	**$ 221,795.71**	**$ -**	**$ -**	**$**
Sr. ACT	**1**	**$ 29,448.12**	**$ -**	**$ -**	**$**
Lead ACT	**1**	**$ 49,759.43**	**$ 4,178.40**	**$ -**	**$**
	18	$ 557,863.29	$ 37,362.60	$ 634.68	$ 48,035.16

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SEAACA generated

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	$ 221,795.71	4,731.57	$ 226,527.28	89%	$ 201,609.00
Sr. ACT	$ 29,448.12	2,061.37	31,509.49	89%	28,043.00
Lead ACT	49,759.43	9,559.98	59,319.41	60%	35,592.00
	$ 301,003.26	$ 16,352.92	$ 317,356.18		$ 265,244.00

A.4.7

Summary of Allowable Materials and Supplies Costs - Care and Maintenance

	Fiscal Year 2001-02	2002-03	2006-07	2007-08	2008-09	Total
Claimed						
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 suppl./disposal fees)	(14,394)	(22,182)	(8,864)	(8,252)	(7,778)	
Total Claimed	$ 813,446	$ 887,971	$ 1,829,255	$ 1,999,850	$ 2,160,122	$ 7,690,644
Amount Allowable						
140 -Special Act Supplies *	$ 41,702	$ 35,556	$ 50,248	$ 68,666	$ 92,554	$ 288,726
Amount Unallowable	**$ (771,744)**	**$ (852,415)**	**$ (1,779,007)**	**$ (1,931,184)**	**$ (2,067,568)**	**$ (7,401,918)**

* Note - per SEAACA management - Special Account Supplies (Account #140) includes custodial supplies and shelter animal food.

FY 2001-02

Source: < H.1.6

Auditor Analysis

	Admin - 2510		Animal Control - 2520		(10??)	Animal Shelter - 2530	Kennel -2541	Vet -2540	LicenseCanvassing-2560	ICRP Usi
	Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed	Total Costs Allowed		Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Over all
00- PERSSONNEL SERVICES										00- PERSSONI
Salaries & Wages		205,988		361,928		154,291	115,010	153,423	72,073	
Part-time Wages & Overtime		-		50,097		24,639	54,183	397	80,367	
Benefits	38.64%	79,586	26.11%	94,486		48.24% 74,424	10.66% 12,265	27.93% 42,844	24.94% 17,978	30.26%
Personnel Services Total		285,574		$ 506,511		$ 253,354	$ 181,458	$ 196,664	$ 170,418	
00- Total OPR MATL & SUPPLIES	Indirect Costs		Direct Costs			Direct Costs	Direct Costs	Direct Costs	Direct Costs	00- Total OPR
130 Office Supplies		7,125	130			75		130	847	
140 Special Act Supplies		2,361		2,530		G.6.2 140 41,702		G.11.1 140 36,915	9,219	
141 Industrial Gas	141		141			8,394		141	141	
142 Animal License Supplies	142		142			934		142	142	
144 Computer software & License			144			144		144	144	
160 Books & Publications		281	160			160		160	160	
180 Clothing	180			3,776		3,319		858	1,810	
290 Small Tools and Implements		56				57				
310 Advertising		1,318	310			310		310	310	
320 Printing & Binding		2,177		171		2,281		320	9,900	
330 Photo & Blueprinting	330			334		330		330	330	
340 Print shop Charges		835		258		67		340	340	
361 Building Rental		16,057	361			31,966		361	361	
360 SVCS Maintain Buildings	360		360			4,851		360	360	
407 SVCS Maint - Comp	407		407			407		407	407	
410 SVCS Main Comm Equipment						14,211				
450 Auditing Services		4,200	450			450		450	450	
451 Administrative Overhead		40,000	451			451		451	451	
470 Legal services-Retainer		595	470			470		470	470	
480 Staff Development				641		1,465		879	480	
530 Other Prof. Services	530		530			530		530	530	
550 Electricity Bills	550		550			26,891		550	550	
556 Gas Bills	556		556			390		556	556	
560 Telephone	560		560			28,089		560	560	
570 Water	570		570			570 2,066		570	570	
580 Travel & Meet Expenses		11,800	580			580		580	580	
590 Travel & Meet Expenses SPC		9,825	590			590		590	590	
600 Milage	600		600			600		600	11,022	
620 Interest Expense	620		620			620		620	620	
630 Unemployment insurance	630	11,205	630			630		630	630	
640 Postage		1,987	640			640		640	13,341	
670 Prof & Tech services Fees		1,822	670			670		670	670	
690 Medical Exam Fees - Pre employment		980	690			690		690	360	
700 Contract Services -MOC		18,885		14,000		18,532		55,573	710	
710 Public Liability Insurance		52,119	710			710		710	740	
740 Health Insurance	740	172,328	740			740		740	760	
760 Workers compensation insurance	760	165,852	760			760		760	765	
765 LTD Insurance	765	12,118	765			765		765	780	
780 Retirement -PERS	780	4,431	780			780		780	860	
860 Equipment Rent -City	860			61,171		860		860	861	
861 Equipment Rent-Replacement			861			861		861	870	
870 Equipment Rent-Private		8,829	870			870		870	900	
900 Office Equipment -		5,884						900		
930 Office Equipment - Furniture		36,253								
940 Other Vehicles -Office Equipment	940			25,700		940		940	940	
970 Communication Equip.- Office Equipment	970		970			970		970	970	
Line Item Cost Total		$ 589,323	$ 4	$ 108,581	$ -	$ 185,310		$ 94,225	$ 40,499	
Cost Adjustments and/or Cost Plan Costs										
A-87 Cost Allocation										
Other										
Cost Allocation subtotal		$ -								
Personnel Services Total		285,574	-	506,511	-	253,354	181,458	196,664	170,418	
Line Item Cost Total		589,323	4	108,581	-	185,310	-	94,225	40,499	
Cost Allocation subtotal		-	-	-	-	-	-	-	-	
TOTAL ALL COSTS		$ 874,897	$ 4	$ 615,092	$ -	$ 438,664	$ 181,458	$ 290,889	$ 210,917	

(12)

Related Indirect 50.37%

H.1.PS

EX.7 .1

FY 2002-03

Source: H.1.7

Auditor Analysis	Admin - 2510			Animal Control - 2520		(10??)	Animal Shelter - 2530		Kennel -2541		Vet -2540		LicenseCanvassing-2560		ICRP Usi
	Benefit Rate Allowed	Total Costs Allowed		Benefit Rate Allowed	Total Costs Allowed		Benefit Rate Allowed		Benefit Rate Allowed		Benefit Rate Allowed		Benefit Rate Allowed		Benefit Rate Over all
00- PERSSONNEL SERVICES															00- PERSSONN
Salaries & Wages		206,626			391,100			188,293		158,336		160,072		71,230	
Part-time Wages & Overtime		-			48,661			25,467		26,882		775		112,865	
Benefits	33.30%	68,806		18.10%	70,800		28.73%	54,092	8.46%	13,398	22.82%	36,534	22.20%	15,810	22.07%
Personnel Services Total		275,432			$ 510,561			$ 267,852		$ 198,616		$ 197,381		$ 199,905	
00- Total OPR MATL & SUPPLIES	Indirect Costs			Direct Costs			Direct Costs		Direct Costs		Direct Costs		Direct Costs		00- Total OPR
130 Office Supplies		6,225		130			130				130		130	900	
140 Special Act Supplies		6,803		140	5,792		G.6.2 140	35,556			G.11.1 140	65,322	140	1,506	
141 Industrial Gas	141			141			141	15,685			141		141		
142 Animal License Supplies	142			142			142	1,875			142		142		
144 Computer software & License				144			144				144		144		
160 Books & Publications		116		160			160				160		160		
180 Clothing	180				7,590			3,007				949		2,185	
290 Small Tools and Implements	290	(38)						2,004							
310 Advertising		634		310			310				310		310		
320 Printing & Binding		3,263					320				320			6,561	
330 Photo & Blueprinting	330				295		330				330		330		
340 Print shop Charges		1,088			63			984			340			237	
361 Building Rental		32,114		361			361				361		361		
360 SVCS Maintain Buildings	360			360				8,624			360		360		
407 SVCS Maint - Comp	407			407			407				407		407		
410 SVCS Main Comm Equipment								10,908							
450 Auditing Services		4,200		450			450				450		450		
451 Administrative Overhead		40,000		451			451				451		451		
470 Legal services-Retainer		20,013		470			470				470		470		
480 Staff Development					653			400				425	480		
530 Other Prof. Services	530			530			530				530		530		
550 Electricity Bills	550			550			550	42,025			550		550		
556 Gas Bills	556			556			556	111			556		556		
560 Telephone	560			560			560	25,844			560		560		
570 Water	570			570			570	2,501			570		570		
580 Travel & Meet Expenses		7,846		580			580				580		580		
590 Travel & Meet Expenses SPC		20,000		590			590				590		590	5,495	
600 Mileage	600			600			600				600		620		
620 Interest Expense	620			620			620				620		630		
630 Unemployment insurance	630	29,030		630			630				630		640	14,489	
640 Postage		2,376		640			640				640		670		
670 Prof & Tech services Fees		2,436		670			670				670		690	540	
690 Medical Exam Fees - Pre employment		620		690			690				690		710	5,089	
700 Contract Services -MOC		31,829			14,000			54,978				18,214	740		
710 Public Liability Insurance		60,766		710			710				710		760		
740 Health Insurance	740	198,342		740			740				740		765		
760 Workers compensation insurance	760	210,831		760			760				760		780		
762 Retro Worker S Comp	762	(9,676)											860		
765 LTD Insurance	765	13,046		765			765				765		861		
780 Retirement -PERS	780	4,457		780			780				780		870		
860 Equipment Rent -City	860				48,417		860				860		900		
861 Equipment Rent-Replacement							861				861		940		
870 Equipment Rent-Private		8,969		870				20			870		970		
900 Office Equipment -		13,811									900				
940 Other Vehicles -Office Equipment	940						940				940				
970 Communication Equip.- Office Equipment	970			970			970				970				
Line Item Cost Total		$ 709,101	$ -		$ 76,580	$ -		$ 204,500				$ 84,910		$ 36,995	
Cost Adjustments and/or Cost Plan Costs															
A-87 Cost Allocation															
Cost Allocation subtotal		$ -													
Personnel Services Total		275,432	-		510,561	-		267,852		198,616		197,381		199,905	
Line Item Cost Total		709,101	-		76,580	-		204,500		-		84,910		36,995	
Cost Allocation subtotal		-	-		-	-		-		-		-		-	
TOTAL ALL COSTS		$ 984,533	$ -		$ 587,141	$ -		$ 472,352		$ 198,616		$ 282,291		$ 236,900	

Indirect Cost Ra
55.39%

H.1.PS G.9.2 H.1.1

EX 7

FY 2006-07

Source: < H.1.8

Auditor Analysis		Admin - 2510		Animal Control - 2520		(10??)	Animal Shelter - 2530	Kennel -2541	Vet -2540	LicenseCanvassing-2560	ICRP Using
		Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed	Total Costs Allowed		Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Over all
	00- PERSSONNEL SERVICES										00- PERSSONNEL S
	Salaries & Wages		237,365		261,386		181,336	118,836	188,453	103,686	
	Part-time Wages & Overtime		27,015		146,079		67,561	85,854	27,323	123,167	
	Benefits	47.15%	111,928	21.33%	55,750		38.92% 70,568	15.82% 18,800	24.87% 46,866	27.40% 28,409	30.46%
	Personnel Services Total		376,308		$ 463,215		$ 319,465	$ 223,490	$ 262,642	$ 255,262	
	00- Total OPR MATL & SUPPLIES										00- Total OPR MAT
130	Office Supplies		13,681	130			332		130	881	130
140	Special Act Supplies		5,892	140	2,906		G.6.2 140 80,348		G.11.1 140 178,628	2,189	140
141	Industrial Gas	141		141			6,371		141		141
142	Animal License Supplies	142		142			142 2,493		142		142
144	Computer software & License			144			144		144		144
160	Books & Publications		1,063	160			160		160		160
180	Clothing		77		8,307		4,347		1,016	2,771	180
290	Small Tools and Implements								207		
310	Advertising		6,574	310			310		310		310
320	Printing & Binding		3,936	320	709	4,260	320 582		320	7,147	320
330	Photo & Blueprinting	330		330	22		330		330		330
340	Print shop Charges		3,148	340			340		340		340
361	Building Rental	361		361			361		361		361
360	SVCS Maintain Buildings	360		360			3,529		360		360
407	SVCS Maint - Comp	407		407			407 8,304		407		407
410	SVCS Main Comm Equipment										
450	Auditing Services		4,000	450			450		450		450
451	Administrative Overhead		40,000	451			451		451		451
470	Legal services-Retainer		10,326	470			470		470		470
480	Staff Development		300		1,278		2,393		1,056		480
530	Other Prof. Services	530		530			530		530		530
550	Electricity Bills	550		550			39,879		550		550
556	Gas Bills	556		556			238		556		556
560	Telephone	560		560			33,635		560		560
570	Water	570		570			570 2,673		570		570
580	Travel & Meet Expenses		11,328	580			580		580		580
590	Travel & Meet Expenses SPC		19,350	590			590		590		590
600	Mileage	600		600			600		600	6,447	600
620	Interest Expense	620		620			620		620		620
630	Unemployment insurance		25,050	630			630		630		630
640	Postage		2,360	640			640		640	20,621	640
670	Prof & Tech services Fees		2,884	670			670		670		670
690	Medical Exam Fees - Pre employment		1,740	690			690		690	820	690
700	Contract Services -MOC		123,668	700			700		710 18,623	3,083	700
710	Public Liability Insurance		133,037	710			710		740		710
740	Health Insurance	740	202,121	740			740		760		740
760	Workers compensation insurance	760	133,765	760			760		765		760
765	LTD Insurance	765	9,025	765			765		780		765
780	Retirement -PERS	780	9,512	780			780		860		780
860	Equipment Rent -City	860			55,404		860		861		860
861	Equipment Rent-Replacement						861		870		861
870	Equipment Rent-Private		3,308	870			870		900		870
900	Office Equipment -		23,465						940		900
940	Other Vehicles -Office Equipment	940					940		970		940
970	Communication Equip.- Office Equipment	970		970			970				970
	Line Item Cost Total		$ 789,610	$ -	$ 68,628	$ 4,260	$ 155,114		$ 199,532	$ 43,959	
	Cost Adjustments and/or Cost Plan Costs										
	A-87 Cost Allocation										
	Cost Allocation subtotal										
	Personnel Services Total		376,308	-	463,215	-	319,465	223,490	262,642	255,262	
	Line Item Cost Total		789,610	-	68,628	4,260	155,114	-	199,532	43,959	
	Cost Allocation subtotal		-	-	-	-	-	-	-	-	
	TOTAL ALL COSTS		$ 1,165,918	$ -	$ 531,843	$ 4,260	$ 474,579	$ 223,490	$ 462,174	$ 299,221	

Indirect Cost Rate 58.43%

H.1.PS

H.1.1

G.9.2

EX 7

FY 2007-08

Source: H.1.9 >

Auditor Analysis	Admin - 2510		Animal Control - 2520		(10??)	Animal Shelter - 2530	Kennel -2541	Vet -2540	LicenseCanvassing-2560	ICRP Using A
	Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed	Total Costs Allowed		Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Over all
Personnel Services:										
Salaries & Wages		282,489		317,288		231,071	76,390	235,478	109,273	
Part-time Wages & Overtime		20,118		167,593		153,333	17,102	7,972	140,970	
Benefits	45.67%	129,000	29.71%	94,272		34.74% 80,263	15.88% 12,128	29.44% 69,325	28.06% 30,661	33.20%
Personnel Services Total		431,607		$ 579,153		$ 464,667	$ 105,620	$ 312,775	$ 280,904	
Line Item Costs (Services, Supplies & Other;										
130 Office Supplies		8,856				384			241	
140 Special Act Supplies		4,987		6,152		68,666		192,825	1,799	
141 Industrial Gas	141		141			8,292				
142 Animal License Supplies	142		142			2,483				
144 Computer software & License		10,223	144							
160 Books & Publications		486	160			5,455		1,144	3,699	
180 Clothing	180			8,212				121		
290 Small Tools and Implements										
310 Advertising		417	310							
320 Printing & Binding		4,609		150	8,712				13,172	
330 Photo & Blueprinting	330			634						
340 Print shop Charges		1,391	340			67				
361 Building Rental	361		361							
360 SVCS Maintain Buildings	360		360			73,687				
407 SVCS Maint - Comp	407		407							
410 SVCS Main Comm Equipment						1,304				
450 Auditing Services		4,100	450							
451 Administrative Overhead		40,000	451							
470 Legal services-Retainer		1,776	470							
480 Staff Development		240		1,492		2,437		1,928		
530 Other Prof. Services	530		530							
550 Electricity Bills	550		550			40,047				
556 Gas Bills	556		556			6,216				
560 Telephone	560		560			22,859				
570 Water	570		570			2,820				
580 Travel & Meet Expenses		13,918	580							
590 Travel & Meet Expenses SPC		20,250	590							
600 Mileage	600		600						9,959	
620 Interest Expense	620		620							
630 Unemployment Insurance	630	25,050	630							
640 Postage		2,571	640						23,003	
670 Prof & Tech services Fees		4,582	670							
690 Medical Exam Fees - Pre employment		2,750	690							
700 Contract Services -MOC		98,145	700					25,549	6,287	
710 Public Liability Insurance		125,095	710							
740 Health Insurance	740	202,121	740							
760 Workers compensation insurance	760	133,765	760							
765 LTD Insurance	765	9,025	765							
780 Retirement -PERS	780	9,512	780							
860 Equipment Rent -City	860			82,006						
861 Equipment Rent-Replacement		25,000		63,000						
870 Equipment Rent-Private		15,265	870							
900 Office Equipment -	900	11,444								
940 Other Vehicles -Office Equipment	940									
970 Communication Equip.- Office Equipment	970		970							
Line Item Cost Total		775,578	$ -	$ 161,646	$ 8,712	$ 234,677		$ 221,567	$ 58,054	
Cost Adjustments and/or Cost Plan Costs										
A-87 Cost Allocation										
Cost Allocation subtotal										
Personnel Services Total		431,607	-	579,153	-	464,667	105,620	312,775	280,904	
Line Item Cost Total		775,578	-	161,646	8,712	234,677	-	221,567	58,054	
Cost Allocation subtotal		-	-	-	-	-	-	-	-	
TOTAL ALL COSTS		1,207,185	$ -	$ 740,799	$ 8,712	$ 699,344	$ 105,620	$ 534,342	$ 338,958	

Allowable 49.94% | Indirect Cost Rate 49.72%

EX.7 | H.1.PS | G.9.2 | H.1.1

FY 2008-09

Source: < H.1.10

Auditor Analysis		Admin - 2510		Animal Control - 2520 (10??)		Animal Shelter - 2530	Kennel -2541	Vet -2540	LicenseCanvassing-2560	ICRP Using A
		Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Allowed	Benefit Rate Over all
Personnel Services:			22.67%		29.43%	21.72%	0.14%	17.54%	8.50%	
Salaries & Wages			301,366		391,502	288,966	1,889	233,370	113,079	
Part-time Wages & Overtime			17,986		184,246	260,560	536	43,019	142,069	Over all
Benefits		41.04%	123,667	24.46%	95,761	27.57% 79,664	11.8% 222	27.28% 63,669	22.7% 25,676	29.22%
Personnel Services Total			443,019		$ 671,509	$ 629,190	$ 2,647	$ 340,058	$ 280,824	
Line Item Costs (Services, Supplies & Other;										
		Indirect Costs		Direct Costs		Direct Costs	Direct Costs	Direct Costs	Direct Costs	
130	Office Supplies		12,465			1,239		590		130
140	Special Act Supplies		4,096		9,064	G.6.2 140 92,555		G.11.1 140 248,986	5,497	140
141	Industrial Gas	141				7,778				141
142	Animal License Supplies	142				2,409				142
144	Computer software & License		17,058							144
160	Books & Publications		2,095							160
180	Clothing	180			6,623	4,890		2,694	2,514	180
310	Advertising		612							310
320	Printing & Binding		2,404		8,270				9,288	320
330	Photo & Blueprinting	330			48					330
340	Print shop Charges		1,338							340
360	Building Rental	360								360
360	SVCS Maintain Buildings	360				(6,708)				360
407	SVCS Maint - Comp		7,873							407
450	Auditing Services		7,000							450
451	Administrative Overhead		40,000							451
470	Legal services-Retainer		2,161							470
480	Staff Development		70		1,739	2,256		1,171		480
530	Other Prof. Services		28,746							530
550	Electricity Bills	550				46,118				550
556	Gas Bills	556				4,057				556
560	Telephone	560				33,970				560
570	Water	570				2,310				570
580	Travel & Meet Expenses		17,171							580
590	Travel & Meet Expenses SPC		20,075							590
600	Milage	600							8,029	600
620	Interest Expense	620								620
630	Unemployment insurance	630	15,864							630
640	Postage		4,857						22,105	640
670	Prof & Tech services Fees		3,946							670
690	Medical Exam Fees - Pre employment		2,080						6,969	690
700	Contract Services -MOC		91,117					20,928		700
710	Public Liability Insurance		96,075							710
740	Health Insurance	740	252,927							740
760	Workers compensation insurance	760	108,345							760
765	LTD Insurance	765	14,611							765
780	Retirement - PERS	780	13,965							780
860	Equipment Rent -City	860			100,453					860
861	Equipment Rent-Replacement		50,000		120,000					861
870	Equipment Rent-Private		10,344							870
900	Office Equipment -		19,559					11,937		900
940	Other Vehicles -Office Equipment	940			159,756					940
970	Communication Equip.- Office Equipment	970				54,607				970
	Line Item Cost Total		$ 846,854		$ 397,683	$ 8,270	$ 245,481	$ 285,716	$ 54,952	
Cost Adjustments and/or Cost Plan Costs										
A-87 Cost Allocation										
Other										
Cost Allocation subtotal			$ -							
Personnel Services Total			443,019	-	671,509	-	629,190	2,647	340,058	280,824
Line Item Cost Total			846,854	35,258	397,683	8,270	245,481	-	285,716	54,952
Cost Allocation subtotal			-	-	-	-	-	-	-	-
TOTAL ALL COSTS			$ 1,289,873	$ 35,258	$ 1,069,192	$ 8,270	$ 874,672	$ 2,647	$ 625,774	$ 335,776

Indirect Cost Rate 44.23%

EX.7 H.1.PS H.1.1 G.9.2

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009.
Audit ID # S11-MCC-006

Summary of Census Claimed and Allowable

Animals	Fiscal Year 2001-02	2002-03	2006-07	2007-08	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
	20,940	21,943	18,228	19,262	24,462
Average # of Days Held	5	5	7	7	6
Yearly Census	104,700	109,715	127,596	134,834	146,772
			G.15.3 >	G.15.2 >	G.15.1 >
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

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2006-07
Audit ID # S11-MCC-006
Raw Data - Census

Total Annual Census Claimed	Total Annual Census
127,596	**139,820**

3.6.2

G.15.PS

BotSlip	Species	Breed	ImpoundDateShort	How Animal Came into Shelter ImpoundCode	Final Disposition of Animal Action	ActionDateShort	Days Impounded with NO TIME WHOLE DAYS
(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g) - (d) + 1
07-15964	Cat	Domestic Short Hair	2/28/2007	SS			1
07-12483	Cat	Domestic Long Hair	12/18/2006	S			1
07-08548	Cat	Domestic Short Hair	10/11/2006	S			1
05-01276	Other	Turtle	9/27/2006	ABD	10-5	7/13/2004	1
05-01275	Other	Fish	9/6/2006	ABD	10-5	7/13/2004	1
07-02423	Dog	Z-Do Not Use - German Shepard Mix	7/29/2006	R	10-5	8/2/2006	5
07-02177	Dog	Maltese Mix	7/26/2006	R	10-5	8/2/2006	8
07-02176	Dog	Spaniel Mix	7/26/2006	R	10-5	8/2/2006	8
07-02076	Dog	Spaniel Mix	7/25/2006	R	10-5	8/2/2006	9
07-02059	Dog	Lab Mix	7/25/2006	S	10-5	8/2/2006	9
07-02012	Dog	Z-Do Not Use - German Shepard Mix	7/25/2006	R	10-5	8/2/2006	9
07-01901	Dog	German Shepherd Mix	7/24/2006	R	10-5	8/2/2006	10
07-01856	Dog	Chihuahua	7/23/2006	S	10-5	8/2/2006	11
07-00712	Dog	Dachshund Mix	7/9/2006	S	10-5	8/2/2006	25
07-00416	Dog	Terrier	7/6/2006	S	10-5	8/2/2006	28
07-16094	Other	Hawk	3/3/2007	IS	ADOPT	3/4/2004	1
07-16968	Dog	Akita Mix	3/20/2007	S	ADOPT	3/30/2005	1
07-09182	Dog	Z-Do Not Use - German Shepard Mix	10/21/2006	S	ADOPT	1/17/2005	1
07-13156	Cat	Domestic Short Hair	1/2/2007	S	ADOPT	1/3/2006	1
07-13132	Dog	Terrier Mix	1/2/2007	R	ADOPT	1/4/2006	1
07-13819	Cat	Domestic Short Hair	1/15/2007	R	ADOPT	1/17/2006	1
07-13226	Cat	Domestic Short Hair	1/4/2007	R	ADOPT	1/6/2006	1
07-13107	Cat	Domestic Long Hair	1/2/2007	R	ADOPT	1/5/2006	1
07-13116	Dog	Pointer Mix	1/2/2007	S	ADOPT	1/6/2006	1
07-13218	Dog	American Bulldog	1/3/2007	S	ADOPT	1/9/2006	1
07-13285	Cat	Domestic Medium Hair	1/4/2007	S	ADOPT	1/10/2006	1

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2007-08
Audit ID # S11-MCC-006
Raw Data - Census

Total Annual Census Claimed	Total Annual Census
134,834	**162,934**

G.15.PS

G.6.2

SoftShip	Species	Breed	ImpoundDateShort	How Animal Came into Shelter ImpoundCode	Final Disposition of Animal Action	ActionDateShort	Days Impounded with NO TIME WHOLE DAYS
(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g) - (d) + 1
08-13237	Dog	Husky Mix	1/1/2008	ABD	ADOPT	1/5/2008	5
08-01842	Dog	Pitbull	7/22/2007	ABD	ADOPT	7/27/2007	6
08-06942	Dog	Chihuahua	9/19/2007	ABD	ADOPT	9/25/2007	7
08-10427	Dog	English Bulldog	11/7/2007	ABD	ADOPT	11/13/2007	7
08-13514	Cat	Persian	1/7/2008	ABD	ADOPT	1/24/2008	18
08-02624	Dog	Cocker Spaniel	7/31/2007	ABD	CBO	8/1/2007	2
08-13560	Dog	Poodle	1/7/2008	ABD	CBO	1/8/2008	2
08-07262	Dog	Poodle	9/23/2007	ABD	CBO	9/25/2007	3
08-11965	Cat	Domestic Short Hair	12/5/2007	ABD	EF	12/12/2007	8
08-11918	Other	Rabbit	12/4/2007	ABD	EI	12/4/2007	1
08-03656	Dog	Terrier	8/11/2007	ABD	ES	8/11/2007	1
08-10829	Cat	Domestic Medium Hair	11/13/2007	ABD	ES	11/13/2007	1
08-04363	Dog	Lhasa Apso Mix	8/19/2007	ABD	ES	8/20/2007	2
08-05189	Cat	Domestic Medium Hair	8/28/2007	ABD	ET	9/2/2007	6
08-05208	Dog	Pitbull Mix	8/29/2007	ABD	ET	9/5/2007	8
08-06943	Dog	Chihuahua	9/19/2007	ABD	ET	9/26/2007	8
08-10076	Cat	Domestic Short Hair	11/1/2007	ABD	ET	11/8/2007	8
08-10077	Cat	Domestic Short Hair	11/1/2007	ABD	ET	11/8/2007	8
08-10522	Dog	Pitbull	11/8/2007	ABD	ET	11/15/2007	8
08-04274	Cat	Domestic Short Hair	8/18/2007	ABD	ET	8/26/2007	9
08-11252	Dog	Chihuahua	11/21/2007	ABD	ET	11/29/2007	9
08-12675	Dog	Pitbull	12/19/2007	ABD	ET	12/27/2007	9
08-01182	Dog	Chihuahua	7/14/2007	ABD	ET	7/23/2007	10
08-26446	Dog	Mastiff Mix	6/26/2008	ABD	ET	7/9/2008	14
08-03374	Cat	Domestic Short Hair	8/8/2007	ABD	ET	8/24/2007	17
08-03671	Cat	Domestic Short Hair	8/11/2007	ABD	EY	8/11/2007	1
08-03673	Cat	Domestic Short Hair	8/11/2007	ABD	EY	8/11/2007	1
08-03672	Cat	Domestic Short Hair	8/11/2007	ABD	EY	8/11/2007	1
08-04695	Cat	Domestic Medium Hair	8/23/2007	ABD	EY	8/23/2007	1
08-06566	Cat	Domestic Short Hair	9/14/2007	ABD	EY	9/14/2007	1
08-06831	Cat	Domestic Short Hair	9/18/2007	ABD	EY	9/18/2007	1
08-06828	Cat	Domestic Short Hair	9/18/2007	ABD	EY	9/18/2007	1
08-06826	Cat	Domestic Short Hair	9/18/2007	ABD	EY	9/18/2007	1
08-06735	Cat	Domestic Short Hair	9/11/2007	ABD	EY	9/18/2007	8
08-20280	Cat	Domestic Short Hair	4/23/2008	FR	EF	4/23/2008	1
08-08308	Cat	Domestic Short Hair	10/8/2007	FR	EF	10/12/2007	5
08-08326	Cat	Domestic Medium Hair	10/8/2007	FR	EF	10/12/2007	5
08-07884	Cat	Domestic Long Hair	10/2/2007	FR	EF	10/10/2007	9
08-08879	Cat	Domestic Short Hair	10/15/2007	FR	EFS	10/18/2007	4
08-08311	Cat	Domestic Short Hair	10/8/2007	FR	EY	10/8/2007	1
08-08310	Cat	Domestic Short Hair	10/8/2007	FR	EY	10/8/2007	1
08-08309	Cat	Domestic Short Hair	10/8/2007	FR	EY	10/8/2007	1

Southeast Animal Control Agency

Legislatively Mandated Animal Adoption Program

FY 2008-09

Audit ID # S11-MCC-006

Raw Data - Census

Total Annual Census CLAIMED	Total Annual Census Allowed
146,772	**219,598**

G.6.2

G.15.PS

AnimalID	Species	Breed	How Animal Came into Shelter	Final Disposition of Animal	ActionDateShort	Days Impounded with NO TIME
(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g) - (d) + 1
09-06932	Cat	Domestic Short Hair	9/2/2008	ABD	EY	9/2/2008	1
09-06933	Cat	Domestic Short Hair	9/2/2008	ABD	EY	9/2/2008	1
09-06934	Cat	Domestic Short Hair	9/2/2008	ABD	EY	9/2/2008	1
09-06935	Cat	Domestic Short Hair	9/2/2008	ABD	EY	9/2/2008	1
09-06936	Cat	Domestic Short Hair	9/2/2008	ABD	EY	9/2/2008	1
09-06937	Cat	Domestic Short Hair	9/2/2008	ABD	EY	9/2/2008	1
09-32756	Other	Sparrow	6/26/2009	DS	EY	6/26/2009	1
09-05802	Cat	Domestic Short Hair	8/22/2008	FR	EF	8/22/2008	1
09-05803	Cat	Domestic Short Hair	8/22/2008	FR	EF	8/22/2008	1
09-30855	Cat	Domestic Short Hair	6/11/2009	FS	CBO	6/11/2009	1
[redacted]							
09-00196	Cat	Domestic Short Hair	7/2/2008	FS	EF	7/2/2008	1
09-00198	Cat	Domestic Short Hair	7/2/2008	FS	EF	7/2/2008	1
09-00199	Cat	Domestic Short Hair	7/2/2008	FS	EF	7/2/2008	1
09-03105	Cat	Domestic Short Hair	7/29/2008	FS	EF	7/29/2008	1
09-04284	Cat	Domestic Short Hair	8/8/2008	FS	EF	8/8/2008	1
09-04286	Cat	Domestic Short Hair	8/8/2008	FS	EF	8/8/2008	1
09-04287	Cat	Domestic Short Hair	8/8/2008	FS	EF	8/8/2008	1
09-04627	Cat	Domestic Short Hair	8/12/2008	FS	EF	8/12/2008	1
09-06355	Cat	Domestic Short Hair	8/27/2008	FS	EF	8/27/2008	1
09-06356	Cat	Domestic Short Hair	8/27/2008	FS	EF	8/27/2008	1
09-06357	Cat	Domestic Short Hair	8/27/2008	FS	EF	8/27/2008	1
09-06358	Cat	Domestic Short Hair	8/27/2008	FS	EF	8/27/2008	1
09-19845	Cat	Domestic Short Hair	2/14/2009	FS	EF	2/14/2009	1
09-21457	Cat	Domestic Short Hair	3/11/2009	FS	EF	3/11/2009	1
09-27365	Cat	Domestic Short Hair	5/13/2009	FS	EF	5/13/2009	1
09-30208	Cat	Domestic Short Hair	6/6/2009	FS	EF	6/6/2009	1
09-32942	Cat	Domestic Short Hair	6/29/2009	FS	EF	6/29/2009	1
09-02337	Cat	Domestic Medium Hair	7/22/2008	FS	EFI	7/22/2008	1
09-02897	Cat	Domestic Short Hair	7/27/2008	FS	EFS	7/27/2008	1

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009.
Audit ID # S11-MCC-006

Summary of number of eligible dogs and cats, and other animals

G6.PS

	Claimed		Allowable	Audit Adjustment
July 1, 2001, through June 30, 2002				
Number of eligible dogs and cats	13,502	Average	5,958	(7,544)
Number of eligible other animals	747	Average	116	(631)
	14,249		6,074	(8,175)
July 1, 2002, through June 30, 2003				
Number of eligible dogs and cats	13,905	Average	5,958	(7,947)
Number of eligible other animals	-	Average	116	116
	13,905		6,074	(7,831)
July 1, 2006, through June 30, 2007				
Number of eligible dogs and cats	12,360	< G.15.3 >	4,861	(7,499)
Number of eligible other animals	115	< G.15.3 >	103	(12)
	12,475		4,964	(7,511)
July 1, 2007, through June 30, 2008				
Number of eligible dogs and cats	12,789	< G.15.2 >	5,739	(7,050)
Number of eligible other animals	134	< G.15.2	141	7
	12,923		5,880	(7,043)
July 1, 2008, through June 30, 2009				
Number of eligible dogs and cats	17,249	< G.15.1 >	7,273	(9,976)
Number of eligible other animals	127	< G.15.3 >	103	(24)
	17,376		7,376	(10,000)
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009				
Number of eligible dogs and cats	69,805		29,789	(40,016)
Number of eligible other animals	1,123		579	(544)
	70,928		30,368	(40,560)

EX.1

A.3.2

* The SEAACA only provided animal data for FY 2006-07 through FY 2008-09.
We applied the average animal census, and the average number of eligible dogs and cats, and other animals for the first two years of the audit period.

D.4.PS

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2006-07
Audit ID # S11-MCC-006
Raw Data - Eligible Dogs & Cats

Eligible Dogs & Cats Claimed	Eligible Dogs & Cats
12,360	4,861
G.15.PS	G.6.2

Care and maintenance for impounded Stray or abandoned Dogs and Cats
Eligible Dogs and Cats are:
1. (Dogs and Cats) that die during the increased holding period (Dogs and Cats that die days 4, 5, and 6) or
2. (Dogs and Cats) that are ultimately euthanized (after the holding period. Euthanized days 7, 8, 9, and beyond)

SoftSlip	Species	Breed	ImpoundDateShort	How Animal Came into Shelter ImpoundCod	Final Disposition of Animal Action	ActionDateShort	Days Impounded with NO TIME WHOLE DAYS
(a)	((b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g)- (d)+1
07-10641	Cat	Domestic Short Hair	11/12/2006	ABD	EF	11/19/2006	8
07-01171	Dog	Chow Mix	7/14/2006	ABD	EI	7/20/2006	7
07-22944	Cat	Domestic Short Hair	6/1/2007	ABD	ES	6/8/2007	8
07-22291	Cat	Domestic Short Hair	5/25/2007	ABD	ES	6/1/2007	8
07-22293	Cat	Domestic Short Hair	5/25/2007	ABD	ES	6/1/2007	8
07-16227	Cat	Domestic Short Hair	3/6/2007	ABD	ET	3/12/2007	7
07-14505	Cat	Domestic Short Hair	1/29/2007	ABD	ET	2/4/2007	7
07-19269	Cat	Domestic Short Hair	4/20/2007	ABD	ET	4/26/2007	7
07-04705	Cat	Domestic Medium Hair	8/25/2006	ABD	ET	9/1/2006	8
07-04704	Cat	Domestic Medium Hair	8/25/2006	ABD	ET	9/1/2006	8
07-04706	Cat	Domestic Medium Hair	8/25/2006	ABD	ET	9/1/2006	8
07-04703	Cat	Domestic Medium Hair	8/25/2006	ABD	ET	9/1/2006	8
07-22294	Cat	Domestic Short Hair	5/25/2007	ABD	ET	6/1/2007	8
07-22292	Cat	Domestic Short Hair	5/25/2007	ABD	ET	6/1/2007	8
07-23651	Cat	Domestic Short Hair	6/9/2007	ABD	ET	6/16/2007	8
07-23650	Cat	Domestic Short Hair	6/9/2007	ABD	ET	6/16/2007	8
07-21542	Dog	Chihuahua	5/17/2007	ABD	ET	5/24/2007	8
07-12445	Dog	Z-Do Not Use - German Shepard Mix	12/17/2006	ABD	ET	12/24/2006	8
07-12740	Dog	Pitbull Mix	12/23/2006	ABD	ET	12/30/2006	8
07-16228	Cat	Domestic Short Hair	3/6/2007	ABD	ET	3/14/2007	9
07-19094	Dog	Chow Mix	4/18/2007	ABD	ET	4/26/2007	9
07-24846	Dog	Pitbull	6/19/2007	ABD	ET	6/29/2007	11
07-24847	Dog	Pitbull	6/19/2007	ABD	ET	6/29/2007	11
07-24844	Dog	Pitbull	6/19/2007	ABD	ET	6/29/2007	11
07-24843	Dog	Pitbull	6/19/2007	ABD	ET	6/29/2007	11
07-24845	Dog	Pitbull	6/19/2007	ABD	ET	6/29/2007	11
07-11357	Dog	Rottweiler Mix	11/24/2006	ABD	ET	12/7/2006	14
07-09401	Dog	Z-Do Not Use - German Shepard Mix	10/24/2006	ABD	ET	12/2/2006	40
07-05062	Dog	German Shepherd	8/29/2006	ABD	ET	10/25/2006	58
07-01478	Cat	Domestic Short Hair	7/18/2006	FS	DIED	7/21/2006	4
07-22794	Cat	Domestic Short Hair	5/30/2007	FS	DIS	6/2/2007	4
07-05527	Cat	Domestic Short Hair	9/5/2006	FS	DIS	9/8/2006	4
07-05524	Cat	Domestic Short Hair	9/5/2006	FS	DIED	9/9/2006	5
07-08482	Cat	Domestic Short Hair	10/13/2006	FS	DIS	10/17/2006	5
07-09201	Cat	Domestic Short Hair	10/21/2006	FS	DIS	10/26/2006	6
07-23138	Cat	Domestic Short Hair	6/3/2007	FS	EF	6/9/2007	7

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2006-07
Audit ID # S11-MCC-006
Raw Data - Eligible Other Animals

Care and maintenance for impounded Stray or abandoned Other Animlas
Eligible Other Animals are:
1. (Other Animals) that die during the increased holding period (Other Animals that die days 2, 3, 4, 5, and 6) or
2. (Other Animals) that are ultimately euthanized (after the holding period. Euthanized days 7, 8, 9, and beyond)

Eligible Other Claimed
G.15.PS

Eligible Other
103
G.6.2

SoftSlip	Species	Breed	ImpoundDateShort	ImpoundCod	Action	ActionDateShort	Days Impounded with NO TIME WHOLE DAYS
(a)	(b)	(c^)	(d)	How Animal Came into Shelter (e)	Final Disposition of Animal (f)	(g)	(h) = (g)- (d)+1
07-02409	Other	Z-Do Not Use - Pigeon	7/28/2006	IS	ET	8/17/2006	21
07-02760	Other	Z-Do Not Use - Pigeon	8/2/2006	IS	DIED	8/3/2006	2
07-03517	Other	Z-Do Not Use - Pigeon	8/10/2006	IS	ET	8/19/2006	10
07-04550	Other	Bird	8/23/2006	IS	DIS	8/28/2006	6
07-08134	Other	Z-Do Not Use - Pigeon	10/6/2006	IS	DIS	10/7/2006	2
07-14412	Other	Pigeon	1/27/2007	IS	DIS	1/28/2007	2
07-15862	Other	Pigeon	2/26/2007	IS	DIED	2/27/2007	2
07-17687	Other	Pigeon	3/31/2007	IS	ET	4/7/2007	8
07-20302	Other	Dove	5/2/2007	IS	ET	5/9/2007	8
07-20615	Other	Bird	5/6/2007	IS	DIED	5/7/2007	2
07-23472	Other	Pigeon	6/7/2007	IS	DIED	6/8/2007	2
07-00912	Other	Rooster	7/12/2006	S	ET	7/19/2006	8
07-01552	Other	Rabbit	7/19/2006	S	DIS	7/22/2006	4
07-02916	Other	Bird	8/3/2006	S	DIS	8/4/2006	2
07-04377	Other	Rooster	8/21/2006	S	ET	8/27/2006	7
07-05194	Other	Bird	8/31/2006	S	DIS	9/2/2006	3
07-06472	Other	Rabbit	9/16/2006	S	ET	2/22/2007	160
07-06805	Other	Cockatiel	9/20/2006	S	DIS	9/21/2006	2
07-08481	Other	Bird	10/11/2006	S	DIED	10/12/2006	2
07-09368	Other	Iguana	10/24/2006	S	ES	1/15/2007	84
07-10079	Other	Rooster	11/3/2006	S	ET	11/12/2006	10
07-10080	Other	Rooster	11/3/2006	S	ET	11/12/2006	10
07-10497	Other	Rooster	11/9/2006	S	ET	12/3/2006	25
07-12125	Other	Rabbit	12/10/2006	S	ET	1/14/2007	36
07-12359	Other	Rooster	12/15/2006	S	ET	12/23/2006	9
07-12628	Other	Rabbit	12/20/2006	S	ET	1/14/2007	26
07-12767	Other	Rabbit	12/23/2006	S	ET	1/14/2007	23
07-12899	Other	Rooster	12/27/2006	S	ET	1/3/2007	8
07-13025	Other	Rabbit	12/30/2006	S	ET	1/14/2007	16
07-13533	Other	Bird	1/9/2007	S	DIED	1/11/2007	3
07-13594	Other	Rabbit	1/10/2007	S	ET	2/22/2007	44
07-13954	Other	Rooster	1/18/2007	S	ET	1/27/2007	10
07-14585	Other	Rooster	1/31/2007	S	ET	2/7/2007	8
07-14586	Other	Rooster	1/31/2007	S	ET	2/7/2007	8
07-14807	Other	Rabbit	2/5/2007	S	ET	2/22/2007	18
07-15353	Other	Rabbit	2/15/2007	S	ET	2/22/2007	8
07-16772	Other	Rabbit	3/16/2007	S	DIS	3/17/2007	2
07-16773	Other	Rabbit	3/16/2007	S	DIS	3/17/2007	2
07-16745	Other	Rabbit	3/16/2007	S	DISC	9/27/2007	196
07-17366	Other	Rabbit	3/26/2007	S	DISC	9/27/2007	186
07-17962	Other	Rabbit	4/3/2007	S	DISC	9/27/2007	178
07-18921	Other	Rabbit	4/16/2007	S	ET	6/2/2007	48
07-18924	Other	Rabbit	4/16/2007	S	ET	6/7/2007	53
07-18925	Other	Rabbit	4/16/2007	S	ET	6/7/2007	53
07-18923	Other	Rabbit	4/16/2007	S	ET	7/26/2007	102
07-19230	Other	Rabbit	4/19/2007	S	ET	5/7/2007	19
07-19223	Other	Rabbit	4/19/2007	S	ET	5/7/2007	19
07-19224	Other	Rabbit	4/19/2007	S	ET	5/7/2007	19
07-19198	Other	Rabbit	4/19/2007	S	ET	5/26/2007	38
07-20188	Other	Rooster	5/1/2007	S	ET	5/7/2007	7
07-20310	Other	Snake	5/2/2007	S	DISC	11/1/2007	184
07-20438	Other	Rooster	5/4/2007	S	ET	5/16/2007	13
07-20447	Other	Rabbit	5/4/2007	S	ET	7/1/2007	59
07-20587	Other	Rabbit	5/5/2007	S	ET	5/19/2007	15
07-20623	Other	Rabbit	5/6/2007	S	ET	6/2/2007	28
07-20624	Other	Rabbit	5/6/2007	S	ET	6/2/2007	28
07-20698	Other	Rabbit	5/7/2007	S	ET	6/2/2007	27

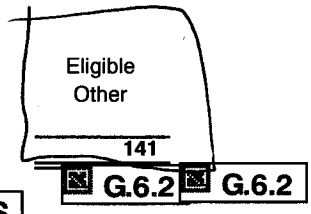
Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2007-08
Audit ID # S11-MCC-006
Raw Data - Eligible Dogs & Cats

Eligible Dogs & Cats Claimed	Eligible Dogs & Cats
12,789	5,739
G.15.PS	G.6.2
	G.6.2

Care and maintenance for impounded Stray or abandoned Dogs and Cats
Eligible Dogs and Cats are:
1. (Dogs and Cats) that die during the increased holding period (Dogs and Cats that die days 4, 5, and 6) or
2. (Dogs and Cats) that are ultimately euthanized (after the holding period. Euthanized days 7, 8, 9, and beyond)

				How Animal Came into Shelter	Final Disposition of Animal		Days Impounded with NO TIME
AnimalID	Species	Breed	ImpoundDateShort	ImpoundCode	Action	ActionDateShort	WHOLE DAYS
(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g) - (d) + 1
08-11965	Cat	Domestic Short Hair	12/5/2007	ABD	EF	12/12/2007	8
08-10076	Cat	Domestic Short Hair	11/1/2007	ABD	ET	11/8/2007	8
08-10077	Cat	Domestic Short Hair	11/1/2007	ABD	ET	11/8/2007	8
08-05208	Dog	Pitbull Mix	8/29/2007	ABD	ET	9/5/2007	8
08-06943	Dog	Chihuahua	9/19/2007	ABD	ET	9/26/2007	8
08-10522	Dog	Pitbull	11/8/2007	ABD	ET	11/15/2007	8
08-04274	Cat	Domestic Short Hair	8/18/2007	ABD	ET	8/26/2007	9
08-11252	Dog	Chihuahua	11/21/2007	ABD	ET	11/29/2007	9
08-12675	Dog	Pitbull	12/19/2007	ABD	ET	12/27/2007	9
08-01182	Dog	Chihuahua	7/14/2007	ABD	ET	7/23/2007	10
08-26446	Dog	Mastiff Mix	6/26/2008	ABD	ET	7/9/2008	14
08-03374	Cat	Domestic Short Hair	8/8/2007	ABD	ET	8/24/2007	17
08-07884	Cat	Domestic Long Hair	10/2/2007	FR	EF	10/10/2007	9
08-10464	Cat	Domestic Short Hair	11/7/2007	FS	DIED	11/11/2007	5
08-24340	Cat	Domestic Short Hair	6/5/2008	FS	DIS	6/8/2008	4
08-24341	Cat	Domestic Short Hair	6/5/2008	FS	DIS	6/8/2008	4
08-24342	Cat	Domestic Short Hair	6/5/2008	FS	DIS	6/8/2008	4
08-13846	Cat	Domestic Short Hair	1/12/2008	FS	DIS	1/16/2008	5
08-15954	Cat	Domestic Short Hair	2/22/2008	FS	DIS	2/26/2008	5
08-01912	Cat	Domestic Short Hair	7/23/2007	FS	DIS	7/28/2007	6
08-00063	Cat	Domestic Medium Hair	7/2/2007	FS	EF	7/8/2007	7
08-00076	Cat	Domestic Short Hair	7/2/2007	FS	EF	7/8/2007	7
08-00096	Cat	Domestic Short Hair	7/2/2007	FS	EF	7/8/2007	7
08-00125	Cat	Domestic Short Hair	7/2/2007	FS	EF	7/8/2007	7
08-00465	Cat	Domestic Short Hair	7/6/2007	FS	EF	7/12/2007	7
08-00568	Cat	Domestic Short Hair	7/7/2007	FS	EF	7/13/2007	7
08-00570	Cat	Domestic Short Hair	7/7/2007	FS	EF	7/13/2007	7
08-00591	Cat	Domestic Short Hair	7/7/2007	FS	EF	7/13/2007	7
08-00592	Cat	Domestic Short Hair	7/7/2007	FS	EF	7/13/2007	7
08-00590	Cat	Domestic Short Hair	7/7/2007	FS	EF	7/13/2007	7
08-00616	Cat	Domestic Short Hair	7/8/2007	FS	EF	7/14/2007	7
08-00876	Cat	Domestic Short Hair	7/11/2007	FS	EF	7/17/2007	7
08-00891	Cat	Domestic Short Hair	7/11/2007	FS	EF	7/17/2007	7
08-00894	Cat	Domestic Short Hair	7/11/2007	FS	EF	7/17/2007	7
08-00925	Cat	Domestic Short Hair	7/11/2007	FS	EF	7/17/2007	7
08-00937	Cat	Domestic Short Hair	7/11/2007	FS	EF	7/17/2007	7
08-00938	Cat	Domestic Short Hair	7/11/2007	FS	EF	7/17/2007	7
08-00940	Cat	Domestic Short Hair	7/11/2007	FS	EF	7/17/2007	7

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2007-08
Audit ID # S11-MCC-006
Raw Data - Eligible Other Animals



Care and maintenance for impounded Stray or abandoned Other Animlas

Eligible Other Animals are:

1. (Other Animals) that die during the increased holding period (Other Animals that die days 2, 3, 4, 5, and 6) or
2. (Other Animals) that are ultimately euthanized (after the holding period. Euthanized days 7, 8, 9, and beyond)

G.15.PS

SoftShip	Species	Breed	IpoundDateSh	How Animal Came into Shelter ImpoundCode	Final Disposition of Animal Action	ActionDateShort	Days Impounded with NO TIME WHOLE DAYS
(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g)- (d)+1
08-05737	Other	Bird	9/4/2007	IS	DIED	9/5/2007	2
08-06037	Other	Bird	9/7/2007	IS	DIED	9/8/2007	2
08-09330	Other	Bird	10/21/2007	IS	DIED	10/22/2007	2
08-25293	Other	Bird	6/14/2008	IS	DIED	6/15/2008	2
08-00236	Other	Pigeon	7/3/2007	IS	DIED	7/4/2007	2
08-11041	Other	Rooster	11/16/2007	IS	DIED	11/17/2007	2
08-21998	Other	Bird	5/13/2008	IS	DIS	5/14/2008	2
08-16164	Other	Bird	2/26/2008	S	DIS	2/27/2008	2
08-09996	Other	Owl	10/31/2007	S	DIS	11/1/2007	2
08-13341	Other	Parakeet	1/3/2008	S	DIS	1/4/2008	2
08-26712	Other	Parrot	6/29/2008	S	DIS	6/30/2008	2
08-00968	Other	Pigeon	7/11/2007	S	DIS	7/12/2007	2
08-04763	Other	Pigeon	8/23/2007	S	DIS	8/24/2007	2
08-19869	Other	Rabbit	4/18/2008	S	DIS	4/19/2008	2
08-17121	Other	Turtle	3/12/2008	SAFE	DIS	3/13/2008	2
08-17117	Other	Turtle	3/12/2008	SAFE	DIS	3/13/2008	2
08-17119	Other	Turtle	3/12/2008	SAFE	DIS	3/13/2008	2
08-17120	Other	Turtle	3/12/2008	SAFE	DIS	3/13/2008	2
08-17122	Other	Turtle	3/12/2008	SAFE	DIS	3/13/2008	2
08-17118	Other	Turtle	3/12/2008	SAFE	DIS	3/13/2008	2
08-17123	Other	Turtle	3/12/2008	SAFE	DIS	3/13/2008	2
08-08044	Other	Bird	10/4/2007	SS	DIS	10/5/2007	2
08-14146	Other	Bird	1/17/2008	IS	DIED	1/19/2008	3
08-24590	Other	Bird	6/7/2008	IS	DIED	6/9/2008	3
08-03420	Other	Pigeon	8/8/2007	IS	DIED	8/10/2007	3
08-03972	Other	Rabbit	8/14/2007	S	DIED	8/16/2007	3
08-26825	Other	Parakeet	6/30/2008	S	DIS	7/2/2008	3
08-07356	Other	Dove	9/24/2007	S	DIS	9/27/2007	4
08-06687	Other	Guinea Pig	9/16/2007	S	DIS	9/19/2007	4
08-03793	Other	Rabbit	8/13/2007	S	DIED	8/18/2007	6
08-23433	Other	Rabbit	5/27/2008	S	EI	6/2/2008	7
08-02500	Other	Rabbit	7/30/2007	S	ET	8/5/2007	7
08-16035	Other	Rabbit	2/24/2008	S	ET	3/1/2008	7
08-20662	Other	Rabbit	4/28/2008	S	ET	5/4/2008	7
08-14381	Other	Rooster	1/22/2008	S	ET	1/28/2008	7
08-09269	Other	Pigeon	10/20/2007	SS	EI	10/27/2007	8
08-10245	Other	Hamster	11/3/2007	S	ET	11/10/2007	8
08-05339	Other	Rabbit	8/30/2007	S	ET	9/6/2007	8
08-05337	Other	Rabbit	8/30/2007	S	ET	9/6/2007	8
08-05336	Other	Rabbit	8/30/2007	S	ET	9/6/2007	8
08-05338	Other	Rabbit	8/30/2007	S	ET	9/6/2007	8
08-05340	Other	Rabbit	8/30/2007	S	ET	9/6/2007	8

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2008-09
Audit ID # S11-MCC-006
Raw Data - Eligible Dogs & Cats

Eligible Dogs & Cats Claimed	Eligible Dogs & Cats
17,249	7,273
G.15.PS	G.6.2

Care and maintenance for impounded Stray or abandoned Dogs and Cats
Eligible Dogs and Cats are:
1. (Dogs and Cats) that die during the increased holding period (Dogs and Cats that die days 4, 5, and 6) or
2. (Dogs and Cats) that are ultimately euthanized (after the holding period. Euthanized days 7, 8, 9, and beyond)

SoftSig	Species	Breed	ImpoundDateShort	How Animal Came into Shelter ImpoundCode	Final Disposition of Animal Action	ActionDateShort	Days Impounded with NO TIME
(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g) - (d) + 1
09-02537	Cat	Domestic Short Hair	7/24/2008	ABD	ES	8/21/2008	29
09-04401	Dog	Pitbull	8/10/2008	ABD	ET	8/17/2008	8
09-04404	Dog	Pitbull	8/10/2008	ABD	ET	8/17/2008	8
09-32096	Dog	Terrier Mix	6/22/2009	ABD	ET	7/1/2009	10
09-26583	Dog	Lab Mix	5/6/2009	ABD	ET	5/17/2009	12
09-03848	Dog	Pitbull Mix	8/5/2008	ABD	ET	8/17/2008	13
09-07518	Dog	Pitbull	9/7/2008	ABD	ET	9/22/2008	16
09-32537	Cat	Domestic Short Hair	6/25/2009	FR	EF	7/1/2009	7
09-29437	Cat	Domestic Long Hair	5/30/2009	FR	EF	6/6/2009	8
09-29438	Cat	Domestic Long Hair	5/30/2009	FR	EF	6/6/2009	8
09-29439	Cat	Domestic Long Hair	5/30/2009	FR	EF	6/6/2009	8
09-29440	Cat	Domestic Long Hair	5/30/2009	FR	EF	6/6/2009	8
09-29441	Cat	Domestic Long Hair	5/30/2009	FR	EF	6/6/2009	8
09-00167	Cat	Domestic Short Hair	7/2/2008	FR	ET	7/9/2008	8
09-11702	Cat	Domestic Short Hair	10/18/2008	FS	DIS	10/21/2008	4
09-11703	Cat	Domestic Short Hair	10/18/2008	FS	DIS	10/21/2008	4
09-11704	Cat	Domestic Short Hair	10/18/2008	FS	DIS	10/21/2008	4
09-11705	Cat	Domestic Short Hair	10/18/2008	FS	DIS	10/21/2008	4
09-23860	Cat	Domestic Long Hair	4/8/2009	FS	DIS	4/11/2009	4
09-04948	Cat	Domestic Short Hair	8/14/2008	FS	DIS	8/18/2008	5
09-31793	Cat	Siamese Mix	6/18/2009	FS	DIS	6/22/2009	5
09-00741	Cat	Domestic Short Hair	7/8/2008	FS	DIS	7/13/2008	6
09-00742	Cat	Domestic Short Hair	7/8/2008	FS	DIS	7/13/2008	6
09-09442	Cat	Domestic Short Hair	9/25/2008	FS	DIS	9/30/2008	6
09-29623	Cat	Domestic Short Hair	6/2/2009	FS	DIS	6/7/2009	6
09-30323	Cat	Domestic Short Hair	6/6/2009	FS	DIS	6/11/2009	6
09-31806	Cat	Siamese Mix	6/18/2009	FS	DIS	6/23/2009	6
09-00888	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008	7
09-00901	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008	7
09-00916	Cat	Domestic Medium Hair	7/9/2008	FS	EF	7/15/2008	7
09-00936	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008	7
09-00945	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008	7
09-00950	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008	7

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2008-09
Audit ID # S11-MCC-006

Raw Data - Eligible Other Animals

Care and maintenance for impounded Stray or abandoned Other Animlas
Eligible Other Animals are:
1. (Other Animals) that die during the increased holding period (Other Animals that die days 2, 3, 4, 5, and 6) or
2. (Other Animals) that are ultimately euthanized (after the holding period. Euthanized days 7, 8, 9, and beyond)

Eligible Other Claimed	Eligible Other
127	100

G.15.PS G.6.2

AnimalID	Species	Breed	poundDateShort	How Animal Came into Shelter ImpoundCode	Final Disposition of Animal Action	actionDateShort	Days Impoundec with NO TIME WHOLE DAYS	Auditor Notes
(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g)- (d)+1	
09-32251	Other	Bird	6/23/2009	S	DIS	6/23/2009	1	Wild?
09-27275	Other	Pigeon	5/12/2009	IS	DIS	5/12/2009	1	
09-21997	Other	Pigeon	3/17/2009	S	DIS	3/17/2009	1	
09-27440	Other	Cockatiel	5/13/2009	S	DIED	5/14/2009	2	
09-27837	Other	Duck	5/16/2009	SS	DIED	5/17/2009	2	Wild?
09-12538	Other	Goose	10/29/2008	IS	DIED	10/30/2008	2	
09-29619	Other	Cockatiel	6/2/2009	IS	DIS	6/3/2009	2	
09-22252	Other	Duck	3/20/2009	IS	DIS	3/21/2009	2	Wild?
09-30117	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
09-30119	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
09-30120	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
09-30121	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
09-30122	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
09-06405	Other	Pigeon	8/27/2008	IS	DIS	8/28/2008	2	
09-15263	Other	Pigeon	12/4/2008	IS	DIS	12/5/2008	2	
09-27339	Other	Pigeon	5/12/2009	IS	DIS	5/13/2009	2	
09-29904	Other	Pigeon	6/3/2009	IS	DIS	6/4/2009	2	
09-31398	Other	Pigeon	6/15/2009	IS	DIS	6/16/2009	2	
09-30151	Other	Pigeon	6/5/2009	S	DIS	6/6/2009	2	
09-10919	Other	Rabbit	10/10/2008	S	DIS	10/11/2008	2	Wild?
09-15783	Other	Dove	12/12/2008	IS	DIED	12/14/2008	3	Wild?
09-07923	Other	Duck	9/11/2008	IS	DIED	9/13/2008	3	Wild?
09-10252	Other	Bird	10/4/2008	IS	DIS	10/6/2008	3	Wild?
09-16775	Other	Bird	12/29/2008	IS	DIS	12/31/2008	3	Wild?
09-28362	Other	Duck	5/21/2009	IS	DIS	5/23/2009	3	Wild?
09-28363	Other	Duck	5/21/2009	IS	DIS	5/23/2009	3	Wild?
09-28364	Other	Duck	5/21/2009	IS	DIS	5/23/2009	3	Wild?
09-13043	Other	Duck	11/3/2008	SS	DIS	11/5/2008	3	Wild?
09-13044	Other	Duck	11/3/2008	SS	DIS	11/5/2008	3	Wild?
09-13045	Other	Duck	11/3/2008	SS	DIS	11/5/2008	3	Wild?
09-09579	Other	Pigeon	9/27/2008	IS	DIS	9/29/2008	3	
09-17557	Other	Pigeon	1/10/2009	IS	DIS	1/12/2009	3	
09-28521	Other	Pigeon	5/22/2009	IS	DIS	5/24/2009	3	
09-01451	Other	Bird	7/14/2008	S	DIS	7/18/2008	5	Wild?
09-01453	Other	Bird	7/14/2008	S	DIS	7/18/2008	5	Wild?
09-13110	Other	Duck	11/4/2008	SS	DIS	11/8/2008	5	Wild?

Schedule 2--
Summary of Care and Maintenance Costs
July 1, 2001, through June 30, 2009
(Excluding July 1, 2003 through June 30, 2006)

Final Audit Report - June 15, 2012 Findings

Category	Actual Costs Claimed	Allowable per Audit: Salaries & Benefits < A.4.6 >	Allowable per Audit: Materials & Supplies	Allowable per Audit: Amount Allowable	Audit Adjustments
July 1, 2001, through June 30, 2002					
Total care and maintenance costs	$ 813,446	$ 176,465	$ 41,702		
Total animal census	÷ 104,700	÷ 174,117	÷ 174,117		
Cost per day	$ 7.7693	$ 1.01	$ 0.24		
Care and Maintenance of Dogs and Cats:					
Cost per day	$ 7.7693	$ 1.01	$ 0.24		
Number of eligible dogs and cats	x 13,502	x 5,958	x 5,958		
Reimbursable days	x 2	x 3	x 3		
Total care and maintenance costs for dogs and cats	$ 209,802	$ 18,053	$ 4,290	$ 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	x 747	x 116	x 116		
Reimbursable days	x 4	x 6	x 6		
Total care and maintenance costs for other animals	$ 23,215	$ 703	$ 167	$ 870	$ (22,345)
Total care and maintenance	$ 233,017	$ 18,756	$ 4,457	$ 23,213	$ (209,804)
July 1, 2002, through June 30, 2003		< A.4.6 >			
Total care and maintenance costs	$ 887,971	$ 195,713	$ 35,556		
Total animal census	÷ 109,715	÷ 174,117	÷ 174,117		
Cost per day	$ 8.0934	$ 1.12	$ 0.20		
Care and Maintenance of Dogs and Cats:					
Cost per day	$ 8.0934	$ 1.12	$ 0.20		
Number of eligible dogs and cats	x 13,905	x 5,958	x 5,958		
Reimbursable days	x 2	x 3	x 3		
Total care and maintenance costs for dogs and cats	$ 225,079	$ 20,019	$ 3,575	$ 23,594	$ (201,485)
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	$ 8.0934	$ 1.12	$ 0.20		
Number of eligible other animals	x -	x 116	x 116		
Reimbursable days	x 4	x 6	x 6		
Total care and maintenance costs for other animals	$ -	$ 780	$ 139	$ 919	$ 919
Total care and maintenance costs	$ 225,079	$ 20,799	$ 3,714	$ 24,513	$ (200,566)
July 1, 2006, through June 30, 2007					
Total care and maintenance costs	$ 1,829,255	$ 121,270	$ 50,248		
Total animal census	÷ 127,596	÷ 139,820	÷ 139,820		
Cost per day	$ 14.3363	$ 0.87	$ 0.36		
Care and Maintenance of Dogs and Cats:					
Cost per day	$ 14.3363	$ 0.87	$ 0.36		
Number of eligible dogs and cats	x 12,360	x 4,861	x 4,861		
Reimbursable days	x 2.24134	x 3	x 3		
Total care and maintenance costs for dogs and cats	$ 397,158	$ 12,687	$ 5,250	$ 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	x 115	x 103	x 103		
Reimbursable days	x 4	x 6	x 6		
Total care and maintenance costs for other animals	$ 6,592	$ 538	$ 222	$ 760	$ (5,832)
Total care and maintenance costs	$ 403,750	$ 13,225	$ 5,472	$ 18,697	$ (385,053)

Schedule 2--
Summary of Care and Maintenance Costs
July 1, 2001, through June 30, 2009
(Excluding July 1, 2003 through June 30, 2006)

Final Audit Report - June 15, 2012 Findings

Category	Actual Costs Claimed	Allowable per Audit: Salaries & Benefits < A.4.6 >	Allowable per Audit: Materials & Supplies	Allowable per Audit: Amount Allowable	Audit Adjustments
July 1, 2007, through June 30, 2008					
Total care and maintenance costs	$ 1,999,850	$ 193,753	$ 68,666		
Total animal census	÷ 134,834	÷ 162,934	÷ 162,934		
Cost per day	$ 14.8319	$ 1.19	$ 0.42		
Care and Maintenance of Dogs and Cats:					
Cost per day	$ 14.8319	$ 1.19	$ 0.42		
Number of eligible dogs and cats	x 12,789	x 5,739	x 5,739		
Reimbursable days	x 2.295567	x 3	x 3		
Total care and maintenance costs for dogs and cats	$ 435,435	$ 20,488	$ 7,231	$ 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	x 134	x 141	x 141		
Reimbursable days	x 4	x 6	x 6		
Total care and maintenance costs for other animals	$ 7,969	$ 1,007	$ 355	$ 1,362	$ (6,607)
Total care and maintenance costs	$ 443,404	$ 21,495	$ 7,586	$ 29,081	$ (414,323)
July 1, 2008, through June 30, 2009					
Total care and maintenance costs	$ 2,160,122	$ 265,244	$ 92,554		
Total animal census	÷ 146,772	÷ 219,598	÷ 219,598		
Cost per day	$ 14.7175	$ 1.21	$ 0.42		
Care and Maintenance of Dogs and Cats:					
Cost per day	$ 14.7175	$ 1.21	$ 0.42		
Number of eligible dogs and cats	x 17,249	x 7,273	x 7,273		
Reimbursable days	x 2.284657	x 3	x 3		
Total care and maintenance costs for dogs and cats	$ 579,988	$ 26,401	$ 9,164	$ 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	x 127	x 103	x 103		
Reimbursable days	x 4	x 6	x 6		
Total care and maintenance costs for other animals	$ 7,457	$ 748	$ 260	$ 1,008	$ (6,449)
Total care and maintenance costs	$ 587,445	$ 27,149	$ 9,424	$ 36,573	$ (550,872)
Summary:					
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	45,233	3,776	1,143	4,919	(40,314)
Total care and maintenance costs	$ 1,892,695	$ 101,424	$ 30,653	$ 132,077	$ (1,760,618)

Southeast Area Animal Control Agency
Legislativey Mandated Animal Adoption Program
Indirect Cost Summary
FY's 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09
Audit ID #S11-MCC-006

Final audit report findings June 15, 2012

Fiscal Year	Reimbursable Component	[redacted]	Materials & Supplies (D) Claimed	(E) Allowable per Audit	(F) Adjustment (E) - (D)	Direct Costs (G) Claimed	(H) Allowable per Audit	(I) Adjustment (H) - (G)	[redacted]	Summary Total Claimed (G) + (J)	Total Allowable (H) + (L)	Total Adjustment (I) + (M)
2001/02	Care & Maint. Dogs/Cats	- 18,053	18,053	209,802	4,290	(205,512)	209,802	22,343	(187,459)	- 83.29% 15,036	15,036	209,802	37,379	(172,423)
	Care & Maint. Other Animals	- 703	703	23,215	167	(23,048)	23,215	870	(22,345)	- 83.29% 586	586	23,215	1,456	(21,759)
	Increased Holding Period	- 34,170	34,170	36,975		(36,975)	36,975	34,170	(2,805)	- 83.29% 28,460	28,460	36,975	62,630	25,655
	Lost and Found Lists	- 1,318	1,318			-	-	1,318	1,318	- 83.29% 1,098	1,098	-	2,416	2,416
	Maintaining Non-Medical Records	- 15,572	15,572			-	-	15,572	15,572	- 83.29% 12,970	12,970	-	28,542	28,542
	Necessary & Prompt Vet Care	- 3,807	3,807		10,126	10,126	-	13,933	13,933	- 83.29% 3,171	3,171	-	17,104	17,104
		- **73,623**	73,623	269,992	14,583	(255,409)	269,992	**88,206** A.4.14	(181,786)	- 83.29% **61,321**	61,321	269,992	**149,527** A.4.13	(120,465)
2002/03	Care & Maint. Dogs/Cats	- 20,019	20,019	225,079	3,575	(221,504)	225,079	23,594	(201,485)	- 85.26% 17,068	17,068	225,079	40,662	
	Care & Maint. Other Animals	- 780	780	-	139	139	-	919	919	- 85.26% 665	665	-	1,584	
	Increased Holding Period	- 33,139	33,139	90,302		(90,302)	90,302	33,139	(57,163)	- 85.26% 28,254	28,254	90,302	61,393	
	Lost and Found Lists	- 1,329	1,329			-	-	1,329	1,329	- 85.26% 1,133	1,133	-	2,462	
	Maintaining Non-Medical Records	- 15,478	15,478			-	-	15,478	15,478	- 85.26% 13,197	13,197	-	28,675	
	Necessary & Prompt Vet Care	- 3,647	3,647		10,126	10,126	-	13,773	13,773	- 85.26% 3,109	3,109	-	16,882	
		- **74,392**	74,392	315,381	13,840	(301,541)	315,381	**88,232** A.4.14	(227,149)	- 85.26% **63,426**	63,426	315,381	**151,658** A.4.13	(163,723)
2006/07	Care & Maint. Dogs/Cats	- 12,687	12,687	397,158	5,250	(391,908)	397,158	17,937	(379,221)	- 89.23% 11,321	11,321	397,158	29,258	
	Care & Maint. Other Animals	- 538	538	6,592	222	(6,370)	6,592	760	(5,832)	- 89.23% 480	480	6,592	1,240	
	Increased Holding Period	- 37,733	37,733	164,993		(164,993)	164,993	37,733	(127,260)	- 89.23% 33,669	33,669	164,993	71,402	
	Lost and Found Lists	- 1,489	1,489			-	-	1,489	1,489	- 89.23% 1,329	1,329	-	2,818	
	Maintaining Non-Medical Records	- 15,716	15,716			-	-	15,716	15,716	- 89.23% 14,023	14,023	-	29,739	
	Necessary & Prompt Vet Care	- 3,312	3,312		10,826	10,826	-	14,138	14,138	- 89.23% 2,955	2,955	-	17,093	
		- **71,475**	71,475	568,743	16,298	(552,445)	568,743	**87,773** A.4.14	(480,970)	- **63,777**	63,777	568,743	**151,550** A.4.13	(417,193)
2007/08	Care & Maint. Dogs & Cats	- 20,488	20,488	435,435	7,231	(428,204)	435,435	27,719	(407,716)	- 85.35% 17,487	17,487	435,435	45,206	
	Care & Maint. Other Animals	- 1,007	1,007	7,969	355	(7,614)	7,969	1,362	(6,607)	- 85.35% 859	859	7,969	2,221	
	Increased Holding Period	- 41,024	41,024	176,872		(176,872)	176,872	41,024	(135,848)	- 85.35% 35,014	35,014	176,872	76,038	
	Lost and Found Lists	- 1,648	1,648			-	-	1,648	1,648	- 85.35% 1,407	1,407	-	3,055	
	Maintaining Non-Medical Records	- 17,795	17,795			-	-	17,795	17,795	- 85.35% 15,188	15,188	-	32,983	
	Necessary & Prompt Vet Care	- 4,032	4,032		13,631	13,631	-	17,663	17,663	- 85.35% 3,441	3,441	-	21,104	
		- **85,994**	85,994	620,276	21,217	(599,059)	620,276	**107,211** A.4.14	(513,065)	- **73,396**	73,396	620,276	**180,607** A.4.13	(439,669)
2008/09	Care & Maint. Dogs & Cats	- 26,401	26,401	579,988	9,164	(570,824)	579,988	35,565	(544,423)	- 76.38% 20,165	20,165	579,988	55,730	
	Care & Maint. Other Animals	- 748	748	7,457	260	(7,197)	7,457	1,008	(6,449)	- 76.38% 571	571	7,457	1,579	
	Increased Holding Period	- 41,278	41,278	185,180		(185,180)	185,180	41,278	(143,902)	- 76.38% 31,528	31,528	185,180	72,806	
	Lost and Found Lists	- 1,647	1,647			-	-	1,647	1,647	- 76.38% 1,258	1,258	-	2,905	
	Maintaining Non-Medical Records	- 22,072	22,072			-	-	22,072	22,072	- 76.38% 16,859	16,859	-	38,931	
	Necessary & Prompt Vet Care	- 5,111	5,111		17,869	17,869	-	22,980	22,980	- 76.38% 3,904	3,904	-	26,884	
		- **97,257**	97,257	772,625	27,293	(745,332)	772,625	**124,550** A.4.14	(648,075)	- **74,285**	74,285	772,625	**198,835** A.4.12	(573,790)
	[redacted]			2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)	[redacted]		2,547,017	832,177	(1,714,840)
											A.4.14			
Recap: by Component														
Care & Maint. Dogs & Cats		- 97,648	97,648	1,847,462	29,510	(1,817,952)	1,847,462	127,158	(1,720,304)	- 81,077	81,077	1,847,462	208,235	(172,423)
Care & Maint. Other Animals		- 3,776	3,776	45,233	1,143	(44,090)	45,233	4,919	(40,314)	- 3,161	3,161	45,233	8,080	(21,759)
Increased Holding Period		- 187,344	187,344	654,322	-	(654,322)	654,322	187,344	(466,978)	- 156,925	156,925	654,322	344,269	25,655
Lost and Found Lists		- 7,431	7,431	-	-	-	-	7,431	7,431	- 6,225	6,225	-	13,656	2,416
Maintaining Non-Medical Records		- 86,633	86,633	-	-	-	-	86,633	86,633	- 72,237	72,237	-	158,870	28,542
Necessary & Prompt Vet Care		- 19,909	19,909	-	62,578	62,578	-	82,487	82,487	- 16,580	16,580	-	99,067	17,104
		[redacted]		2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)	[redacted]		2,547,017	832,177	(120,465)

(32)

Tab 7

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Holding Period - Allowable Salaries, Benefits, and Related Indirect Costs
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009
Audit ID # S11-MCC-006

Position	Allowable Weighted Hourly Rates (based on 2,080) (a)	Allowable Hours (b)	Allowable Salaries (c) = (a)*(b)	Allowable Benefits (d) = (c) * (Ben. Rate)	Salaries and Benefits (e) = (c) + (d)	Indirect Cost Rate Allowable (f)	Indirect Costs Allowable (g = e * f)	Total Allowable (g + e)
FY 2001-02				27.33%				
Clerical & Dispatch	$ 12.40	1,092	$ 13,541	$ 3,701				
License Clerk	$ 12.40	364	4,514	1,234				
Animal Care Technicians	$ 12.06	728	8,780	2,400				
		2,184	$ 26,835	$ 7,335	$ 34,170	83.29%	$ 28,460	$ 62,630
FY 2002-03				19.29%				
Clerical & Dispatch	$ 13.54	1,092	$ 14,786	$ 2,852				
License Clerk	$ 11.50	364	4,186	807				
Animal Care Technicians	$ 12.10	728	8,809	1,699				
		2,184	$ 27,781	$ 5,358	$ 33,139	85.26%	$ 28,254	$ 61,393
FY 2006-07				25.21%				
Clerical & Dispatch	$ 14.92	1,092	$ 16,293	$ 4,107				
License Clerk	$ 12.49	364	4,546	1,146				
Animal Care Technicians	$ 12.77	728	9,297	2,344				
		2,184	$ 30,136	$ 7,597	$ 37,733	89.23%	$ 33,669	$ 71,402
FY 2007-08				29.35%				
Clerical & Dispatch	$ 16.09	1,092	$ 17,570	$ 5,157				
License Clerk	$ 13.28	364	4,834	1,419				
Animal Care Technicians	$ 12.79	728	9,311	2,733				
		2,184	$ 31,715	$ 9,309	$ 41,024	85.35%	$ 35,014	$ 76,038
FY 2008-09				25.68%				
Clerical & Dispatch	$ 16.47	1,092	$ 17,985	$ 4,619				
License Clerk	$ 13.90	364	5,060	1,299				
Animal Care Technicians	$ 13.46	728	9,799	2,516				
		2,184	$ 32,844	$ 8,434	$ 41,278	76.38%	$ 31,528	$ 72,806
			$ 149,311	$ 38,033	$ 187,344		$ 156,925	$ 344,269

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009
Audit ID # S11-MCC-006

Holding Period -Making Animal Available for Owner Redemption (MAAFOR)- Analysis of Hours

~ There is a total of 52 weeks in a year.

~ There are **52 Saturdays** per year in which the claimant may claim **7 hours** per employee to comply with the mandate. Notice of Impoundment needed to

View Shelter Animals G.7.2 >

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
					10:00 a.m. 5:00 p.m. 7	Closed

Allowable shelter hours of operation to make animals available for owner redemption

2001-02	2002-03	2006-07	2007-08	2008-09
Saturday	Saturday	Saturday	Saturday	Saturday
10:00 a.m.	10:00 a.m.	10:00 a.m.	10:00 a.m.	10:00 a.m.
5:00 p.m.	5:00 p.m.	5:00 p.m.	5:00 p.m.	5:00 p.m.
7	7	7	7	7

G.7.PS
G.7.3

Increased positions needed to make animals available on Saturday.

Employee Classification	Number of Employees	Saturday Hours per Employee	Saturdays per Year	Saturday Hours per Classification
	(a)	(b)	(c)	(d)= (a)*(b)* (c)
Clerical & Dispatch	3	7	52	1,092
License Clerk	1	7	52	364
Animal Care Technicians	2	7	52	728
				2,184 G.7.1

G.7.PS

Auditor Notes:
Information based on Nicole Bouldin's interview December 7, 2010
~ **Animal Care Technicians** do not need a supervisor to be at the shelter when the shelter is closed on Sundays. Therefore, the increased positions for Saturdays is 2 ACT's
~ No supervisors are necessary to be open on Saturdays. If issues arise and supervisors are needed, the clerks contact the designated lead/supervisor depending on the issue.
~Basic analysis used and applied for all audit years based on staffing requirements for 2008-09.
**The shelter is open from 8-5 on Saturdays.. However, the shelter makes animals available for owner redemtion only after 10:00 a.m.

Auditor Notes:
Information based on Dan Morrison's phone conversation January 25, 2011
~The **License clerks** responsibilities are restricted to animal licenses. They issue licenses, they renew licenses, they track licenses, they maintain and renew licenses, and they canvas neighborhoods to make sure people have their animals licensed.
~License clerks do not help out the clerical/dispatch clerks.

Tab 8

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Lost and Found Lists - Allowable Salaries, Benefits, and Related Indirect Costs
Fiscal Year (FY) 2001-02, FY 2002-03, FY 2006-07, FY 2007-08 and FY 2008-09
Audit ID # S11-MCC-006

Final Audit Report - June 15, 2012 Findings

Employee Classification	Allowable Weighted Hourly Rate (based on 2,080) (a)	Allowable Hours Per Time Study (b)	Allowable Salaries (c) = (a)*(b)	Allowable Benefit Rate (d)	Allowable Benefits (e) (c) * (d)	Allowable Salaries and Benefits (f) = (c) + (e)	Indirect Cost Rate Allowable (g)	Indirect Costs Allowable (Sal + Ben) * Allowable Rate (h) = (f) * (g)	Total Allowable
G.9.1									
FY 2001-02									
Clerk	$ 12.39	60	$ 743	27.33%	203	946			
Front Office Supervisor	$ 18.30	16	293	27.33%	80	373			
		76	$ 1,036		283	1,319	83.29%	1,098	
FY 2002-03									
Clerk	$ 13.54	60	$ 812	19.29%	157	969			
Front Office Supervisor	$ 18.90	16	302	19.29%	58	360			
		76	$ 1,114		215	1,329	85.26%	1,133	2,462
FY 2006-07									
Clerk	$ 14.92	60	$ 895	25.21%	226	1,121			
Front Office Supervisor	$ 18.38	16	294	25.21%	74	368			
		76	$ 1,189		300	1,489	89.23%	1,329	2,818
FY 2007-08									
Clerk	$ 16.09	60	$ 965	29.35%	283	1,248			
Front Office Supervisor	$ 19.29	16	309	29.35%	91	400			
		76	$ 1,274		374	1,648	85.35%	1,407	3,055
FY 2008-09									
Clerk	$ 16.47	60	$ 988	25.68%	254	1,242			
Front Office Supervisor	$ 20.10	16	322	25.68%	83	405			
		76	$ 1,310		337	1,647	76.38%	1,258	2,905
		380	$ 5,923		1,509	7,432		6,225	13,657

A.10.1

EX.24

A.4.14

EX.24

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Fiscal Year (FY) 2001-02, FY 2002-03, FY 2006-07, and FY 2008-09
Audit ID # S11-MCC-006

Lost and Found Lists- Time Study Results

Source: < G.9.3 >

	Total Seconds per 7 - days	Convert to Minutes per 7-days	Minutes Per Year	Convert to Hours Per Year
	(a)	(b) = (a)/60	(c^) = (b)*52	(d) (c^)/60
Classification- Clerk				
1 Deanna Costa	3,064			
2 Eileen Rosales	1,087			
	4,151	69.0	3,588.00	60.00
Classification- Front Office Supervisor				
3 Eddie Galvan	1,086			
	1,086	18.0	936.00	16.00
G.9.3	5,237			

EX.2

EX.2

Total allowable hours per year	**76.00** G.9.1	G.9.1

EX.3

G.9.PS

G.9.PS

Date started
9/12/2012
Date completed
9/18/2011

EX.17

A.4.

Date started
9/26/2011
Date completed
10/2/2011

Nov. 17, 2011 -Initiallly SEAACA wanted to apply the time study results to a count of animals. We discussed with Nicole Buldin combining results to a 7 day period.

[redacted]

Employee Name:	Eddie Galvan	Deanna Costa	Eileen Rosales
Job Classification:	Office Supervisor	Clerk	Clerk
Time Avg.	72.4	70.25581	47.26087
Total Time:	1086	3064	1087
Total Customers	15	43	23

Customer #	Time (secs.)	Customer#	Time (secs.)	Customer #	Time (secs.
1	45	1	32	1	24
2	180	2	55	2	27
3	46	3	79	3	33
4	37	4	153	4	47
5	54	5	117	5	24
6	32	6	39	6	59
7	27	7	25	7	26
8	139	8	175	8	47
9	51	9	35	9	35
10	25	10	26	10	45
11	256	11	30	11	37
12	38	12	48	12	112
13	51	13	34	13	37
14	43	14	92	14	42
15	62	15	25	15	29
		16	29	16	76
		17	195	17	143
		18	35	18	41
		19	27	19	25
		20	263	20	31
		21	47	21	83
		22	156	22	37
		23	34	23	27
		24	45		
		25	39		
		26	67		
		27	134		
		28	42		
		29	56		
		30	187		
		31	35		
		32	23		
		33	34		
		34	49		
		35	257		
		36	63		
		37	29		
		38	43		
		39	27		
		40	41		
		41	36		
		42	49		
		43	57		

1,086

3,064

1,087

Time Study Form for Lost and Found Lists

Task: Lost and Found Lists
Employee Classification: Front Office Clerk or Supervisor

Time Study Start Date: 9/12/2011 Time Study End Date: 9/18/2011

Employee Name (printed): Eileen Rosales
Employee Signature: Eileen Rosales

Supervisor name (printed): Eddie Gadson
Supervisor Signature:

Description:

This time study is being conducted in compliance of Parameters and Guidelines Part IV, Section B, Item 3-6 "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 of found on "lost and found" list 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 dissemination information regarding lost animals ;and
The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

Staff are to document the time it takes to complete the above action and have verified by supervisor.

Time Study Animal Information Data:

Customer #	Date	Time (secs.)	Employee Init.	Supervisor Init.
1	9-12-11	24	ER	NB
2	9-12-11	27	ER	NB
3	9-12-11	33	ER	NB
4	9-12-11	47	ER	NB
5	9-12-11	24	ER	NB
6	9-12-11	59	ER	NB
7	9-12-11	47	ER	NB
8	9-13-11	35	ER	NB
9	9-13-11	45	ER	NB
10	9-13-11	37	ER	NB
11	9-14-11	112	ER	NB
12	9-14-11	37	ER	NB
13	9-14-11	42	ER	NB
14	9-15-11	29	ER	NB
15	9-15-11	29	ER	NB
16	9-16-11	76	ER	NB
17	9-17-11	143	ER	NB

week 1

18	9-18-11	41	EN	NB
19	9-19-11	25-	EN	NB
20	9-20-11	31	EN	NB
21	9-21-11	33	EN	NB
22	9-22-11	37	EN	NB
23	9-23-11	27	EN	NB
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				

Time Study Form for Lost and Found Lists

Task: Lost and Found Lists
Employee Classification: Front Office Clerk or Supervisor

Time Study Start Date: 9/26/2011 Time Study End Date: 10/2/2011

Employee Name (printed): DEANNA M. COSTA
Employee Signature:

Supervisor name (printed): Eddie Carlton
Supervisor Signature:

Description:

This time study is being conducted in compliance of Parameters and Guidelines Part IV, Section B, Item 3-6 "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 of found on "lost and found" list 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 dissemination information regarding lost animals ;and

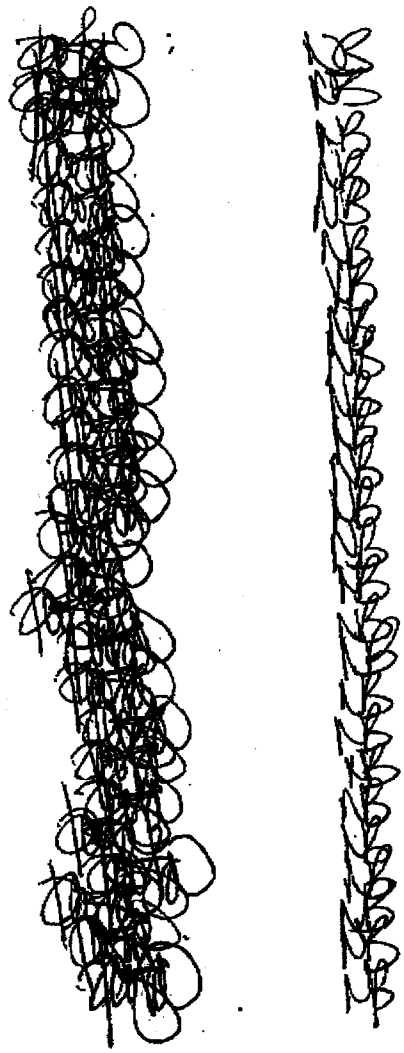
The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

Staff are to document the time it takes to complete the above action and have verified by supervisor.

Time Study Animal Information Data:

Customer #	Date	Time (secs.)	Employee Init.	Supervisor Init.
1	09/27/2011	32		
2	09/27/2011	55		
3	09/27/2011	79		
4	09/27/2011	153		
5	09/27/2011	117		
6	09/28/2011	39		
7	09/28/2011	25		
8	09/28/2011	175		
9	09/28/2011	35		
10	09/29/2011	26		
11	09/29/2011	30		
12	09/29/2011	48		
13	09/29/2011	34		
14	09/29/2011	92		
15	09/29/2011	25		
16	09/29/2011	29		
17	09/29/2011	195		

18	09/30/2011	35
19	09/30/2011	31
20	09/30/2011	263
21	09/30/2011	47
22	09/30/2011	156
23	09/30/2011	34
24	09/30/2011	45
25	09/30/2011	39
26	09/31/2011	67
27	09/31/2011	134
28	09/31/2011	48
29	09/31/2011	56
30	09/31/2011	187
31	09/31/2011	35
32	09/31/2011	23
33	09/31/2011	34
34	09/31/2011	49
35	09/31/2011	257
36	09/31/2011	63
37	10/01/2011	29
38	10/01/2011	43
39	10/01/2011	27
40	10/01/2011	41
41	10/01/2011	36
42	10/01/2011	49
43	10/01/2011	57
44	10/01/2011	
45	10/01/2011	
46	10/01/2011	
47	10/01/2011	
48	10/01/2011	
49	10/01/2011	
50	10/01/2011	



10/03/2011

Exhibit 1

Time Study Form for Lost and Found Lists

Task: Lost and Found Lists
Employee Classification: Front Office Clerk or Supervisor

Time Study Start Date: 9/12/2011 Time Study End Date: 9/18/2011

Employee Name (printed): Eduardo Galvan
Employee Signature: Eduardo Galvan

Supervisor name (printed): NICHE BOUCHON
Supervisor Signature: NBouchon

Description:

This time study is being conducted in compliance of Parameters and Guidelines Part IV, Section B, Item 3-6 "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 of found on "lost and found" list 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 dissemination information regarding lost animals ;and

The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

Staff are to document the time it takes to complete the above action and have verified by supervisor.

Time Study Animal Information Data:

Customer #	Date	Time (secs.)	Employee Init.	Supervisor Init.
1	9/12/11	45	E. G.	NB
2	9/12/11	180	E. G.	NB
3	9/12/11	46	E. G.	NB
4	9/12/11	37	E. G.	NB
5	9/12/11	54	E. G.	NB
6	9-13-11	32	E. G.	NB
7	9-13-11	27	E. G.	NB
8	9/14/11	139	E. G.	NB
9	9/14/11	61	E. G.	NB
10	9/14/11	25	E. G.	NB
11	9/15/11	256	E. G.	NB
12	9/15/11	38	E. G.	NB
13	9-16-11	51	E. G.	NB
14	9/16/11	43	E. G.	NB
15	9/16/11	62	E. G.	NB
16				
17				

Tab 9

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Maintaining Non-Medical Records - Allowable Salaries, Benefits, and Related Indirect Costs
Fiscal Year (FY) 2001-02, FY 2002-03, FY 2006-07, FY 2007-08 and FY 2008-09
Audit ID # S11-MCC-006

Final Audit Report - June 15, 2012 Findings

Position	# of Non Non Medical Records Allowable	Time Study Results: % to Total Non Medical Records	# of Non Medical Records per Classification < 2.10.3 >	Minutes per Record < 2.10.3 >	Total Minutes per Classification	Allowable Hours	Amount Allowable: Allowable Weighted Hourly Rate (based on 2,080)	Allowable Salaries	Allowable Benefits < A.10.1 >	Allowable Salaries & Benefits	Indirect Cost Rate Allowable	Indirect Costs Allowable	Total Allowable
FY 2001-02													
Intake Average	28,368								27.33%				
Clerks		14%	3,972	1.00	3,972	66	$ 12.39	818	224	1,042			
ACT		39%	11,064	1.00	11,064	184	$ 12.06	2,219	606	2,825			
ACO		47%	13,333	1.00	13,333	222	$ 15.01	3,332	911	4,243			
		100%	28,369		28,369	472		6,369	1,741	8,110			
Final Disposition	28,368								27.33%				
Clerks		100%	28,368	1.00	28,368	473	$ 12.39	5,860	1,602	7,462			
		100%	28,368		28,368	473		5,860	1,602	7,462			
						945		12,229	3,343	15,572	83.29%	12,970	28,542
FY 2002-03													
Intake Average	28,368								19.29%				
Clerks		14%	3,972	1.00	3,972	66	$ 13.54	894	172	1,066			
ACT		39%	11,064	1.00	11,064	184	$ 12.10	2,226	429	2,655			
ACO		47%	13,333	1.00	13,333	222	$ 15.55	3,452	666	4,118			
		100%	28,369		28,369	472		6,572	1,267	7,839			
Final Disposition	28,368								19.29%				
Clerks		100%	28,368	1.00	28,368	473	$ 13.54	6,404	1,235	7,639			
		100%	28,368		28,368	473		6,404	1,235	7,639			
						945		12,976	2,502	15,478	85.26%	13,197	28,675
FY 2006-07 G.15.3													
Intake	25,564								25.21%				
Clerks		14%	3,579	1.00	3,579	60	$ 14.92	895	226	1,121			
ACT		39%	9,970	1.00	9,970	166	$ 12.77	2,120	535	2,655			
ACO		47%	12,015	1.00	12,015	200	$ 15.90	3,180	802	3,982			
		100%	25,564		25,564	426		6,195	1,563	7,758			
Final Disposition	25,564								25.21%				
Clerks		100%	25,564	1.00	25,564	426	$ 14.92	6,356	1,602	7,958			
		100%	25,564		25,564	426		6,356	1,602	7,958			
						852		12,551	3,165	15,716	89.23%	14,023	29,739
FY 2007-08													
Intake G.15.2	26,682								29.35%				
Clerks		14%	3,735	1.00	3,735	62	$ 16.09	998	293	1,291			
ACT		39%	10,406	1.00	10,406	173	$ 12.79	2,213	650	2,863			
ACO		47%	12,541	1.00	12,541	209	$ 16.20	3,386	994	4,380			
		100%	26,682		26,682	444		6,597	1,937	8,534			
Final Disposition	26,682								29.35%				
Clerks		100%	26,682	1.00	26,682	445	$ 16.09	7,160	2,101	9,261			
		100%	26,682		26,682	445		7,160	2,101	9,261			
						889		13,757	4,038	17,795	85.35%	15,188	32,983
FY 2008-09 G.15.1													
Intake	32,858								25.68%				
Clerks		14%	4,600	1.00	4,600	77	$ 16.47	1,268	326	1,594			
ACT		39%	12,815	1.00	12,815	214	$ 13.46	2,880	740	3,620			
ACO		47%	15,443	1.00	15,443	257	$ 17.07	4,387	1,127	5,514			
		100%	32,858		32,858	548		8,535	2,193	10,728			
Final Disposition	32,858								25.68%				
Clerks		100%	32,858	1.00	32,858	548	$ 16.47	9,026	2,318	11,344			
		100%	32,858		32,858	548		9,026	2,318	11,344			
						1,096		17,561	4,511	22,072	76.38%	16,859	38,931
						3,782		69,074	17,559	86,633		72,237	158,870

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Fiscal Year (FY) 2001-02, FY 2002-03, FY 2006-07, and FY 2008-09
Audit ID # S11-MCC-006

Analysis of Time Study - Non- Medical Records G.10.PS

		Total Seconds	# of Non-Medical Records	% # of Non-Medical Records to Total Records	Seconds per Non-Medical Records	Convert to Average Minutes per Record
		(a)	(b)	(c^)	(d)	(e)
Source:		< G.10.12 >				
Intake						
	Clerk					
1	Eileen Rosales	20	3			
2	Jessica Martinez	25	5			
3	Angie Medina	10	2			
4	Deanna Costa	78	14			
5	Magdalena Lopez	72	12			
6	Sonia Flores	15	3			
		220	39	**14.00%**		
	ACT					
7	Vincent Raygoza	427	106			
		427	106	**39.00%**		
	ACO					
8	Martha Muro	910	13			
9	Richard Rodriquez	55	6			
10	Kenneth Williams	805	42			
11	Chris Ybarra	216	46			
12	Anthony Barajas	99	19			
		2,085	126	**47.00%**		
		2,732	**271**	**100.0%**	**10.08**	**0.170**
Source:		< G.10.12 >				
Final Disposition						
	Clerk					
13	Eileen Rosales	458	17			
14	Jessica Martinez	1,383	42			
		1,841	**59**	**100.0%**	**31.20**	**0.520**

EX.4
EX.18
EX.25

*Rounded intake and final disposition to 1 minute per management approval.
* 2 minutes total to create a non-medical record.

EX.4
EX.18
EX.25

G.10.3 A.4.10

Intake
Date started
12/2/2011
Date completed
12/18/2011

Final Dispsition
Date started
9/19/2011
Date completed
9/24/2011

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
Fiscaly ear (FY) 2006-07
Audit ID # S11-MCC-006
Raw Data - NON-MEDICAL RECORDS

* Looked for duplicates and found none.

TOTAL NUMBER OF ANIMAL RECORDS
25,564

G.10.3 G.10.3 G.15.PS

	SoftSlip	Species	Breed	ImpoundDate	ImpoundDateShort	BoundCt	Action	ActionDate	ActionDateShort
1	07-00145	Cat	Domestic Short Hair	7/1/06 12:00 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
2	07-00147	Cat	Domestic Short Hair	7/1/06 12:00 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
3	07-00148	Cat	Domestic Short Hair	7/1/06 12:00 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
4	07-00149	Cat	Domestic Short Hair	7/1/06 12:00 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
5	07-00144	Cat	Domestic Short Hair	7/1/06 12:00 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
6	07-00146	Cat	Domestic Short Hair	7/1/06 12:00 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
7	07-00010	Dog	Golden Retriever	7/1/06 8:34 AM	7/1/2006	S	ADOPT	7/11/06 12:00 AM	7/11/2006
8	07-00011	Dog	Rottweiler	7/1/06 8:42 AM	7/1/2006	DR	DOA	7/1/06 8:42 AM	7/1/2006
9	07-00012	Dog	Chihuahua Mix	7/1/06 8:55 AM	7/1/2006	IS	EI	7/10/06 12:00 AM	7/10/2006
10	07-00013	Cat	Domestic Short Hair	7/1/06 9:24 AM	7/1/2006	R	ADOPT	7/11/06 12:00 AM	7/11/2006
11	07-00014	Cat	Domestic Short Hair	7/1/06 9:25 AM	7/1/2006	R	ADOPT	7/11/06 12:00 AM	7/11/2006
12	07-00015	Dog	Chihuahua Mix	7/1/06 9:33 AM	7/1/2006	S	ET	7/10/06 12:00 AM	7/10/2006
13	07-00016	Cat	Domestic Short Hair	7/1/06 9:47 AM	7/1/2006	S	ET	7/12/06 12:00 AM	7/12/2006
14	07-00018	Cat	Domestic Long Hair	7/1/06 10:02 AM	7/1/2006	S	ADOPT	7/6/06 12:00 AM	7/6/2006
15	07-00017	Cat	Domestic Long Hair	7/1/06 10:02 AM	7/1/2006	S	ES	7/9/06 12:00 AM	7/9/2006
16	07-00019	Cat	Domestic Long Hair	7/1/06 10:02 AM	7/1/2006	S	ES	7/9/06 12:00 AM	7/9/2006
17	07-00020	Dog	Havanese	7/1/06 10:33 AM	7/1/2006	IS	EOR	7/13/06 12:00 AM	7/13/2006
18	07-00021	Cat	Domestic Short Hair	7/1/06 10:34 AM	7/1/2006	FS	EY	7/1/06 12:00 AM	7/1/2006
19	07-00022	Cat	Domestic Short Hair	7/1/06 10:36 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
20	07-00023	Dog	Pitbull Lab Mix	7/1/06 10:42 AM	7/1/2006	S	ET	7/10/06 12:00 AM	7/10/2006
21	07-00024	Dog	Border Terrier	7/1/06 10:44 AM	7/1/2006	S	ET	7/10/06 12:00 AM	7/10/2006
22	07-00026	Other	Rabbit	7/1/06 10:48 AM	7/1/2006	IS	EI	7/1/06 12:00 AM	7/1/2006
23	07-00025	Cat	Domestic Medium Hair	7/1/06 11:05 AM	7/1/2006	DS	DOA	7/1/06 11:05 AM	7/1/2006
24	07-00027	Cat	Domestic Short Hair	7/1/06 11:19 AM	7/1/2006	S	ADOPT	8/10/06 12:00 AM	8/10/2006
25	07-00028	Dog	Pomeranian	7/1/06 11:23 AM	7/1/2006	S	CBO	7/8/06 12:00 AM	7/8/2006
26	07-00029	Cat	Domestic Short Hair	7/1/06 11:30 AM	7/1/2006	FS	EF	7/10/06 12:00 AM	7/10/2006
27	07-00031	Cat	Domestic Short Hair	7/1/06 11:44 AM	7/1/2006	S	ET	7/12/06 12:00 AM	7/12/2006

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
Fiscaly ear (FY) 2007-08
Audit ID # S11-MCC-006
Raw Data - NON-MEDICAL RECORDS

TOTAL NUMBER OF ANIMAL RECORDS
26,682

* Looked for duplicates and found none.

A.8.10
G.10.3
G.10.3
G.15.PS

	AnimalID	Species	Breed	ImpoundDate	ImpoundDateShort	ImpoundCod	Action
1	08-00001	Dog	Labrador Retriever	7/1/07 12:08 AM	7/1/2007	SAFE	CBO
2	08-00002	Dog	Lab Mix	7/1/07 12:12 AM	7/1/2007	SAFE	CBO
3	08-00003	Dog	Chihuahua	7/1/07 7:43 AM	7/1/2007	IS	ET
4	08-00004	Cat	Domestic Short Hair	7/1/07 9:56 AM	7/1/2007	S	EY
5	08-00006	Cat	Domestic Short Hair	7/1/07 9:56 AM	7/1/2007	S	EY
6	08-00007	Cat	Domestic Short Hair	7/1/07 9:56 AM	7/1/2007	DS	DOA
7	08-00005	Cat	Domestic Short Hair	7/1/07 9:56 AM	7/1/2007	S	EY
8	08-00008	Dog	Chihuahua	7/1/07 2:31 PM	7/1/2007	SAFE	ET
9	08-00009	Dog	Pitbull	7/1/07 2:46 PM	7/1/2007	S	ADOPT
10	08-00010	Other	Peacock	7/1/07 2:51 PM	7/1/2007	S	ADOPT
11	08-00011	Cat	Domestic Short Hair	7/1/07 3:16 PM	7/1/2007	DR	DOA
12	08-00012	Dog	English Cocker Spaniel	7/1/07 3:17 PM	7/1/2007	DR	DOA
13	08-00013	Dog	German Shepherd Mix	7/1/07 3:19 PM	7/1/2007	DR	DOA
14	08-00014	Cat	Domestic Long Hair	7/1/07 3:20 PM	7/1/2007	FS	ET
15	08-00019	Cat	Domestic Short Hair	7/1/07 3:22 PM	7/1/2007	S	EY
16	08-00017	Cat	Domestic Short Hair	7/1/07 3:22 PM	7/1/2007	S	EY
17	08-00018	Cat	Domestic Short Hair	7/1/07 3:22 PM	7/1/2007	S	EY
18	08-00015	Cat	Domestic Short Hair	7/1/07 3:22 PM	7/1/2007	S	EY
19	08-00016	Cat	Domestic Short Hair	7/1/07 3:22 PM	7/1/2007	S	EY
20	08-00021	Cat	Domestic Medium Hair	7/1/07 3:27 PM	7/1/2007	SAFE	CBO
21	08-00020	Cat	Domestic Medium Hair	7/1/07 3:27 PM	7/1/2007	SAFE	CBO
22	08-00022	Cat	Domestic Medium Hair	7/1/07 3:27 PM	7/1/2007	SAFE	CBO
23	08-00023	Dog	German Shepherd Mix	7/1/07 3:36 PM	7/1/2007	S	ADOPT
24	08-00024	Cat	Domestic Short Hair	7/1/07 3:38 PM	7/1/2007	FS	EFS
25	08-00025	Dog	Lab Mix	7/1/07 3:47 PM	7/1/2007	S	ADOPT
26	08-00026	Dog	Poodle Mix	7/1/07 3:54 PM	7/1/2007	IS	EI
27	08-00027	Cat	Domestic Medium Hair	7/1/07 4:06 PM	7/1/2007	DR	DOA
28	08-00029	Cat	Domestic Medium Hair	7/1/07 4:08 PM	7/1/2007	SS	ET
29	08-00028	Cat	Domestic Medium Hair	7/1/07 4:08 PM	7/1/2007	SS	ET

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
Fiscal year (FY) 2008-09
Audit ID # S11-MCC-006
Raw Data - NON-MEDICAL RECORDS

TOTAL NUMBER OF ANIMAL RECORDS
32,858

* Auditor searched for f duplicate animal records and found none.

G.10.3 G.10.3 G.15.PS A.8.10

	SortSite	Species	Breed	ImpoundDate	ImpoundDateShr	ImpoundCode
1	05-08275	Dog	Great Pyrenees	7/2/08 10:49 AM	7/2/2008	S
2	05-09191	Dog	German Shepherd Mix	11/25/08 3:36 PM	11/25/2008	S
3	05-09223	Dog	Basset Hound	2/27/09 1:03 PM	2/27/2009	RB
4	05-10962	Other	Bird	7/28/08 11:00 AM	7/28/2008	DS
5	09-	Cat	Domestic Short Hair	2/2/09 11:27 AM	2/2/2009	S
6	09-00001	Dog	Pug	7/1/08 8:33 AM	7/1/2008	DR
7	09-00002	Dog	Lab Mix	7/1/08 8:45 AM	7/1/2008	DR
8	09-00003	Cat	Domestic Short Hair	7/1/08 9:27 AM	7/1/2008	S
9	09-00004	Cat	Domestic Short Hair	7/1/08 9:27 AM	7/1/2008	SS
10	09-00005	Dog	Pitbull Mix	7/1/08 9:38 AM	7/1/2008	S
11	09-00006	Cat	Domestic Short Hair	7/1/08 10:05 AM	7/1/2008	S
12	09-00007	Cat	Domestic Short Hair	7/1/08 10:06 AM	7/1/2008	S
13	09-00008	Dog	Terrier Mix	7/1/08 11:02 AM	7/1/2008	R
14	09-00009	Dog	Lab Mix	7/1/08 11:20 AM	7/1/2008	SS
15	09-00010	Cat	Domestic Short Hair	7/1/08 11:23 AM	7/1/2008	S
16	09-00011	Dog	Maltese	7/1/08 11:25 AM	7/1/2008	DR
17	09-00012	Dog	Chihuahua	7/1/08 11:28 AM	7/1/2008	SS
18	09-00013	Cat	Domestic Short Hair	7/1/08 11:33 AM	7/1/2008	S
19	09-00014	Cat	Domestic Short Hair	7/1/08 11:51 AM	7/1/2008	S
20	09-00015	Cat	Domestic Short Hair	7/1/08 11:56 AM	7/1/2008	FS
21	09-00016	Other	Opossum	7/1/08 12:01 PM	7/1/2008	IS
22	09-00017	Other	Opossum	7/1/08 12:01 PM	7/1/2008	IS
23	09-00018	Other	Opossum	7/1/08 12:01 PM	7/1/2008	IS
24	09-00019	Other	Opossum	7/1/08 12:01 PM	7/1/2008	IS
25	09-00025	Other	Rabbit	7/1/08 12:23 PM	7/1/2008	VOID
26	09-00020	Other	Opossum	7/1/08 12:01 PM	7/1/2008	IS
27	09-00021	Other	Opossum	7/1/08 12:01 PM	7/1/2008	IS
28	09-00022	Dog	Lab Mix	7/1/08 12:11 PM	7/1/2008	S
29	09-00023	Dog	German Shepherd Mix	7/1/08 12:12 PM	7/1/2008	R
30	09-00024	Other	Rooster	7/1/08 12:13 PM	7/1/2008	S
31	09-00026	Other	Rabbit	7/1/08 12:30 PM	7/1/2008	R
32	09-00027	Cat	Domestic Short Hair	7/1/08 12:35 PM	7/1/2008	DS
33	09-00028	Cat	Domestic Medium Hair	7/1/08 12:37 PM	7/1/2008	DS
34	09-00029	Cat	Domestic Short Hair	7/1/08 12:38 PM	7/1/2008	S
35	09-00030	Cat	Domestic Short Hair	7/1/08 12:38 PM	7/1/2008	S
36	09-00031	Cat	Domestic Short Hair	7/1/08 12:40 PM	7/1/2008	FS
37	09-00032	Dog	Boxer	7/1/08 12:40 PM	7/1/2008	S
38	09-00033	Cat	Domestic Short Hair	7/1/08 12:40 PM	7/1/2008	FS
39	09-00034	Cat	Siamese	7/1/08 12:42 PM	7/1/2008	FS

Tab 10

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Vet Care - Summary of claimed and allowable costs
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009
Audit ID # S11-MCC-006

Final Audit Report - June 15, 2012 Findings

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
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
	-	19,909	19,909
			EX.26
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
	-	62,578	62,578
			EX.26
	$ -	$ 82,487	$ 82,487
			A.4.14

	Salaries and Benefits			Indirect Cost Rate Allowable	Indirect Costs Allowable	Total Allowable
	Initial Exam	Wellness Vaccine	Total Allowable			
Salaries and benefits:						
2001-02	1,778	2,029	3,807	83.29%	3,171	6,978
2002-03	1,703	1,944	3,647	85.26%	3,109	6,756
2006-07	1,542	1,770	3,312	89.23%	2,955	6,267
2007-08	1,898	2,134	4,032	85.35%	3,441	7,473
2008-09	2,368	2,743	5,111	76.38%	3,904	9,015
	9,289	10,620	19,909		$ 16,580	$ 36,489
	EX.26	EX.26				
	EX.26	EX.26				

(1)

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Administration of a Wellness Vaccine - Salaries, Benefits, and Related Indirect Costs
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009
Audit ID # S11-MCC-006

		Application of Time Study Results					Amount Allowable				
Position	# of Eligible Animals	% of Vaccines Per Position < G.11.1 >	# of Vaccines per Position	Minutes per Vaccine	Allowable Minutes	Allowable Hours	Weighted Hourly Rate (based on 2,080)		Allowable Salaries	Allowable Benefits	Allowable Salaries & Benefits
FY 2001-02											
	Average 5,991									< A.4.15 > 27.33%	
ACT		47%	2,818	1.18	3,325	55	A.10.1	$ 12.06	663	181	844
ACO		53%	3,173	1.18	3,744	62		$ 15.01	931	254	1,185
		100%	5,991		7,069	117			1,594	435	2,029
FY- 2002-03											
	Average 5,991									19.29%	
ACT		47%	2,818	1.18	3,325	55		$ 12.10	666	128	794
ACO		53%	3,173	1.18	3,744	62		$ 15.55	964	186	1,150
		100%	5,991		7,069	117			1,630	314	1,944
FY- 2006-07 G.15.3											
	4,988									25.21%	
ACT		47%	2,346	1.18	2,768	46		$ 12.77	587	148	735
ACO		53%	2,642	1.18	3,118	52		$ 15.90	827	208	1,035
		100%	4,988		5,886	98			1,414	356	1,770
FY- 2007-08 G.15.2											
	5,778									29.35%	
ACT		47%	2,717	1.18	3,206	53		$ 12.79	678	199	877
ACO		53%	3,061	1.18	3,612	60		$ 16.20	972	285	1,257
		100%	5,778		6,818	113			1,650	484	2,134
FY- 2008-09 G.15.1											
	7,208									25.68%	
ACT		47%	3,390	1.18	4,000	67		$ 13.46	902	232	1,134
ACO		53%	3,818	1.18	4,505	75		$ 17.07	1,280	329	1,609
		100%	7,208		8,505	142			2,182	561	2,743
	29,956		29,956		35,347	587			8,470	2,150	10,620

EX.26

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
Vet Care - Initial Physical Exam
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009
Audit ID # S11-MCC-006

Position	# of Eligible Animals	Application of Time Study Results: % of Exams Per Position <G.11.1>	# of Examinations Per Position	Minutes per Exam	Allowable Minutes	Allowable Hours	Amount Allowable: Weighted Hourly Rate (based on 2,080)	Allowable Salaries	Allowable Benefits	Allowable Salaries & Benefits
FY- 2001-02										
	Average 6,137								<A.4.1.5> 27.33%	
ACT		45%	2,762	1.00	2,762	46	A.10.1 $ 12.06	555	152	707
ACO		55%	3,375	1.00	3,375	56	$ 15.01	841	230	1,071
		100%	6,137		6,137	102		1,396	382	1,778
FY- 2002-03										
	Average 6,137								19.29%	
ACT		45%	2,762	1.00	2,762	46	$ 12.10	557	107	664
ACO		55%	3,375	1.00	3,375	56	$ 15.55	871	168	1,039
		100%	6,137		6,137	102		1,428	275	1,703
FY- 2006-07 G.15.3										
	5,109								25.21%	
ACT		45%	2,299	1.00	2,299	38	$ 12.77	485	122	607
ACO		55%	2,810	1.00	2,810	47	$ 15.90	747	188	935
		100%	5,109		5,109	85		1,232	310	1,542
FY- 2007-08 G.15.2										
	5,970								29.35%	
ACT		45%	2,687	1.00	2,687	45	$ 12.79	576	169	745
ACO		55%	3,284	1.00	3,284	55	$ 16.20	891	262	1,153
		100%	5,971		5,971	100		1,467	431	1,898
FY- 2008-09 G.15.1										
	7,331								25.68%	
ACT		45%	3,299	1.00	3,299	55	$ 13.46	740	190	930
ACO		55%	4,032	1.00	4,032	67	$ 17.07	1,144	294	1,438
		100%	7,331		7,331	122		1,884	484	2,368
					30,685	511		7,407	1,882	9,289

EX.26

Southeast Area Animal Control Agency

Legislatively Mandated Animal Adoption Program

July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009

Audit ID # S11-MCC-006

Vet Care - Materials & Supplies -Wellness Vaccine Cost

	Fiscal Year					
	2001-02	2002-03	2006-07	2007-08	2008-09	Totals
Two dog vaccines	$ 1.95 ~	$ 1.95 ~	$ 3.37	$ 3.69	$ 3.89	
Eligible dogs	x 2,196 *	x 2,196 *	x 1,904	2,099	x 2,585	
Subtotal	$ 4,282	$ 4,282	$ 6,416	$ 7,745	$ 10,056	
One cat vaccine	$ 1.54	$ 1.54	$ 1.43	$ 1.60	$ 1.69	
Eligible cats	x 3,795 *	x 3,795 *	x 3,084	3,679	x 4,623	
Subtotal	$ 5,844	$ 5,844	$ 4,410	$ 5,886	$ 7,813	
Allowable costs	$ 10,126	$ 10,126	$ 10,826	$ 13,631	$ 17,869	$ 62,578
^ Indirect cost rates	x 0.00%	x 0.00%	x 0.00%	x 0.00%	x 0.00%	
Indirect Costs	$ -	$ -	$ -	$ -	$ -	$ -
Allowable	$ 10,126	$ 10,126	$ 10,826	$ 13,631	$ 17,869	$ 62,578

EX.26 A3.2

~Only one dog vaccine was administered in FY 2001-02 and FY2002-03

* Average of three years

The agency proposed and we accepted that vaccine costs for FY 2002-03 be based on actual costs for FY 2002-03.

^ The agency proposed that we use a Direct Salaries and Benefits base. Accordingly, we will not apply indirect costs to allowable vaccines costs.

Tab 11

Southeast Area Animal Control Agency
Legislativey Mandated Animal Adoption Program
Indirect Cost Summary
FY's 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09
Audit ID #S11-MCC-006

Final audit report findings June 15, 2012

Fiscal Year	Reimbursable Component	Salaries & Benefits (A) Claimed	Salaries & Benefits (B) Allowable per Audit	Salaries & Benefits (C) Adjustment (B) - (A)	Materials & Supplies (D) Claimed	Materials & Supplies (E) Allowable per Audit	Materials & Supplies (F) Adjustment (E) - (D)	Direct Costs (G) Claimed	Direct Costs (H) Allowable per Audit	Direct Costs (I) Adjustment (H) - (G)	Indirect Costs (J) Claimed	Indirect Costs (K) Allowable per Audit (B)/(H) x (K)	Indirect Costs (L) Allowable per Audit (E)/(H) x (K)	Indirect Costs (M) Adjustment (L) - (J)	Summary Total Claimed (G) + (J)	Summary Total Allowable (H) + (L)	Summary Total Adjustment (I) + (M)
2001/02	Care & Maint. Dogs/Cats	-	18,053	18,053	209,802	4,290	(205,512)	209,802	22,343	(187,459)	-	83.29%	15,036	15,036	209,802	37,379	(172,423)
	Care & Maint. Other Animals	-	703	703	23,215	167	(23,048)	23,215	870	(22,345)	-	83.29%	586	586	23,215	1,456	(21,759)
	Increased Holding Period	-	34,170	34,170	36,975		(36,975)	36,975	34,170	(2,805)	-	83.29%	28,460	28,460	36,975	62,630	25,655
	Lost and Found Lists	-	1,318	1,318			-	-	1,318	1,318	-	83.29%	1,098	1,098	-	2,416	2,416
	Maintaining Non-Medical Records	-	15,572	15,572			-	-	15,572	15,572	-	83.29%	12,970	12,970	-	28,542	28,542
	Necessary & Prompt Vet Care	-	3,807	3,807		10,126	10,126	-	13,933	13,933	-	83.29%	3,171	3,171	-	17,104	17,104
		-	73,623	73,623	269,992	14,583	(255,409)	269,992	88,206	(181,786)	-	83.29%	61,321	61,321	269,992	149,527	(120,465)
									A.4.14							A.4.13	
2002/03	Care & Maint. Dogs/Cats	-	20,019	20,019	225,079	3,575	(221,504)	225,079	23,594	(201,485)	-	85.26%	17,068	17,068	225,079	40,662	
	Care & Maint. Other Animals	-	780	780	-	139	139	-	919	919	-	85.26%	665	665	-	1,584	
	Increased Holding Period	-	33,139	33,139	90,302		(90,302)	90,302	33,139	(57,163)	-	85.26%	28,254	28,254	90,302	61,393	
	Lost and Found Lists	-	1,329	1,329			-	-	1,329	1,329	-	85.26%	1,133	1,133	-	2,462	
	Maintaining Non-Medical Records	-	15,478	15,478			-	-	15,478	15,478	-	85.26%	13,197	13,197	-	28,675	
	Necessary & Prompt Vet Care	-	3,647	3,647		10,126	10,126	-	13,773	13,773	-	85.26%	3,109	3,109	-	16,882	
		-	74,392	74,392	315,381	13,840	(301,541)	315,381	88,232	(227,149)	-	85.26%	63,426	63,426	315,381	151,658	(163,723)
									A.4.14							A.4.13	
2006/07	Care & Maint. Dogs/Cats	-	12,687	12,687	397,158	5,250	(391,908)	397,158	17,937	(379,221)	-	89.23%	11,321	11,321	397,158	29,258	
	Care & Maint. Other Animals	-	538	538	6,592	222	(6,370)	6,592	760	(5,832)	-	89.23%	480	480	6,592	1,240	
	Increased Holding Period	-	37,733	37,733	164,993		(164,993)	164,993	37,733	(127,260)	-	89.23%	33,669	33,669	164,993	71,402	
	Lost and Found Lists	-	1,489	1,489			-	-	1,489	1,489	-	89.23%	1,329	1,329	-	2,818	
	Maintaining Non-Medical Records	-	15,716	15,716			-	-	15,716	15,716	-	89.23%	14,023	14,023	-	29,739	
	Necessary & Prompt Vet Care	-	3,312	3,312		10,826	10,826	-	14,138	14,138	-	89.23%	2,955	2,955	-	17,093	
		-	71,475	71,475	568,743	16,298	(552,445)	568,743	87,773	(480,970)	-		63,777	63,777	568,743	151,550	(417,193)
									A.4.14							A.4.13	
2007/08	Care & Maint. Dogs & Cats	-	20,488	20,488	435,435	7,231	(428,204)	435,435	27,719	(407,716)	-	85.35%	17,487	17,487	435,435	45,206	
	Care & Maint. Other Animals	-	1,007	1,007	7,969	355	(7,614)	7,969	1,362	(6,607)	-	85.35%	859	859	7,969	2,221	
	Increased Holding Period	-	41,024	41,024	176,872		(176,872)	176,872	41,024	(135,848)	-	85.35%	35,014	35,014	176,872	76,038	
	Lost and Found Lists	-	1,648	1,648			-	-	1,648	1,648	-	85.35%	1,407	1,407	-	3,055	
	Maintaining Non-Medical Records	-	17,795	17,795			-	-	17,795	17,795	-	85.35%	15,188	15,188	-	32,983	
	Necessary & Prompt Vet Care	-	4,032	4,032		13,631	13,631	-	17,663	17,663	-	85.35%	3,441	3,441	-	21,104	
		-	85,994	85,994	620,276	21,217	(599,059)	620,276	107,211	(513,065)	-		73,396	73,396	620,276	180,607	(439,669)
									A.4.14							A.4.13	
2008/09	Care & Maint. Dogs & Cats	-	26,401	26,401	579,988	9,164	(570,824)	579,988	35,565	(544,423)	-	76.38%	20,165	20,165	579,988	55,730	
	Care & Maint. Other Animals	-	748	748	7,457	260	(7,197)	7,457	1,008	(6,449)	-	76.38%	571	571	7,457	1,579	
	Increased Holding Period	-	41,278	41,278	185,180		(185,180)	185,180	41,278	(143,902)	-	76.38%	31,528	31,528	185,180	72,806	
	Lost and Found Lists	-	1,647	1,647			-	-	1,647	1,647	-	76.38%	1,258	1,258	-	2,905	
	Maintaining Non-Medical Records	-	22,072	22,072			-	-	22,072	22,072	-	76.38%	16,859	16,859	-	38,931	
	Necessary & Prompt Vet Care	-	5,111	5,111		17,869	17,869	-	22,980	22,980	-	76.38%	3,904	3,904	-	26,884	
		-	97,257	97,257	772,625	27,293	(745,332)	772,625	124,550	(648,075)	-		74,285	74,285	772,625	198,835	(573,790)
									A.4.14							A.4.13	
		-	402,741	402,741	2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)			336,205	336,205	2,547,017	832,177	(1,714,840)
													A.4.14				
Recap: by Component																	
Care & Maint. Dogs & Cats		-	97,648	97,648	1,847,462	29,510	(1,817,952)	1,847,462	127,158	(1,720,304)	-		81,077	81,077	1,847,462	208,235	(172,423)
Care & Maint. Other Animals		-	3,776	3,776	45,233	1,143	(44,090)	45,233	4,919	(40,314)	-		3,161	3,161	45,233	8,080	(21,759)
Increased Holding Period		-	187,344	187,344	654,322	-	(654,322)	654,322	187,344	(466,978)	-		156,925	156,925	654,322	344,269	25,655
Lost and Found Lists		-	7,431	7,431	-	-	-	-	7,431	7,431	-		6,225	6,225	-	13,656	2,416
Maintaining Non-Medical Records		-	86,633	86,633	-	-	-	-	86,633	86,633	-		72,237	72,237	-	158,870	28,542
Necessary & Prompt Vet Care		-	19,909	19,909	-	62,578	62,578	-	82,487	82,487	-		16,580	16,580	-	99,067	17,104
		-	402,741	402,741	2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)			336,205	336,205	2,547,017	832,177	(120,465)

Southeast Area Animal Control Agency

Legislatively Mandated Animal Adoption Program

July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009

Audit ID # S11-MCC-006

Overhead costs claimed and allowable IC Rates

Final Audit Report - June 15, 2012 Findings

Final Audit Report Indirect Costs Rates - Base: Direct Salaries and Benefits

For each fiscal year in the audit period, we calculated the following indirect cost rates, which will be applied to direct salaries and benefits.

Category	Fiscal Year 2001-02	2002-03	2006-07	2007-08	2008-09
Administrative support (Division 2510)*	$ 874,901	$ 984,533	$ 1,165,918	$ 1,235,016	$ 1,289,873
Utility expense	57,436	70,481	76,425	71,942	86,455
Ofice 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 maintencae	19,062	10,908	11,923	74,990	(6,708)
Staff development	2,985	1,478	4,727	5,856	5,166
Front office supervisory salaries and benefits	55,870	50,100	52,581	53,520	52,802
A Total Indirect Cost	1,043,219	1,129,028	1,312,994	1,442,069	1,429,377
B Total Direct Salaries and Benefits	$1,252,535	$1,324,215	$1,471,493	$1,689,597	$ 1,871,419
A Total Indirect Costs	1,043,219	1,129,028	1,312,994	1,442,069	1,429,377
B Total 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%

EX.27
A.3.2

FY 2001-02 - Page 1 of 2

Revised for May 22, 2012 Draft audit report.

Auditor Analysis	Administration - 2510	Animal Control - 2520	Animal Shelter - 2530	Kennel -2541	Veterinary -2540	LicenseCanvassing-2560
	Benefit Rate / Total Costs Allowable	Benefit Rate / Total Costs Allowable	Benefit Rate	Benefit Rate	Benefit Rate	Benefit Rate
00- PERSSONNEL SERVICES			A.4.4			
Salaries & Wages	205,988	- $ 361,928	37,689 $ 116,602	$ 115,010	- $ 153,423	- $ 72,073
Part-time Wages & Overtime	-	50,057	24,639	54,183	397	80,367
Benefits	38.64% 79,586	26.11% - 94,486	48.24% 18,181 56,243	10.66% 12,265	27.93% - 42,844	24.94% - 17,978
Personnel Services Total	$ 285,574	$ - $ 506,511	$ 55,870 $ 197,484	$ - $ 181,458	$ - $ 196,664	$ - $ 170,418
00- Total OPR MATL & SUPPLIES	Indirect Costs / Unallowable	Direct Costs	A4.PS			
130 Office Supplies	130 7,125	130	130 75		130	130 647
140 Special Act Supplies	140 2,361	140 2,530	140 41,702		140 36,915	140 3,219
141 Industrial Gas	141	141	141 8,394		141	141
142 Animal License Supplies	142	142	142 934		142	142
144 Computer software & License	144	144	144		144	144
160 Books & Publications	160 281	160	160		160	160
180 Clothing	180	180 3,776	180 3,319		180 859	180 1,870
290 Small Tools and Implements	56		290 67		290	
310 Advertising	310 1,318	310	310		310	310
320 Printing & Binding	320 2,177	320 171	320 2,281		320	320 9,900
330 Photo & Blueprinting	330	330 334	330		330	330
340 Print shop Charges	340 835	340 258	340 67		340	340
361 Building Rental	361 16,057	361	361 31,986		361	361
360 SVCS Maintain Buildings	360	360	360 4,853		360	360
407 SVCS Maint - Comp	407	407	407		407	407
410 SVCS Main Comm Equipment			410 14,211			
450 Auditing Services	450 4,200	450	450		450	450
451 Administrative Overhead	451 40,000	451	451		451	451
470 Legal services-Retainer	470 595	470	470		470	470
480 Staff Development	480	480 641	480 1,465		480 879	480
530 Other Prof. Services	530	530	530		530	530
550 Electricity Bills	550	550	550 26,891		550	550
556 Gas Bills	556	556	556 390		556	556
560 Telephone	560	560	560 28,089		560	560
570 Water	570	570	570 2,066		570	570
580 Travel & Meet Expenses	580 11,800	580	580		580	580
590 Travel & Meet Expenses SPC	590 9,825	590	590		590	590
600 Milage	600	600	600		600	600 11,022
620 Interest Expense	620 4	620	620		620	620
630 Unemployment insurance	630 11,205	630	630		630	630
640 Postage	640 1,987	640	640		640	640 13,341
670 Prof & Tech services Fees	670 1,822	670	670		670	670
690 Medical Exam Fees - Pre employment	690 980	690	690		690	690 360
700 Contract Services -MOC	700 18,885	700 14,000	700 18,532		700 55,573	700
710 Public Liability Insurance	710 52,119	710	710		710	710
740 Health Insurance	740 172,328	740	740		740	740
760 Workers compensation insurance	760 165,852	760	760		760	760
765 LTD Insurance	765 12,118	765	765		765	765
780 Retirement -PERS	780 4,431	780	780		780	780
860 Equipment Rent -City	860	860 61,171	860		860	860
861 Equipment Rent-Replacement	861	861	861		861	861
870 Equipment Rent-Private	870 8,829	870	870		870	870
900 Office Equipment -	900 5,884				900	900
930 Office Equipment - Furniture	930 36,253					
940 Other Vehicles -Office Equipment	940	940 25,700	940		940	940
970 Communication Equip.- Office Equipment	970	970	970		970	970
Line Item Cost Total	$ 589,323 $ 4	$ 108,581 $ -	$ 185,310		$ 94,225	$ 40,499
Cost Adjustments and/or Cost Plan Costs						
A-87 Cost Allocation						
Cost Allocation subtotal	$ -					
Personnel Services Total	285,574 -	506,511 -	55,870 197,484	181,458	196,664	170,418
Line Item Cost Total	589,323 4	108,581 -	185,310	-	94,225	40,499
Cost Allocation subtotal	- -	- -	-	-	-	-
TOTAL ALL COSTS	$ 874,897 $ 4	$ 615,092 $ -	$ 55,870 $ 382,794	$ 181,458	$ 290,889	$ 210,917

FY 2001-02 - Page 2 of 2

ICRP Using ALL SALARIES AND BENEFITS AS A BASE

	Benefit Rate Over all		Unallowable Cost	Indirect Costs Allowable	Direct Costs Allowable	Benefit Rate Direct
00- PERSSONNEL SERVICES	**00- PERSSONNEL SERVICES**					
Salaries & Wages		$ 1,062,713		$ 243,677	$ 819,036	
Part-time Wages & Overtime		209,683		-	209,683	DIRECT
Benefits	30.26%	321,583		97,767	223,816	27.33%
Personnel Services Total		$ 1,593,979		$ 341,444	$ 1,252,535	A.4.15
00- Total OPR MATL & SUPPLIES	**00- Total OPR MATL & SUPPLIES**			Indirect Costs	Direct Costs	A4.PS
130 Office Supplies	130	8,047		8,047	-	
140 Special Act Supplies	140	86,727		2,361	84,366	
141 Industrial Gas	141	8,394		-	8,394	
142 Animal License Supplies	142	934		-	934	
144 Computer software & License	144	-		-	-	
160 Books & Publications	160	281		281	-	
180 Clothing	180	9,763		-	9,763	
290 Small Tools and Implements	290	113		113	-	
310 Advertising	310	1,318		1,318	-	
320 Printing & Binding	320	14,529		2,177	12,352	
330 Photo & Blueprinting	330	334		-	334	
340 Print shop Charges	340	1,160		835	325	
361 Building Rental	361	48,043		48,043	-	
360 SVCS Maintain Buildings	360	4,851		4,851	-	
407 SVCS Maint - Comp	407	-		-	-	
410 SVCS Main Comm Equipment	410	14,211		14,211	-	
450 Auditing Services	450	4,200		4,200	-	
451 Administrative Overhead	451	40,000		40,000	-	
470 Legal services-Retainer	470	595		595	-	
480 Staff Development	480	2,985		2,985	-	
530 Other Prof. Services	530	-		-	-	
550 Electricity Bills	550	26,891		26,891	-	
556 Gas Bills	556	390		390	-	
560 Telephone	560	28,089		28,089	-	
570 Water	570	2,066		2,066	-	
580 Travel & Meet Expenses	580	11,800		11,800	-	
590 Travel & Meet Expenses SPC	590	9,825		9,825	-	
600 Milage	600	11,022		-	11,022	
620 Interest Expense	620	4	4	-		
630 Unemployment Insurance	630	11,205		11,205	-	
640 Postage	640	15,328		1,987	13,341	
670 Prof & Tech services Fees	670	1,822		1,822	-	
690 Medical Exam Fees - Pre employment	690	1,340		980	360	
700 Contract Services -MOC	700	106,990		18,885	88,105	
710 Public Liability Insurance	710	52,119		52,119	-	
740 Health Insurance	740	172,328		172,328	-	
760 Workers compensation insrance	760	165,852		165,852	-	
765 LTD Insurance	765	12,118		12,118	-	
780 Retirement -PERS	780	4,431		4,431	-	
860 Equipment Rent -City	860	61,171		-	61,171	
861 Equipment Rent-Replacement	861	-		-	-	
870 Equipment Rent-Private	870	8,829		8,829	-	
900 Office Equipment -	900	5,884		5,884	-	
930 Office Equipment - Furniture		36,253		36,253	-	
940 Other Vehicles -Office Equipment	940	25,700		-	25,700	
970 Communication Equip.- Office Equipment	970	-		-	-	
Line Item Cost Total		$ 1,017,942	$ 4	$ 701,771	$ 316,167	
Cost Adjustments and/or Cost Plan Costs						
A-87 Cost Allocation				-		
Cost Allocation subtotal				$ -		
Personnel Services Total		1,593,979				
Line Item Cost Total		1,017,942				
Cost Allocation subtotal		-				
TOTAL ALL COSTS		$ 2,611,921	$ 4	$ 1,043,215	$ 1,568,702	V

Related Indirect Cost Rate

83.29% $ 1,043,215 Total Indirect Costs

$ 1,252,535 Total DIRECT SALARIES AND BENEFITS

FY 2002-03 - Page 1 of 2

Source: H.1.7

Revised for May 22, 2012 Draft audit report.

Auditor Analysis		Administration - 2510		Animal Control - 2520		Animal Shelter - 2530		Kennel -2541	Veterinary -2540	LicenseCanvassing-2560
		Benefit Rate	Total Costs Allowed	Benefit Rate	Indirect Sal. & Ben.	Benefit Rate		Benefit Rate	Benefit Rate	Benefit Rate
00- PERSSONNEL SERVICES										
Salaries & Wages			206,626	-	$ 391,100	38,919	$ 149,374	$ 158,136	- $ 160,072	- $ 71,230
Part-time Wages & Overtime			-		48,661		25,467	26,882	775	112,865
Benefits		33.30%	68,806	18.10% -	70,800	28.73% 11,181	42,911	8.46% -	13,398 22.82% -	36,534 22.20% - 15,810
Personnel Services Total			275,432	$ -	$ 510,561	$ 50,100	$ 217,752	$ -	$ 198,616 $ -	$ 197,381 $ - $ 199,905
00- Total OPR MATL & SUPPLIES		Indirect Costs		Direct Costs		Direct Costs		Direct Costs	Direct Costs	Direct Costs
130 Office Supplies	130		6,225	130		130				900
140 Special Act Supplies	140		6,803	140	5,793	140	35,556		65,322	1,508
141 Industrial Gas	141			141		141	15,683			
142 Animal License Supplies	142			142		142	1,875			
144 Computer software & License	144			144		144				
160 Books & Publications	160		116	160		160				
180 Clothing	180			180	7,360	180	3,007		949	2,185
290 Small Tools and Implements	290		(38)	290		290	2,004			
310 Advertising	310		634	310		310				
320 Printing & Binding	320		5,263	320		320				6,561
330 Photo & Blueprinting	330			330	295	330				
340 Print shop Charges	340		1,088	340	63	340	964			237
361 Building Rental	361		32,114	361		361				
360 SVCS Maintain Buildings	360			360		360	8,624			
407 SVCS Maint - Comp	407			407		407				
410 SVCS Main Comm Equipment	410					410	10,908			
450 Auditing Services	450		4,200	450		450				
451 Administrative Overhead	451		40,000	451		451				
470 Legal services-Retainer	470		20,013	470		470				
480 Staff Development	480			480	653	480	400		425	
530 Other Prof. Services	530			530		530				
550 Electricity Bills	550			550		550	42,025			
556 Gas Bills	556			556		556	111			
560 Telephone	560			560		560	25,844			
570 Water	570			570		570	2,501			
580 Travel & Meet Expenses	580		7,846	580		580				5,486
590 Travel & Meet Expenses SPC	590		20,000	590		590				
600 Mileage	600			600		600				
620 Interest Expense	620	620		620		620				
630 Unemployment Insurance	630		29,030	630		630				
640 Postage	640		2,376	640		640				14,489
670 Prof & Tech services Fees	670		2,436	670		670				
690 Medical Exam Fees - Pre employment	690		620	690		690				540
700 Contract Services -MOC	700		31,829	700	14,000	700	54,978		18,214	5,089
710 Public Liability Insurance	710		60,766	710		710				
740 Health Insurance	740		198,342	740		740				
760 Workers compensation insurance	760		210,831	760		760				
762 Retro Worker S Comp	762		(9,676)							
765 LTD Insurance	765		13,046	765		765				
780 Retirement -PERS	780		4,457	780		780				
860 Equipment Rent -City	860			860	48,417	860				
861 Equipment Rent-Replacement	861			861		861				
870 Equipment Rent-Private	870		8,969	870		870	20			
900 Office Equipment -	900		13,811							
940 Other Vehicles -Office Equipment	940			940		940				
970 Communication Equip.- Office Equipment	970			970		970				
Line Item Cost Total			$ 709,101	$ -	$ 76,580	$ -	$ 204,500		$ 84,910	$ 36,995
Cost Adjustments and/or Cost Plan Costs										
A-87 Cost Allocation										
Cost Allocation subtotal			$ -							
Personnel Services Total			275,432	-	510,561	-	50,100	217,752	198,616	197,381 199,905
Line Item Cost Total			709,101	-	76,580	-		204,500	-	84,910 36,995
Cost Allocation subtotal			-	-	-	-		-	-	- -
TOTAL ALL COSTS			$ 984,533	$ -	$ 587,141	$ -	$ 50,100	$ 422,252	$ 198,616	$ 282,291 $ 236,900

A4.PS

FY 2002-03 - Page 2 of 2

ICRP Using All SALARIES AND BENEFITS AS A BASE

		Benefit Rate Over all		Unallowable Cost	Indirect Costs Allowable	Direct Costs Allowable	Direct Benefit Rate
	00- PERSSONNEL SERVICES						
	Salaries & Wages		$ 1,175,657		$ 245,545	$ 930,112	
	Part-time Wages & Overtime		214,650		-	214,650	DIRECT
	Benefits	22.07%	259,440		79,987	179,453	19.29%
	Personnel Services Total		$ 1,649,747		$ 325,532	$ 1,324,215	A.4.15
	00- Total OPR MATL & SUPPLIES				Indirect Costs	Direct Costs	A4.PS
130	Office Supplies		7,125		7,125	-	
140	Special Act Supplies		114,981		6,803	108,178	
141	Industrial Gas		15,683		-	15,683	
142	Animal License Supplies		1,875		-	1,875	
144	Computer software & License		-		-	-	
160	Books & Publications		116		116	-	
180	Clothing		13,501		-	13,501	
290	Small Tools and Implements		1,966		1,966	-	
310	Advertising		634		634	-	
320	Printing & Binding		9,824		3,263	6,561	
330	Photo & Blueprinting		295		-	295	
340	Print shop Charges		2,352		1,088	1,264	
361	Building Rental		32,114		32,114	-	
360	SVCS Maintain Buildings		8,624		8,624	-	
407	SVCS Maint - Comp		-		-	-	
410	SVCS Main Comm Equipment		10,908		10,908	-	
450	Auditing Services		4,200		4,200	-	
451	Administrative Overhead		40,000		40,000	-	
470	Legal services-Retainer		20,013		20,013	-	
480	Staff Development		1,478		1,478	-	
530	Other Prof. Services		-		-	-	
550	Electricity Bills		42,025		42,025	-	
556	Gas Bills		111		111	-	
560	Telephone		25,844		25,844	-	
570	Water		2,501		2,501	-	
580	Travel & Meet Expenses		7,846		7,846	-	
590	Travel & Meet Expenses SPC		20,000		20,000	-	
600	Mileage		5,486		-	5,486	
620	Interest Expense		-		-	-	
630	Unemployment Insurance		29,030		29,030	-	
640	Postage		16,865		2,376	14,489	
670	Prof & Tech services Fees		2,436		2,436	-	
690	Medical Exam Fees - Pre employment		1,160		620	540	
700	Contract Services -MOC		124,110		31,829	92,281	
710	Public Liability Insurance		60,766		60,766	-	
740	Health Insurance		198,342		198,342	-	
760	Workers compensation insurance		210,831		210,831	-	
762	Retro Worker S Comp		(9,676)		(9,676)	-	
765	LTD Insurance		13,046		13,046	-	
780	Retirement -PERS		4,457		4,457	-	
860	Equipment Rent -City		48,417		-	48,417	
861	Equipment Rent-Replacement		-		-	-	
870	Equipment Rent-Private		8,989		8,969	20	
900	Office Equipment -		13,811		13,811	-	
940	Other Vehicles -Office Equipment		-		-	-	
970	Communication Equip.- Office Equipment		-		-	-	
	Line Item Cost Total		$ 1,112,086	$ -	$ 803,496	$ 308,590	
	Cost Adjustments and/or Cost Plan Costs						
	A-87 Cost Allocation				-		
	Cost Allocation subtotal				$ -		
	Personnel Services Total		1,649,747				
	Line Item Cost Total		1,112,086				
	Cost Allocation subtotal		-				
	TOTAL ALL COSTS		$ 2,761,833		$ 1,129,028	$ 1,632,805	

Indirect Cost Rate

85.26%

$ 1,129,028 Total Indirect Costs

$ 1,324,215 Total DIRECT SALARIES AND BENEFITS

Revised for May 22, 2012 Draft audit report.

Auditor Analysis	Admin - 2510		Animal Control - 2520		Animal Shelter - 2530		Kennel -2541		Vet -2540		LicenseCanvassing-2560	
	Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed		Benefit Rate Allowed		Benefit Rate Allowed		Benefit Rate Allowed	
00- PERSSONNEL SERVICES					A.4.4							
Salaries & Wages		237,365	-	$ 261,286	37,850	$ 145,486	-	$ 118,836	-	$ 188,453	-	$ 103,686
Part-time Wages & Overtime		27,015		146,079		67,561		85,854		27,323		123,167
Benefits	47.15%	111,928	21.33% -	55,750	38.91% 14,731	55,837	15.82% -	18,800	24.87% -	46,866	27.40% -	28,409
Personnel Services Total		376,308	$ -	$ 463,215	$ 52,581	$ 266,884	$ -	$ 223,490	$ -	$ 262,642	$ -	$ 255,262
00- Total OPR MATL & SUPPLIES					A4.PS							
130 Office Supplies	130	13,681	130		130	332			130		130	681
140 Special Act Supplies	140	5,892	140	2,968	140	50,248			140	178,628	140	2,189
141 Industrial Gas	141		141		141	6,371			141		141	
142 Animal License Supplies	142		142		142	2,493			142		142	
144 Computer software & License	144		144		144				144		144	
160 Books & Publications	160	1,063	160		160				160		160	
180 Clothing	180	77	180	6,307	180	4,347			180	1,018	180	2,771
290 Small Tools and Implements									290	207		
310 Advertising	310	6,574	310		310				310		310	
320 Printing & Binding	320	3,936	320	709	320	562			320		320	7,147
330 Photo & Blueprinting	330		330	22	330				330		330	
340 Print shop Charges	340	3,148	340		340				340		340	
361 Building Rental	361		361		361				361		361	
360 SVCS Maintain Buildings	360		360		360	3,529			360		360	
407 SVCS Maint - Comp	407		407		407				407		407	
410 SVCS Main Comm Equipment			410		410	8,394			410		410	
450 Auditing Services	450	4,000	450		450				450		450	
451 Administrative Overhead	451	40,000	451		451				451		451	
470 Legal services-Retainer	470	10,326	470		470				470		470	
480 Staff Development	480	300	480	1,278	480	2,393			480	1,056	480	
530 Other Prof. Services	530		530		530				530		530	
550 Electricity Bills	550		550		550	39,879			550		550	
556 Gas Bills	556		556		556	238			556		556	
560 Telephone	560		560		560	33,635			560		560	
570 Water	570		570		570	2,673			570		570	
580 Travel & Meet Expenses	580	11,328	580		580				580		580	
590 Travel & Meet Expenses SPC	590	19,350	590		590				590		590	
600 Mileage	600		600		600				600		600	6,447
620 Interest Expense	620		620		620				620		620	
630 Unemployment insurance	630	25,050	630		630				630		630	
640 Postage	640	2,360	640		640				640		640	20,621
670 Prof & Tech services Fees	670	2,884	670		670				670		670	
690 Medical Exam Fees - Pre employment	690	1,740	690		690				690		690	820
700 Contract Services -MOC	700	123,668	700		700				700	15,623	700	3,083
710 Public Liability Insurance	710	133,037	710		710				710		710	
740 Health Insurance	740	202,121	740		740				740		740	
760 Workers compensation insurance	760	133,765	760		760				760		760	
765 LTD Insurance	765	9,025	765		765				765		765	
780 Retirement -PERS	780	9,512	780		780				780		780	
860 Equipment Rent -City	860		860	55,404	860				860		860	
861 Equipment Rent-Replacement	861		861		861				861		861	
870 Equipment Rent-Private	870	3,308	870		870				870		870	
900 Office Equipment -	900	23,465							900		900	
940 Other Vehicles -Office Equipment	940		940	-	940				940		940	
970 Communication Equip.- Office Equipment	970		970		970				970		970	
Line Item Cost Total		$ 789,610	$ -	$ 68,628	$ 4,260	$ 155,114				$ 199,532		$ 43,959
Cost Adjustments and/or Cost Plan Costs												
A-87 Cost Allocation												
Cost Allocation subtotal												
Personnel Services Total		376,308	-	463,215	-	52,581 266,884		223,490		262,642		255,262
Line Item Cost Total		789,610	-	68,628	4,260	155,114		-		199,532		43,959
Cost Allocation subtotal		-	-	-	-	-		-		-		-
TOTAL ALL COSTS		$ 1,165,918	$ -	$ 531,843	$ 4,260	$ 421,998		$ 223,490		$ 462,174		$ 299,221

FY 2006-07

ICRP Using ALL SALARIES AND BENEFITS AS A BASE

	Benefit Rate Over all		Unallowable Cost	Indirect Costs Allowable	Direct Costs Allowable	Direct Benefit Rate
00- PERSSONNEL SERVICES						
Salaries & Wages		$ 1,091,062		$ 275,215	$ 815,847	
Part-time Wages & Overtime		476,999		27,015	449,984	DIRECT
Benefits	30.46%	332,321		126,659	205,662	25.21%
Personnel Services Total		$ 1,900,382		$ 428,889	$ 1,471,493	

A.4.15

A4.PS

	00- Total OPR MATL & SUPPLIES			Indirect Costs	Direct Costs	
130	Office Supplies	130	14,894	14,894	-	
140	Special Act Supplies	140	239,865	5,892	233,973	
141	Industrial Gas	141	6,371	-	6,371	
142	Animal License Supplies	142	2,493	-	2,493	
144	Computer software & License	144	-	-	-	
160	Books & Publications	160	1,063	1,063	-	
180	Clothing	180	16,520	77	16,443	
290	Small Tools and Implements	290	207	207	-	
310	Advertising	310	6,574	6,574	-	
320	Printing & Binding	320	16,634	3,936	12,698	
330	Photo & Blueprinting	330	22	-	22	
340	Print shop Charges	340	3,148	3,148	-	
361	Building Rental	361	-	-	-	
360	SVCS Maintain Buildings	360	3,529	3,529	-	
407	SVCS Maint - Comp	407	-	-	-	
410	SVCS Main Comm Equipment	410	8,394	8,394	-	
450	Auditing Services	450	4,000	4,000	-	
451	Administrative Overhead	451	40,000	40,000	-	
470	Legal services-Retainer	470	10,326	10,326	-	
480	Staff Development	480	5,027	5,027	-	
530	Other Prof. Services	530	-	-	-	
550	Electricity Bills	550	39,879	39,879	-	
556	Gas Bills	556	238	238	-	
560	Telephone	560	33,635	33,635	-	
570	Water	570	2,673	2,673	-	
580	Travel & Meet Expenses	580	11,328	11,328	-	
590	Travel & Meet Expenses SPC	590	19,350	19,350	-	
600	Mileage	600	6,447	-	6,447	
620	Interest Expense	620	-	-	-	
630	Unemployment Insurance	630	25,050	25,050	-	
640	Postage	640	22,981	2,360	20,621	
670	Prof & Tech services Fees	670	2,884	2,884	-	
690	Medical Exam Fees - Pre employment	690	2,560	1,740	820	
700	Contract Services -MOC	700	145,374	123,668	21,706	
710	Public Liability Insurance	710	133,037	133,037	-	
740	Health Insurance	740	202,121	202,121	-	
760	Workers compensation insurance	760	133,765	133,765	-	
765	LTD Insurance	765	9,025	9,025	-	
780	Retirement -PERS	780	9,512	9,512	-	
860	Equipment Rent -City	860	55,404	-	55,404	
861	Equipment Rent-Replacement	861	-	-	-	
870	Equipment Rent-Private	870	3,308	3,308	-	
900	Office Equipment -	900	23,465	23,465	-	
940	Other Vehicles -Office Equipment	940	-	-	-	
970	Communication Equip.- Office Equipment	970	-	-	-	
	Line Item Cost Total		$ 1,261,103	$ -	$ 884,105	$ 376,998

$ 1,261,103

(8)

Cost Adjustments and/or Cost Plan Costs				
A-87 Cost Allocation			-	
Cost Allocation subtotal			$ -	

Personnel Services Total		1,900,382			
Line Item Cost Total		1,261,103			
Cost Allocation subtotal		-			
TOTAL ALL COSTS	$ 3,161,485	$ -	$ 1,312,994	$ 1,848,491	

Indirect Cost Rate

89.23% $ 1,312,994 Total Indirect Costs

$ 1,471,493 Total DIRECT SALARIES AND BENEFITS

FY 2007-08 - Page 1 of 2

Source: < 11.3.9

Revised for May 22, 2012 Draft audit report

Auditor Analysis	Administration - 2510		Animal Control - 2520		Animal Shelter - 2530		Kennel - 2531		Veterinary - 2540		License and Issuing - 2560	
	Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed	Total Costs Allowed	Benefit Rate Allowed		Benefit Rate Allowed		Benefit Rate Allowed		Benefit Rate Allowed	
Personnel Services:					A.4.4							
Salaries & Wages		282,489	-	$ 317,268		39,721 $ 191,350		$ 76,390	-	$ 235,478	-	$ 109,273
Part-time Wages & Overtime		20,118		167,593		153,353		17,102		7,971		140,970
Benefits	45.67%	129,000	29.71% -	94,272	34.73%	13,799 66,464	15.88%	12,128	29.44% -	69,324	28.06% -	30,661
Personnel Services Total		$ 431,607	$ -	$ 579,153		$ 53,520 $ 411,147		$ 105,620	$ -	$ 312,773	$ -	$ 280,904
Line Item Costs (Services, Supplies & Other;					A4.PS							
130 Office Supplies	130	8,856	130			130 384			130		130	240
140 Special Act Supplies	140	4,987	140	6,152		140 69,666			140	192,825	140	1,799
141 Industrial Gas	141		141			141 8,252			141		141	
142 Animal License Supplies	142		142			142 2,483			142		142	
144 Computer software & License	144	10,223	144			144			144		144	
160 Books & Publications	160	486	160			160			160		160	
180 Clothing	180		180	8,212		180 5,455			180	1,144	180	3,693
290 Small Tools and Implements									290	121		
310 Advertising	310	417	310			310			310		310	
320 Printing & Binding	320	4,609	320	150		320			320		320	13,372
330 Photo & Blueprinting	330		330	634		330			330		330	
340 Print shop Charges	340	1,391	340			340 67			340		340	
361 Building Rental	361		361			361			361		361	
360 SVCS Maintain Buildings	360		360			360 75,687			360		360	
407 SVCS Maint - Comp	407		407			407			407		407	
410 SVCS Main Comm Equipment						410 1,303						
450 Auditing Services	450	4,100	450			450			450		450	
451 Administrative Overhead	451	40,000	451			451			451		451	
470 Legal services-Retainer	470	1,776	470			470			470		470	
480 Staff Development	480	240	480	1,492		480 2,437			480	1,927	480	
530 Other Prof. Services	530		530			530			530		530	
550 Electricity Bills	550		550			550 40,047			550		550	
556 Gas Bills	556		556			556 6,216			556		556	
560 Telephone	560		560			560 22,859			560		560	
570 Water	570		570			570 2,820			570		570	
580 Travel & Meet Expenses	580	13,918	580			580			580		580	
590 Travel & Meet Expenses SPC	590	20,250	590			590			590		590	
600 Mileage	600		600			600			600		600	9,859
620 Interest Expense	620		620			620			620		620	
630 Unemployment insurance	630	17,598	630			630			630		630	
640 Postage	640	2,571	640			640			640		640	23,003
670 Prof & Tech services Fees	670	4,582	670			670			670		670	
690 Medical Exam Fees - Pre employment	690	2,750	690			690			690		690	
700 Contract Services -MOC	700	98,145	700			700			700	25,549	700	6,287
710 Public Liability Insurance	710	125,095	710			710			710		710	
740 Health Insurance	740	248,108	740			740			740		740	
760 Workers compensation Insurance	760	120,480	760			760			760		760	
765 LTD Insurance	765	11,357	765			765			765		765	
780 Retirement -PERS	780	9,761	780			780			780		780	
860 Equipment Rent -City	860		860	82,006		860			860		860	
861 Equipment Rent-Replacement	861	25,000	861	63,000		861			861		861	
870 Equipment Rent-Private	870	15,265	870			870			870		870	
900 Office Equipment -	900	11,444							900		900	
940 Other Vehicles -Office Equipment	940		940			940			940		940	
970 Communication Equip.- Office Equipment	970		970			970			970		970	
Line Item Cost Total		803,409 $ -		$ 161,646	$ 8,712		$ 234,676			$ 221,566		$ 58,053
Cost Adjustments and/or Cost Plan Costs												
A-87 Cost Allocation												
Cost Allocation subtotal												
Personnel Services Total		431,607 -		579,153 -		53,520	411,147		105,620		312,773	280,904
Line Item Cost Total		803,409 -		161,646	8,712		234,676		-		221,566	58,053
Cost Allocation subtotal		- -		-	-		-		-		-	-
TOTAL ALL COSTS		1,235,016 $ -		$ 740,799	$ 8,712	$ 53,520	$ 645,823		$ 105,620		$ 534,339	$ 338,957

FY 2007-08 - Page 2 of 2

ICRP Using All SALARIES AND BENEFITS AS A BASE

		Benefit Rate Over all		Unallowable Cost	Indirect Costs Allowable	Direct Costs Allowable	Direct Benefit Rate
Personnel Services:							
Salaries & Wages			$ 1,251,989		$ 322,210	$ 929,779	
Part-time Wages & Overtime			507,087		20,118	486,969	DIRECT
Benefits		33.20%	415,648		142,799	272,849	29.35%
Personnel Services Total			$ 2,174,724		$ 485,127	$ 1,689,597	A.4.15
							A4.PS
Line Item Costs (Services, Supplies & Other;							
130 Office Supplies	130		$ 9,480		$ 9,480	$ -	
140 Special Act Supplies	140		274,429		4,987	269,442	
141 Industrial Gas	141		8,252		-	8,252	
142 Animal License Supplies	142		2,483		-	2,483	
144 Computer software & License	144		10,223		10,223	-	
160 Books & Publications	160		486		486	-	
180 Clothing	180		18,504		-	18,504	
290 Small Tools and Implements	290		121		121	-	
310 Advertising	310		417		417	-	
320 Printing & Binding	320		26,643		4,609	22,034	
330 Photo & Blueprinting	330		634		-	634	
340 Print shop Charges	340		1,458		1,391	67	
361 Building Rental	361		-		-	-	
360 SVCS Maintain Buildings	360		73,687		73,687	-	
407 SVCS Maint - Comp	407		-		-	-	
410 SVCS Main Comm Equipment	410		1,303		1,303	-	
450 Auditing Services	450		4,100		4,100	-	
451 Administrative Overhead	451		40,000		40,000	-	
470 Legal services-Retainer	470		1,776		1,776	-	
480 Staff Development	480		6,096		6,096	-	
530 Other Prof. Services	530		-		-	-	
550 Electricity Bills	550		40,047		40,047	-	
556 Gas Bills	556		6,216		6,216	-	
560 Telephone	560		22,859		22,859	-	
570 Water	570		2,820		2,820	-	
580 Travel & Meet Expenses	580		13,918		13,918	-	
590 Travel & Meet Expenses SPC	590		20,250		20,250	-	
600 Mileage	600		9,859		-	9,859	
620 Interest Expense	620		-		-	-	
630 Unemployment Insurance	630		17,598		17,598	-	
640 Postage	640		25,574		2,571	23,003	
670 Prof & Tech services Fees	670		4,582		4,582	-	
690 Medical Exam Fees - Pre employment	690		2,750		2,750	-	
700 Contract Services -MOC	700		129,981		98,145	31,836	
710 Public Liability Insurance	710		125,095		125,095	-	
740 Health Insurance	740		248,108		248,108	-	
760 Workers compensation insurance	760		120,480		120,480	-	
765 LTD insurance	765		11,357		11,357	-	
780 Retirement -PERS	780		9,761		9,761	-	
860 Equipment Rent -City	860		82,006		-	82,006	
861 Equipment Rent-Replacement	861		88,000		25,000	63,000	
870 Equipment Rent-Private	870		15,265		15,265	-	
900 Office Equipment -	900		11,444		11,444	-	
940 Other Vehicles -Office Equipment	940		-		-	-	
970 Communication Equip.- Office Equipment	970		-		-	-	
Line Item Cost Total			$ 1,488,062	$ -	$ 956,942	$ 531,120	$ 1,488,062
Cost Adjustments and/or Cost Plan Costs							
A-87 Cost Allocation					-		
Cost Allocation subtotal					$ -		
Personnel Services Total			2,174,724				
Line Item Cost Total			1,488,062				
Cost Allocation subtotal			-				
TOTAL ALL COSTS			$ 3,662,786		$ 1,442,069	$ 2,220,717	$ 3,662,786

Indirect Cost Rate

85.35% $ 1,442,069 **Total Indirect Costs**

$ 1,689,597 Total DIRECT SALARIES AND BENEFITS

Source: H.1.10

Revised for May 22, 2012 Draft audit report.

Auditor Analysis

	Administration - 2510		Animal Control - 2520		Animal Shelter - 2530		Kennel -2541	Veterinary -2540	License/Canvassing-2560	
	Benefit Rate	Total Costs Allowed	Benefit Rate	Total Costs Allowed	Benefit Rate		Benefit Rate	Benefit Rate	Benefit Rate / Indirect Costs Allowable	Direct Costs Allowable
Personnel Services:					A.4.4					
Salaries & Wages		301,366	-	$ 391,502	41,396	$ 247,570	- $ 1,889	- $ 233,370	-	$ 113,079
Part-time Wages & Overtime		17,986		184,246		260,560	536	43,019		142,069
Benefits	41.04%	123,667	24.46% -	95,761	27.57% 11,413	68,251	11.8% 222	27.28% -	22.7% -	25,676
Personnel Services Total		443,019	-	$ 671,509	$ 52,809	$ 576,381	$ 2,647	$ 340,058	-	$ 280,824
Line Item Costs (Services, Supplies & Other):					A4.PS					
	Indirect Costs		Direct Costs		Direct Costs		Direct Costs	Direct Costs	Direct Costs	
130 Office Supplies	130	12,465	130		130	1,239		130	130	550
140 Special Act Supplies	140	4,096	140	9,068	140	92,555		140 248,986	140	5,497
141 Industrial Gas	141		141		141	7,776		141	141	
142 Animal License Supplies	142		142		142	2,409		142	142	
144 Computer software & License	144	17,058	144		144			144	144	
160 Books & Publications	160	2,095	160		160			160	160	
180 Clothing	180		180	6,623	180	4,896		180 2,694	180	2,514
310 Advertising	310	612	310		310			310	310	
320 Printing & Binding	320	2,404	320		320			320	320	9,288
330 Photo & Blueprinting	330		330	48	330			330	330	
340 Print shop Charges	340	1,338	340		340			340	340	
360 Building Rental	361		360		360	(6,708)		360	360	
361 SVCS Maintain Buildings	360		360					360	360	
407 SVCS Maint - Comp	407	7,873	407		407			407	407	
450 Auditing Services	450	7,000	450		450			450	450	
451 Administrative Overhead	451	40,000	451		451			451	451	
470 Legal services-Retainer	470	2,161	470		470			470	470	
480 Staff Development	480	70	480	1,739	480	2,256		480 1,171	480	
530 Other Prof. Services	530	28,746	530		530			530	530	
550 Electricity Bills	550		550		550	46,118		550	550	550
556 Gas Bills	556		556		556	4,057		556	556	
560 Telephone	560		560		560	33,970		560	560	
570 Water	570		570		570	2,310		570	570	
580 Travel & Meet Expenses	580	17,171	580		580			580	580	
590 Travel & Meet Expenses SPC	590	20,075	590		590			590	590	
600 Milage	600		600		600			600	600	8,029
620 Interest Expense	620		620		620			620	620	
630 Unemployment insurance	630	15,864	630		630			630	630	
640 Postage	640	4,857	640		640			640	640	22,105
670 Prof & Tech services Fees	670	3,946	670		670			670	670	
690 Medical Exam Fees - Pre employment	690	2,080	690		690			690	690	
700 Contract Services -MOC	700	91,117	700		700			700 20,928	700	6,969
710 Public Liability Insurance	710	96,075	710		710			710	710	
740 Health Insurance	740	252,927	740		740			740	740	
760 Workers compensation insurance	760	108,345	760		760			760	760	
765 LTD Insurance	765	14,611	765		765			765	765	
780 Retirement -PERS	780	13,965	780		780			780	780	
860 Equipment Rent -City	860		860	100,453	860			860	860	
861 Equipment Rent-Replacement	861	50,000	861	120,000	861			861	861	
870 Equipment Rent-Private	870	10,344	870		870			870	870	
900 Office Equipment -	900	19,559						900 11,937	900	
940 Other Vehicles -Office Equipment	940		940	159,756	940			940	940	
970 Communication Equip.- Office Equipment	970		970		970	54,607		970	970	
Line Item Cost Total		$ 846,854		$ 397,683		$ 245,481		$ 285,716		$ 54,952
Cost Adjustments and/or Cost Plan Costs										
A-87 Cost Allocation										
Other										
Cost Allocation subtotal		$ -								
Personnel Services Total		443,019		671,509	52,809	576,381	2,647	340,058		280,824
Line Item Cost Total		846,854		397,683		245,481		285,716		54,952
Cost Allocation subtotal		-		-		-		-		-
TOTAL ALL COSTS		$ 1,289,873		$ 1,069,192	$ 52,809	$ 823,863	$ 2,647	$ 625,774		$ 335,776

FY 2008-09 - Page 2 of 2

ICRP Using All SALARIES AND BENEFITS AS A BASE

		Benefit Rate Over all		Unallowable Cost	Indirect Costs Allowable	Direct Costs Allowable	Direct Benefit Rate
Personnel Services:							
Salaries & Wages			$ 1,330,172		$ 342,762	$ 987,410	
Part-time Wages & Overtime		Over all	648,416		17,986	630,430	DIRECT
Benefits		29.22%	388,659		135,080	253,579	25.68%
Personnel Services Total			$ 2,367,247		$ 495,828	$ 1,871,419	A.4.15
Line Item Costs (Services, Supplies & Other;							A4.PS
130	Office Supplies	130	14,254		14,254	-	
140	Special Act Supplies	140	360,198		4,096	356,102	
141	Industrial Gas	141	7,778		-	7,778	
142	Animal License Supplies	142	2,409		-	2,409	
144	Computer software & License	144	17,058		17,058	-	
160	Books & Publications	160	2,095		2,095	-	
180	Clothing	180	16,721		-	16,721	
310	Advertising	310	612		612	-	
320	Printing & Binding	320	19,962		2,404	17,558	
330	Photo & Blueprinting	330	48		-	48	
340	Print shop Charges	340	1,338		1,338	-	
360	Building Rental	361	-		-	-	
361	SVCS Maintain Buildings	360	(6,708)		(6,708)	-	
407	SVCS Maint - Comp	407	7,873		7,873	-	
450	Auditing Services	450	7,000		7,000	-	
451	Administrative Overhead	451	40,000		40,000	-	
470	Legal services-Retainer	470	2,161		2,161	-	
480	Staff Development	480	5,236		5,236	-	
530	Other Prof. Services	530	28,746		28,746	-	
550	Electricity Bills	550	46,118		46,118	-	
556	Gas Bills	556	4,057		4,057	-	
560	Telephone	560	33,970		33,970	-	
570	Water	570	2,310		2,310	-	
580	Travel & Meet Expenses	580	17,171		17,171	-	
590	Travel & Meet Expenses SPC	590	20,075		20,075	-	
600	Milage	600	8,029		-	8,029	
620	Interest Expense	620	35,258	35,258	-	-	
630	Unemployment insurance	630	15,864		15,864	-	
640	Postage	640	26,962		4,857	22,105	
670	Prof & Tech services Fees	670	3,946		3,946	-	
690	Medical Exam Fees - Pre employment	690	2,080		2,080	-	
700	Contract Services -MOC	700	119,014		91,117	27,897	
710	Public Liability Insurance	710	96,075		96,075	-	
740	Health Insurance	740	252,927		252,927	-	
760	Workers compensation insurance	760	108,345		108,345	-	
765	LTD Insurance	765	14,611		14,611	-	
780	Retirement -PERS	780	13,965		13,965	-	
860	Equipment Rent -City	860	100,453		-	100,453	
861	Equipment Rent-Replacement	861	170,000		50,000	120,000	
870	Equipment Rent-Private	870	10,344		10,344	-	
900	Office Equipment -	900	31,496		19,559	11,937	
940	Other Vehicles -Office Equipment	940	159,756		-	159,756	
970	Communication Equip.- Office Equipment	970	54,607		-	54,607	
	Line Item Cost Total		$ 1,874,214	35,258	$ 933,556	$ 905,400	$ 1,874,214
Cost Adjustments and/or Cost Plan Costs							
A-87 Cost Allocation					-		
Other							
Cost Allocation subtotal					$ -		
Personnel Services Total			2,367,247				
Line Item Cost Total			1,874,214				
Cost Allocation subtotal			-				
TOTAL ALL COSTS			$ 4,241,462		$ 1,429,384	$ 2,776,819	

Indirect Cost Rate
76.38%

$ 1,429,384	Total Indirect Costs
$ 1,871,419	Total DIRECT SALARIES AND BENEFITS

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 November 10, 2015, I served the:

SCO Late Comments
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 November 10, 2015 at Sacramento, California.

Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 10/19/15

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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SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

RECEIVED
February 11, 2016
Commission on State Mandates

LATE FILING

December 17, 2015

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

Re: Response/Rebuttal to SCO November 10, 2015 letter (SEAACA Animal Adoption IRC)

Dear Ms. Halsey,

Please accept SEAACA's rebuttal to the State Controller's Office (SCO) November 10, 2015 response.

Issue 1) Understated Care and Maintenance Cost Calculation: Direct and Indirect Costs

The SCO insists that their method of calculating direct and indirect costs required to providing "Care and Maintenance" to the eligible animals is correct. However, we believe that the end results speak for themselves: Can Commission staff believe that SCO calculated rate of approximately $1 per animal per day is a reasonable and accurate result for a large, urban agency, serving about a dozen cities in the heart of LA County? Or is the SEAACA's amount of approximately $5 per animal per day more reasonable?

Prior SCO audits for the City of Los Angeles allowed an average of $10 per animal per day. Even El Dorado County's audited allowed rates were approximately $5 per animal per day. Something is amiss in the SCO calculations and we believe we have identified where the miscalculations were made.

We have demonstrated in our examples how the calculation should have been done correctly under both methods allowed. In theory, both methods (Actual Cost and Time Study Methods) should yield roughly the same result. Both calculation methods matched, suggesting that our result and method is correct.

The first check in all mathematical computations is to review the result yielded to determine if it seems reasonable. If the result does not pass the "smell test" and if logically, something seems off, one must assume that there was an error in some aspect of the calculation.

Indirect vs. Direct Costs

Definitions:
Pursuant to OMB-A87 and State Claiming Instructions:

"Direct Costs are those that can be identified specifically with a particular final cost objective (or program)."

"Indirect Costs are (a) incurred for a common or joint purpose benefiting more than most cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved."

"Indirect costs can originate in the department performing the mandate or in the departments that supply the department performing the mandate with good, services, and facilities."

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

A position can be both direct and indirect. OMB A-87: "Where employees work on multiple activities or cost objectives, a distribution of their salaries and wages shall be supported by personnel activity reports of equivalent documentation."

SCO ERROR 1: DID NOT INCLUDE 100% OF ANIMAL CARE TAKERS COSTS IN THE FORMULA

The following positions are the direct care takers of the animals and their duties are exclusively dedicated to the care and maintenance of animals. As such they should have either been designated as 100% direct (our preference) or the balance of their time/cost should be allowed in the indirect cost rate calculations (ICRP). (See Job Descriptions in Attachment 1)

The following positions were identified by the SCO as partially eligible direct costs related to provide animal care and maintenance (NOTE – this example uses FY 2008-09 information):

8 - Animal Control Technician (ACT) (89% direct for Care and Maint. per SCO determination or **1,851** hr/yr per person)

PLUS:

+ 728 hrs/yr found directly billable in Holding Period
+ 214 hrs/yr found direct billable for Maintaining Non-Med Records
+ 67 hrs/yr found direct billable for Wellness Vaccine

= 1,009 hr/yr found directly billable / 8 ACTs = **126** hrs/yr per person or

== 1,851 hrs + 126 hrs = 1,977 hrs/hr OR 1,977 / 2,080 = 95% = **DIRECT**

Balance of 5% of 8 Animal Control Tech Positions time was unaccounted for.
All duties listed in the Job Description are directly or indirectly related to Care & Maint.
The remaining 5% should be classified as DIRECT or INDIRECT

1 - Senior Animal Control Technician (60% direct for Care and Maint per SCO determination)

Balance of 40% Senior Animal Control Position time was unaccounted for.
All duties listed in the Job Description are directly or indirectly related to Care & Maint.
The remaining 40% should be classified as DIRECT or INDIRECT

1 - Lead Animal Control Technician (60% direct for Care and Maint per SCO determination)

Balance of 40% of Lead Animal Control Tech Position time was unaccounted for.
All duties listed in the Job Description are directly or indirectly related to Care & Maint.
The remaining 40% should be classified as DIRECT or INDIRECT

SCO ERROR 2: DID NOT INCLUDE ANY SHELTER DEPARTMENT CLERICAL SUPPORT IN THE INDIRECT COST RATE

Providing animal care and maintenance is not just a function of warehousing and feeding them. Operating a shelter requires clerical support personnel to answer telephones, assist customers, and process paperwork related to care and maintenance of animals.

Clerical support is considered an allowable indirect cost item according to OMB A-87 guidelines as their costs "benefit more than one cost objective". Clerical positions have routinely been allowed by the SCO in calculation of other ICRP rates for other City reimbursement programs. We would be happy to provide examples if desired.

NONE of the clerical support staff (Clerk/Dispatcher employees) in the shelter department were included in the overhead/ICRP rate by SCO, however about a half of one Clerk (out of 7 Clerk/Dispatcher positions) was included as direct costs as follows:

7 - Clerk/Dispatchers were employed in the Shelter in FY 2008-09

SCO FOUND ELIGIBLE DIRECT CLERK TIME OF:
1,092 hrs/yr found to be direct billable by SCO for Holding Period
+ 60 hrs/yr found to be directly billable by SCO for Lost and Found Lists
+ 77 hrs/yr found to be directly billable for Maintaining Non Med Records
+ 548 hrs/yr found directly billable for Final Disposition Records

1,009 hr/yr found directly billable, therefore

1 Clerk/Dispatcher = 1,009/2,080 hrs/year = 49% DIRECT and **51% INDIRECT**
The remaining 51% should be classified as INDIRECT

6 Clerk/Dispatcher Positions were unaccounted for and should be **100% Indirect**
The remaining 6 Clerical personnel should be classified as INDIRECT

*(Note: **Office Supervisor was allowed** by SCO to be included in the INDIRECT cost pool)*

SCO ERROR 3: DID NOT INCLUDE ALL OMB A-87 ELIGIBLE SERVICE/SUPPLY SUPPORT COSTS IN THE INDIRECT COST RATE

Other expenditure such as Office Equipment, Clothing/Uniforms, etc are considered allowable indirect costs by OMB standards – all these types of costs are allowable and support the function of the department. For example the department needs printers to generate the intake and adoption paperwork, lost and found lists, employee time cards, etc. Working in a kennel is often a dirty and messy business. Employee uniforms are necessary to protect the health and safety of employees.

SCO ERROR 4: CALCULATING THE INDIRECT COST RATE FOR THE ENTIRE AGENCY RATHER THAN THE APPLICABLE DEPARTMENT

SCO's method of calculating one ICRP rate for the ENTIRE AGENCY is equivalent to calculating one rate for the ENTIRE CITY and apply it to a Police Department claim. Since 99% of the allowable costs are incurred in the Shelter Department, it is appropriate to calculate a rate specific to that department.

By calculating a SEAACA Agency-wide ICRP rate, the true Shelter Department rate is diluted by allocating their costs to the entire agency, while not including any other reciprocal administrative and support staff costs from the other departments that contribute to the overall agency benefit. Other

Department's (VET, LICENSING, and CONTROL) support staff time and additional indirect service/supply costs should have been factored into agency wide ICRP.

Claimant recommends using a rate unique to the SHELTER Department. If an agency wide rate is desired, we would be happy to work on providing this and whatever support info SCO deems necessary.

It should be noted that SEAACA made these requests of the SCO via numerous emails, phone calls, and even meetings at their offices. SCO made a few compromises by adding the Office Supervisor and some supply and services to the rate, however we believe that there is so much added overhead overlooked, that it is creating an artificially low daily cost to provide care and maintenance to animals.

SCO stated in their rebuttal that documentation was not provided to support the inclusion of some time for indirect costs, however, typically job descriptions alone are enough to determine which positions are support (such as secretaries and clerks). Standard amount of time for supervisory functions range between 10 – 25%. It is not clear what additional documentation the SCO desires. (See Attachments)

Issue 2) Application of Purifoy v. Howell. Should the 2010 court decision finding that Saturday should not be considered a business day for purposes of determining the required holding period be applied retroactively (as much as 10 years in arrears in the case of SEAACA's FY 01-02 claim)?

The authors of the Hayden Bill specifically desired that animal shelters should provide greater access to the public by requiring them to stay open one weekday until 7 pm or on a weekend day. It was generally interpreted in the animal services industry that this change in law implied that if an agency kept their shelters open on a weekend day, that this would constitute a valid business day in the subsequent calculation of holding periods. This interpretation was industry standard at the time. It is clear from all the objections from other audited agencies that SCO's retroactive application of the Purifoy decision is not unique to SEAACA. If it was such an obvious point – legal action and clarification would not have been necessary.

We note that in this claim, it is not possible to perform a simple accounting correction for the SCO's new interpretation. This whole claim hinges on specific days when services were provided. Claimants cannot shift the euthanasia dates to fit in with the new set of guidelines being imposed by SCO by this retroactive application of the law. Such a decision is unnecessary, punitive, and unfair.

The SCO notes in its own analysis:

> "The Legislature acknowledged the Appellant Court's interpretation of Food and Agriculture Code section 31108, subd (a) and made the necessary changes to AV 222 to redefine **prospectively** a "business day".

Issue 3) Are claimants allowed partial credit for proving a portion of the additional holding days? Or are claimants forced to forego all reimbursement for actual days of mandated care and maintenance provided in compliance with the law if they had to euthanize an animal before the full holding period was complete?

SCO believes that determining whether an animal is "adoptable", "treatable", or "irremediably suffering" is determined during a one-time only, initial assessment when the animal is first admitted into the shelter.

This classification, once made, is fixed and irrevocable. SCO interpretation is that an animal's health condition cannot change during the course of the holding period.

SCO interpretation is that if the animal is initially appraised as "adoptable and treatable" it must remain in that condition for the entire holding period and must be kept alive at all cost, and despite all suffering, in order to qualify for State reimbursement. This is unreasonable and punishes good shelters and staff for trying to do everything they can to treat and make an animal adoptable. If a shelter has to euthanize an animal midway through their mandated stay, they are punished by loss of reimbursement for even the days of eligible service provided.

The SCO's discussion and defense of their interpretation because of what that would mean in terms of the impact it would have on the formula for determining eligible shelter construction or renovation is irrelevant and further illustrates that their concern is mainly cost to the State rather than in doing what is correct and fair.

Issue 4) Are claimants to be punished for keeping animals alive longer than the mandated holding period? Are agencies owed $0 for the eligible days of "Care and Maintenance" mandated and provided if they keep an animal for longer than is required and if that animal eventually dies?

SCO audited interpretation means that shelters only get credit for providing the additional mandated care and maintenance days IF AND ONLY IF the animal dies precisely on the day their mandated holding period ends. An animal can only die prior to, but not a moment after their mandated holding period ends in order to qualify for any reimbursement for eligible days of care and maintenance provided.

Agencies that were able to (had space) and did keep the stray animals longer than was mandated are punished by being denied their entire reimbursement for qualifying days of care and maintenance if that animal ends up dying later. The SCO interpretation contradicts the stated goal and purpose of the Hayden Bill legislation: "to end the euthanasia of adoptable and treatable animals". By this logic, agencies would be forced to euthanize adoptable animals by the end of the holding period or risk losing their entire reimbursement for legitimately incurred care and maintenance costs.

Issue 5 – Calculation of extended Hours of Operation required (one weeknight or weekend day).

State law and claiming instructions require the reimbursement of "actual" costs incurred. Instead of using the actual costs based on fact (who was actually present at the shelter on those days) – SCO created an arbitrary standard of what minimal staffing ***might have been*** required to accomplish the mandated activity. SCO audit staff interviewed an agency representative and asked them to speculate what their *minimal* staffing level *could* have been.

Claiming instructions dictate the reimbursement of actual cost incurred. We request the addition of 1 Lead Animal Care Technician who is actually present and required to assist and manage any customer issues or concerns and 1 Veterinarian who is present to assist with any medical issues related to animals being claimed by the owners.

As the employer determined that the presence of these employees was required to comply with the mandated hours of operation, the State should be obligated to reimburse for the actual costs incurred.

We appreciate this opportunity to comment and provide additional clarification. Please feel free to contact us with any questions. Our consultant would be happy to schedule an appointment with your staff and SCO staff to go over any questions regarding calculations or other topics.

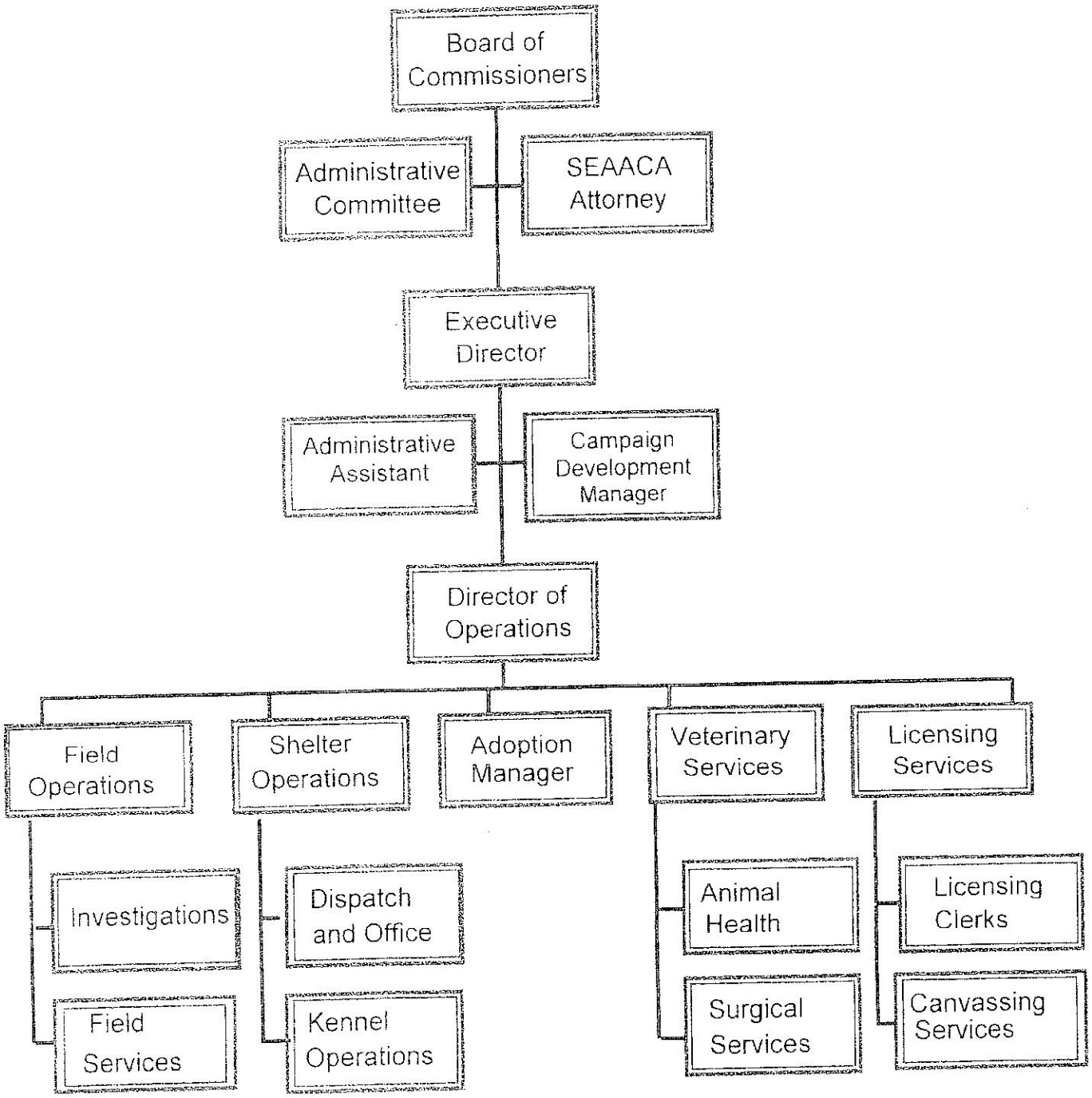
Sincerely,

Sally Hazzard
Executive Director
SEAACA

Attachment 1: Job Descriptions

SEAACA

ORGANIZATIONAL CHART



PERSONNEL MANNING TABLE
FY 2008-09

Adopted 2008-2009 Regular	Adopted 2008-2009 Part Time	DIVISIONS
		ADMINISTRATIVE SUPPORT
1	0	Executive Director
1	0	Director of Operations
0	1	Campaign Development Manager
1	0	Adoption Manager
1	0	Administrative Assistant
4	1	Division Total
		FIELD OPERATIONS
1	0	Animal Control Corporals
2	0	Sr. Animal Control Officers
13	0	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
5	0	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
1	0	Clerk/Cashier
7	0	Division Total
		LICENSING SERVICES
1	0	Licensing Supervisor
3	1	Clerk
0	8	Canvassers
4	9	Division Total
49	10	**ORGANIZATIONAL TOTAL**

SHELTER DEPT.

Labor - Salaries, Benefits FY 2008/2009

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits
Clerical	5	$ 150,225.65	$ 17,155.20	$ 423.12	
Dispatch	2	$ 61,142.73	$ 11,409.00	$ 211.56	
Front Office Supervisor	1	$ 45,491.65	$ 4,620.00	$ -	
Animal Care Technicians	8	$ 221,795.71	$ -	$ -	
Sr. ACT	1	$ 29,448.12	$ -	$ -	
Lead ACT	1	$ 49,759.43	$ 4,178.40	$ -	
	18	$ 557,863.29	$ 37,362.60	$ 634.68	$ 48,035.16

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SEAACA generated

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	$ 221,795.71	4,731.57	$ 226,527.28	89%	$ 201,609.00
Sr. ACT	$ 29,448.12	2,061.37	31,509.49	89%	28,043.00
Lead ACT	49,759.43	9,559.98	59,319.41	60%	35,592.00
	$ 301,003.26	$ 16,352.92	$ 317,356.18		$ 265,244.00

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SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

JOB DESCRIPTION

Hourly Rate: $13.04 - $16.15
ANIMAL CARE TECHNICIAN

DEFINITION:

Under direct supervision of the Lead and Senior Animal Care Technicians, cares for the animals that come into the SEAACA Animal Care Center and maintains the facility.

REPRESENTATIVE DUTIES:

- Provides food and water for domestic, exotic and wild animals at shelter.
- Cleans and disinfects animal enclosures (some outside of the building) and feed bowls.
- Impounds in to animal care center and releases animals to owners and new adopters.
- Euthanizes animals.
- Maintains facility.
- Computer data entry, record keeping, and scanning animals for microchips.
- Observes animals for signs of illness or injury and reports these to Veterinary Division.
- Other work as assigned.

MINIMUM QUALIFICATIONS / EXAMINATIONS:

- No felony convictions or recent convictions of driving while under the influence of drugs or alcohol.
- Valid California Drivers License or the ability to obtain one, and a good driving record.
- Ability to pass a specified written test with a minimum score of 70%.
- Must pass a pre-employment physical examination.
- Must pass a background investigation.
- Minimum 18 years of age.

KNOWLEDGE AND ABILITIES:

- Animal breeds and knowledge of behavior traits.
- Proper methods of safely handling and restraining a wide variety of animals.
- Animal nutritional needs.
- Symptoms of common diseases of dogs and cats.

PHYSICAL CLASSIFICATIONS/ESSENTIAL JOB FUNCTIONS:

- Ability to lift 75 pounds as demonstrated by a challenge test.
- Extensive direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Extensive stooping, bending and carrying.
- Communicate effectively with citizens, staff and city contacts in person and by telephone.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient to prepare handwritten records and for computer data entry.
- Must be able to tolerate loud animal noises and objectionable odors.
- Endurance sufficient for standing and walking during entire duty shift.
- Occasional running to apprehend loose animals evading capture.

SPECIAL INFORMATION

Working hours and days off are rotated 7 days per week. Hours may be for various durations.

Final Filing Date: Saturday, August 7, 2010 at 4:30 p.m.
or when the first 40 complete applications are received.

A resume in lieu of a completed employment application, facsimile, and/or postmark will not be accepted

(4)

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

JOB DESCRIPTION

LEAD ANIMAL CARE TECHNICIAN

Compensation: $2,413.00 to $2,990.00 monthly + liberal benefits package

DEFINITION:
Under the direction of the Director of Operations, responsible for managing daily kennel operations, supervising Animal Care Technician staff and occasionally performing typical ACT duties, as needed.

REPRESENTATIVE DUTIES:
- Supervises the proper daily care and handling of all animals in SEAACA's care and custody.
- Supervises kennel operations to ensure excellent customer and animal care.
- Performs animal inventory for accountability of all animals in SEAACA's care.
- Coordinates recruiting, training and scheduling of Animal Care Technicians.
- Preparation and authorization of paperwork for animals scheduled for euthanasia.
- Handles customer complaints.
- Handles disciplinary issues involving kennel staff.
- Prepares or oversees preparation of payroll records for kennel staff.
- Coordinates pick ups and deliveries of pet and kennel supplies as needed.
- Performs duties of animal care technician as needed.
- Maintains facility, interior and exterior.
- Attends administrative staff meetings.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:
- High School Graduation, G.E.D., or a combination of education and related experience totaling twelve years.
- Minimum of three years experience as an animal care technician (kennel worker) at an outside agency or one year at SEAACA with favorable performance evaluations.
- No felony convictions or convictions of driving while under the influence of drugs or alcohol.
- Valid California Driver's License, or the ability to obtain one, and a good driving record.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES:
- Establish and maintain effective, cooperative relations with the public and fellow employees.
- Equitably supervise staff and provide guidance and feedback to staff.
- Familiar with animal shelter operations.
- Knowledge of the proper care, handling and feeding of domestic and exotic animals.
- Knowledge of proper cleaning and disinfecting of an animal housing facility.
- Animal disease recognition.
- Organize and delegate duties.
- Sound supervisory skills.
- Compassionate and professional approach to all duties.

PHYSICAL CLASSIFICATIONS / ESSENTIAL JOB FUNCTIONS:
- Ability to lift 75 pounds as demonstrated by a challenge test.
- Frequent direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Stooping and bending.
- Communicate effectively with citizens, staff and city contacts in person, by telephone, two-way radio and in writing.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient for handwritten records and for computer entry.
- Must be able to tolerate loud animal noises and odors.
- Endurance sufficient for standing and walking during entire duty shift.

SPECIAL INFORMATION:
Posted 1/7/08 - Open until filled. Submit completed application to:
SEAACA
9777 SEAACA Street, Downey, California 90241
Attn. Human Resources
(562) 803-3301 ext. 221 or Fax # (562) 803-3676
administration@seaaca.org

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

JOB DESCRIPTION

Hourly Rate: **$14.51 - $17.91, plus benefits**

SENIOR ANIMAL CARE TECHNICIAN

DEFINITION:
Under the supervision of the Lead Animal Care Technician, responsible for managing daily kennel operations, assists with supervising Animal Care Technician staff and occasionally performing typical ACT duties, as needed.

REPRESENTATIVE DUTIES:
- Assists with the supervision of the proper daily care and handling of all animals in SEAACA's care and custody.
- Assists with the supervision of kennel operations to ensure excellent customer and animal care.
- Assists and/or performs animal inventory for accountability of all animals in SEAACA's care.
- Assists with the training and scheduling of Animal Care Technicians.
- Preparation and authorization of paperwork for animals scheduled for euthanasia.
- Handles customer complaints.
- Handles disciplinary issues involving kennel staff.
- Assists with or oversees preparation of payroll records for kennel staff.
- Performs duties of animal care technician as needed.
- Maintains facility, interior and exterior.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:
- High School Graduation, G.E.D., or a combination of education and related experience totaling twelve years.
- Minimum of three years experience as an animal care technician (kennel worker) at an outside agency or one year at SEAACA with favorable performance evaluations.
- No felony convictions or convictions of driving while under the influence of drugs or alcohol.
- Valid California Driver's License, or the ability to obtain one, and a good driving record.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES:
- Establish and maintain effective, cooperative relations with the public and fellow employees.
- Familiar with animal shelter operations.
- Knowledge of the proper care, handling and feeding of domestic and exotic animals.
- Knowledge of proper cleaning and disinfecting of an animal housing facility.
- Animal disease recognition.
- Organize and delegate duties.
- Sound supervisory skills.
- Compassionate and professional approach to all duties.

PHYSICAL CLASSIFICATIONS / ESSENTIAL JOB FUNCTIONS:
- Ability to lift 75 pounds as demonstrated by a challenge test.
- Frequent direct handling, carrying and restraining of animals, both large and small and carrying of supplies and equipment.
- Stooping and bending.
- Communicate effectively with citizens, staff and city contacts in person, by telephone, two-way radio and in writing.
- Read typewritten or handwritten documents.
- Manual dexterity sufficient for handwritten records and for computer entry.
- Must be able to tolerate loud animal noises and odors.
- Endurance sufficient for standing and walking during entire duty shift.

SPECIAL INFORMATION
Working hours and days off rotate. Hours may be for various durations, up to 12 hours a day, however, normally do not exceed eighty (80) hours in any two week period.

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

JOB DESCRIPTION

CLERK/DISPATCHER

DEFINITION

Under the direct supervision of the Front Office Supervisor, receives requests for animal control services over the telephone; communicates with field officers by two-way radio dispatching officers to respond to requests; responsible for monitoring the activities of field officers and deployment of manpower in the field; a variety of clerical and record keeping duties. Assists customers at the front counter and rotates from telephone to front counter work on a regular basis.

REPRESENTATIVE DUTIES

- Answers telephones, coordinates requests for animal control services from citizens and other agencies.
- Work is frequently quick paced and involves multi-tasking, all the while providing compassionate customer service.
- Operates on-line computer system.
- Inputting of field requests and impound records into computer.
- Gives routine information over the counter and telephone.
- Processes animal adoptions, collects fees, and gives written information and instructions to public at the front counter.
- Performs animal license records checks to locate owners of animals with identification.
- Performs filing duties.
- Relays requests for service to field officers via two-way radio.
- Process cash transactions for animal adoptions, redemptions and other veterinary services.
- Other duties as assigned.

MINIMUM QUALIFICATIONS/EXAMINATIONS:

- High School Graduation, G.E.D., or a combination of education and related experience with a total of twelve years.
- No felony convictions.
- Ability to pass a specified written test with a minimum score of 70%.
- Applicants must have a working knowledge of typing keyboard.
- Must pass a pre-employment physical examination and background investigation.

KNOWLEDGE AND ABILITIES

- Knowledge of general office practices and procedures, including business correspondence, filing, spelling and a good command of the English language.
- Ability to establish and maintain effective, cooperative relations with the public and fellow employees.
- Knowledge or ability to learn to operate a multi-line telephone system and on-line computerized record-keeping system within a short period of time.
- Knowledge or ability to learn standard public safety radio code system.
- Ability to deal tactfully with the public, with City Officials and with fellow employees.

PHYSICAL CLASSIFICATIONS/ESSENTIAL JOB FUNCTIONS

- Communicate effectively with citizens, staff and city contacts in person, by telephone and by two-way radio.
- Read typewritten or handwritten documents.
- Stooping and bending.
- Manual dexterity sufficient for hand written records and communications, and for extensive computer entry.

SPECIAL INFORMATION

Working hours and days off rotate. Hours may be for various durations, up to 12 hours a day, however, normally do not exceed eighty (80) hours in any two week period.

SEAACA
Dedicated to Quality Animal Care & Control
Established 1975

JOB DESCRIPTION

Office Supervisor
Confidential

DEFINITION:

- Provides supervision and direction for the operation of the clerical functions necessary to deliver positive, responsive and accurate services to the public and animals in the communities served by SEAACA. Directs the proper utilization of all agency resources to provide front office, licensing clerical and dispatch services to the public and employees of the agency.
- Ensures that all staff that provide services to the anima's and communities served by SEAACA is ethical, responsive and in accordance with SEAACA's mission, goals and management philosophy.

REPRESENTATIVE DUTIES:

- Sets an example, manages and supervises staff in the performance of their assigned responsibilities. Assures staff is trained and coached to a level necessary to perform their duties, be contributing members of the SEAACA team and support the overall operations of the agency.
- Ensure that communication is open, direct and supportive of employees and the public.
- Manages and provides guidance to staff to problem solve; to plan/anticipate and reduce incidents of potential customer service issues.
- Ensure the coordination of front office, licensing and dispatch activities tasks to support the humane care of animals in the center
- Identifies equipment, personnel and staffing allocations that need attention, support and potential restructuring to improve services to animals and the communities served by SEAACA.
- Supervises and manages employees assigned to designated functions with personnel issues that include but are not limited to enforcement of agency policy; interviewing; recommending hiring; training; evaluations; corrective and progressive discipline; assignment and tracking of duties; safety; motivation; positive communication and team work.
- Assures accuracy of daily revenue process for front office, vet and licensing units.
- Process petty cash and officer collected revenue.
- Programs cash registers, monitors photos on web sites, impound reports
- Can act as dispatcher as necessary
- Acts as single point of contact with foundations for scheduling of animals and activities
- Is flexible with scheduling and is available when away from the facility as needed to meet the needs of the agency.

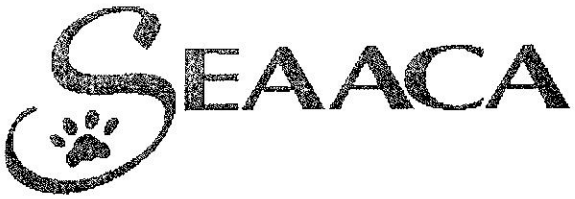
MINIMUM QUALIFICATIONS/EXAMINATIONS:

- High School graduate and a minimum of 4 years clerical supervisory experience.
- Proven ability to communicate effectively orally and in writing.
- Demonstrated ability to assemble and analyze facts and devise solutions or plans.
- Excellent interpersonal, team building, management and leadership skills.
- Computer proficient in a Windows environment.

KNOWLEDGE AND ABILITIES:

- Experience in a variety of clerical functions.
- Possession of good analytical skills, including the ability to identify and resolve unit issues and to solve problems within existing resources.
- Ability to motivate and lead subordinates.
- Ability to manage problems which may be controversial at times and to deal effectively with the public.

Attachment 2: SEAACA Adopted Budget
Fiscal Year 2008-09



ADOPTED BUDGET

FISCAL YEAR

2008 - 2009

Prepared by:

Dan Morrison

Presented:

June 4, 2008

Adopted:

June 19, 2008

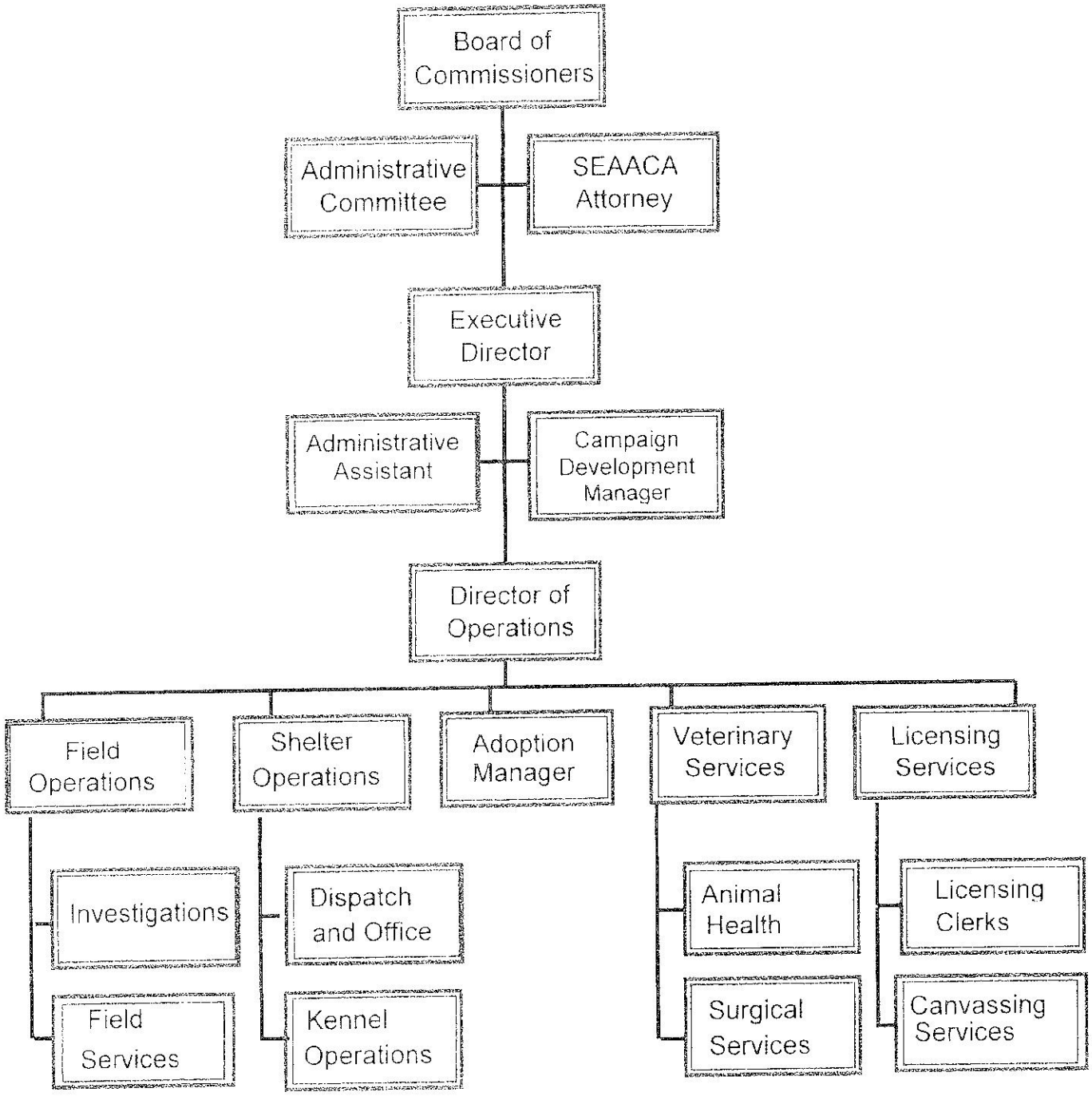
Resolution No. 144

TABLE OF CONTENTS

	Page
Organizational Chart	1
Personnel Manning Table	2
Summary of Expenditures	3
Summary of Revenues	4
Administrative Support	
Personnel Services	5
Maintenance and Operations	6
Maintenance and Operations Support Data	7-9
Capital Outlay	10
Field Operations	
Personnel Services	11
Maintenance and Operations	12
Maintenance and Operations Support Data	13
Capital Outlay	14
Shelter Operations	
Personnel Services	15
Maintenance and Operations	16
Maintenance and Operations Support Data	17
Capital Outlay	18
Veterinary Support	
Personnel Services	19
Maintenance and Operations	20
Maintenance and Operations Support Data	21
Capital Outlay	22
Licensing Services	
Personnel Services	23
Maintenance and Operations	24
Maintenance and Operations Support Data	25
Capital Outlay	26

SEAACA

ORGANIZATIONAL CHART



PERSONNEL MANNING TABLE
FY 2008-09

Adopted 2008-2009 Regular	Adopted 2008-2009 Part Time	DIVISIONS
		ADMINISTRATIVE SUPPORT
1	0	Executive Director
1	0	Director of Operations
0	1	Campaign Development Manager
1	0	Adoption Manager
1	0	Administrative Assistant
4	1	Division Total
		FIELD OPERATIONS
1	0	Animal Control Corporals
2	0	Sr. Animal Control Officers
13	0	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
5	0	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
1	0	Clerk/Cashier
7	0	Division Total
		LICENSING SERVICES
1	0	Licensing Supervisor
3	1	Clerk
0	8	Canvassers
4	9	Division Total
49	10	ORGANIZATIONAL TOTAL

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	$	1,369,821
Field Operations		
Personnel Services	$	699,077
Maintenance and Operations		215,000
Capital Outlay		162,000
Subtotal	$	1,076,077
Shelter Operations		
Personnel Services	$	667,970
Maintenance and Operations		142,500
Capital Outlay		23,000
Subtotal	$	833,470
Veterinary Services		
Personnel Services	$	379,816
Maintenance and Operations		145,000
Capital Outlay		4,161
Subtotal	$	528,977
Licensing Services		
Personnel Services	$	302,081
Maintenance and Operations		47,466
Capital Outlay		-
Subtotal	$	349,547
TOTAL EXPENDITURES		
Personnel Services	$	2,493,039
Maintenance and Operations		1,461,692
Capital Outlay		203,161
TOTAL EXPENDITURES	**$**	**4,157,892**

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	$ 1,359,727
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	$ 1,653,950
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	$ 1,144,215
TOTAL FUNDS AVAILABLE FOR APPROPRIATION	**$ 4,157,892**

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		31,210
TOTAL PERSONNEL SERVICES	5	$ 444,095

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
	Subtotal	$ 22,500
	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
	Subtotal	$ 874,117
	EQUIPMENT RENTAL	
870	Equipment Rental-Private	$ 15,109
	Subtotal	$ 15,109
	TOTAL MAINTENANCE AND OPERATIONS	$ 911,726

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; BrightStore 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.

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	-
	TOTAL CAPITAL OUTLAY	$ 14,000

PERSONNEL SERVICES
DIVISION: FIELD OPERATIONS
FUND: 2520

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

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
	Subtotal	$ 13,200
	OPERATING CHARGES AND SERVICES	
330	Photography	$ 400
480	Staff Development	2,400
700	Contract Services	-
	Subtotal	$ 2,800
	VEHICLE MAINTENANCE	
860	Vehicle Maintenance	$ 79,000
861	Vehicle Replacement Fund	120,000
	Subtotal	$ 199,000
	TOTAL MAINTENANCE AND OPERATIONS	$ 215,000

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	$ 162,000
	TOTAL CAPITAL OUTLAY	$ 162,000

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

PERSONNEL SERVICES
DIVISION: SHELTER OPERATIONS
FUND:2530

	Adopted 2008-2009 Emps.	Adopted Fiscal Year 2008-2009
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		75,042
TOTAL PERSONNEL SERVICES	18	$ 667,970

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
	Subtotal	54,000
	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
	Subtotal	$ 88,500
	EQUIPMENT RENTAL	
870	Equipment Rental	$ -
	Subtotal	$ -
	TOTAL MAINTENANCE AND OPERATIONS	$ 142,500

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
970	No capital requests	$ 23,000
	TOTAL CAPITAL OUTLAY	$ 23,000

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 Emps.	Adopted Fiscal Year 2008-2009
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		48,175
TOTAL PERSONNEL SERVICES	7	$ 379,816

MAINTENANCE AND OPERATIONS
DIVISION: VETERINARY SERVICES
FUND: 2540

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

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		22,788
TOTAL PERSONNEL SERVICES	13	$ 302,081

MAINTENANCE AND OPERATIONS
DIVISION: LICENSING SERVICES
FUND: 2560

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

LICENSING SERVICES
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.

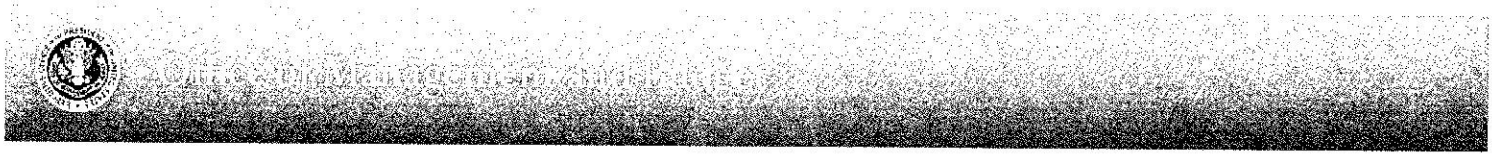
640 **POSTAGE:**
Postage necessary for mailing of license renewal forms, tags, warnings, and business incidental to the licensing division

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	$ -

Attachment 3: Federal OMB-A87



ABOUT
Leadership
OMB Organization Chart
Open Government Plan
RSS Feeds
Agency Info
Budget
Circulars
Budget
State and Local Governments
Educational and Non-Profit Institutions
Federal Procurement
Federal Financial Management
Federal Information Resources / Data Collection
Memoranda
Privacy Guidance
Reports
Federal Register
FOIA
NDA
No FEAR
OMB Locator

OMB CIRCULAR A-87 REVISED

Revised 05/10/04
TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Cost Principles for State, Local, and Indian Tribal Governments

1. ***Purpose.*** This Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments (governmental units).

2. ***Authority.*** This Circular is issued under the authority of the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Procedures Act of 1950, as amended; the Chief Financial Officers Act of 1990; Reorganization Plan No. 2 of 1970; and Executive Order No. 11541 ("Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President").

3. ***Background.*** As part of the governmentwide grant streamlining effort under P.L. 106-107, Federal Financial Award Management Improvement Act of 1999, OMB led an interagency workgroup to simplify and make consistent, to the extent feasible, the various rules used to award Federal grants. An interagency task force was established in 2001 to review existing cost principles for Federal awards to State, local, and Indian tribal governments; Colleges and Universities; and Non-Profit organizations. The task force studied Selected items of Cost in each of the three cost principles to determine which items of costs could be stated consistently and/or more clearly. A proposed revised Circular reflecting the results of those efforts was issued on August 12, 2002 at 67 FR 52558. Extensive comments on the proposed revisions, discussions with interest groups, and related developments were considered in developing this revision.

4. ***Rescissions.*** This Circular rescinds and supersedes Circular A 87, as amended, issued May 4, 1995.

5. ***Policy.*** This Circular establishes principles and standards to provide a uniform approach for determining costs and to promote effective program delivery, efficiency, and better relationships between governmental units and the Federal Government. The principles are for determining allowable costs only. They are not intended to identify the circumstances or to dictate the extent of Federal and governmental unit participation in the financing of a particular Federal award. Provision for profit or other increment above cost is outside the scope of this Circular.

6. ***Definitions.*** Definitions of key terms used in this Circular are contained in Attachment A, Section B.

7. ***Required Action.*** Agencies responsible for administering programs that involve cost reimbursement contracts, grants, and other agreements with governmental units shall issue regulations to implement the provisions of this Circular and its Attachments.

8. ***OMB Responsibilities.*** The Office of Management and Budget (OMB) will review agency regulations and implementation of this Circular, and will provide policy interpretations and assistance to insure effective and efficient implementation. Any exceptions will be subject to approval by OMB. Exceptions will only be made in particular cases where adequate justification is presented.

9. ***Information Contact.*** Further information concerning this Circular may be obtained by contacting the Office of Federal Financial Management, Financial Standards and Reporting Branch, Office of Management and Budget, Washington, DC 20503, telephone 202 395 3993.

10. ***Policy Review Date.*** OMB Circular A 87 will have a policy review three years from the date of issuance.

- Except as otherwise provided herein, these rules are effective June 9, 2004.

Attachment A General Principles for Determining Allowable Costs
Attachment B Selected Items of Cost
Attachment C State/Local Wide Central Service Cost Allocation Plans
Attachment D Public Assistance Cost Allocation Plans
Attachment E State and Local Indirect Cost Rate Proposals

ATTACHMENT A
Circular No. A 87

GENERAL PRINCIPLES FOR DETERMININGALLOWABLE COSTS

TABLE OF CONTENTS

A. Purpose and Scope

1. Objectives
2. Policy guides
3. Application

B. Definitions

1. Approval or authorization of the awarding or cognizant Federal agency
2. Award
3. Awarding agency
4. Central service cost allocation plan
5. Claim
6. Cognizant agency
7. Common rule
8. Contract
9. Cost
10. Cost allocation plan
11. Cost objective
12. Federally recognized Indian tribal government
13. Governmental unit
14. Grantee department or agency
15. Indirect cost rate proposal
16. Local government
17. Public assistance cost allocation plan
18. State

C. Basic Guidelines

1. Factors affecting allowability of costs
2. Reasonable costs
3. Allocable costs
4. Applicable credits

D. Composition of Cost

1. Total cost
2. Classification of costs

E. Direct Costs

1. General
2. Application
3. Minor items

F. Indirect Costs

1. General
2. Cost allocation plans and indirect cost proposals
3. Limitation on indirect or administrative costs

G. Interagency Services

H. Required Certifications

A. ***Purpose and Scope***

1. Objectives. This Attachment establishes principles for determining the allowable costs incurred by State, local, and federally recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government (collectively referred to in this Circular as "Federal awards"). The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal or governmental unit participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by law. Provision for profit or other increment above cost is outside the scope of this Circular.

2. Policy guides.

a. The application of these principles is based on the fundamental premises that:

(1) Governmental units are responsible for the efficient and effective administration of Federal awards through the application of sound management practices.

(2) Governmental units assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

(3) Each governmental unit, in recognition of its own unique combination of staff, facilities, and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration of Federal awards.

b. Federal agencies should work with States or localities which wish to test alternative mechanisms for paying costs for administering Federal programs. The Office of Management and Budget (OMB) encourages Federal agencies to test fee for service alternatives as a replacement for current cost reimbursement payment methods in response to the National Performance Review's (NPR) recommendation. The NPR recommended the fee for service approach to reduce the burden associated with maintaining systems for charging administrative costs to Federal programs and preparing and approving cost allocation plans. This approach should also increase incentives for administrative efficiencies and improve outcomes.

3. Application.

a. These principles will be applied by all Federal agencies in determining costs incurred by governmental units under Federal awards (including subawards) except those with (1) publicly financed educational institutions subject to OMB Circular A 21, "Cost Principles for Educational Institutions," and (2) programs administered by publicly owned hospitals and other providers of

medical care that are subject to requirements promulgated by the sponsoring Federal agencies. However, this Circular does apply to all central service and department/agency costs that are allocated or billed to those educational institutions, hospitals, and other providers of medical care or services by other State and local government departments and agencies.

b. All subawards are subject to those Federal cost principles applicable to the particular organization concerned. Thus, if a subaward is to a governmental unit (other than a college, university or hospital), this Circular shall apply; if a subaward is to a commercial organization, the cost principles applicable to commercial organizations shall apply; if a subaward is to a college or university, Circular A 21 shall apply; if a subaward is to a hospital, the cost principles used by the Federal awarding agency for awards to hospitals shall apply, subject to the provisions of subsection A.3.a. of this Attachment; if a subaward is to some other non profit organization, Circular A 122, "Cost Principles for Non Profit Organizations," shall apply.

c. These principles shall be used as a guide in the pricing of fixed price arrangements where costs are used in determining the appropriate price.

d. Where a Federal contract awarded to a governmental unit incorporates a Cost Accounting Standards (CAS) clause, the requirements of that clause shall apply. In such cases, the governmental unit and the cognizant Federal agency shall establish an appropriate advance agreement on how the governmental unit will comply with applicable CAS requirements when estimating, accumulating and reporting costs under CAS covered contracts. The agreement shall indicate that OMB Circular A 87 requirements will be applied to other Federal awards. In all cases, only one set of records needs to be maintained by the governmental unit.

e. Conditional exemptions.

(1) OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(2) To promote efficiency in State and local program administration, when Federal non entitlement programs with common purposes have specific statutorily authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non Federal sources, Federal agencies may exempt these covered State administered, non entitlement grant programs from certain OMB grants management requirements. The exemptions would be from all but the allocability of costs provisions of OMB Circulars A 87 (Attachment A, subsection C.3), "Cost Principles for State, Local, and Indian Tribal Governments," A 21 (Section C, subpart 4), "Cost Principles for Educational Institutions," and A 122 (Attachment A, subsection A.4), "Cost Principles for Non Profit Organizations," and from all of the administrative requirements provisions of OMB Circular A 110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non Profit Organizations," and the agencies' grants management common rule.

(3) When a Federal agency provides this flexibility, as a prerequisite to a State's exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A 87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not be used for general expenses required to carry out other responsibilities of a State or its subrecipients.

B. ***Definitions***

1. "Approval or authorization of the awarding or cognizant Federal agency" means documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a State/local wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.

2. "Award" means grants, cost reimbursement contracts and other agreements between a State, local and Indian tribal government and the Federal Government.

3. "Awarding agency" means (a) with respect to a grant, cooperative agreement, or cost reimbursement contract, the Federal agency, and (b) with respect to a subaward, the party that awarded the subaward.

4. "Central service cost allocation plan" means the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

5. "Claim" means a written demand or written assertion by the governmental unit or grantor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of award terms, or other relief arising under or relating to the award. A voucher, invoice or other routine request for payment that is not a dispute when submitted is not a claim. Appeals, such as those filed by a governmental unit in response to questioned audit costs, are not considered claims until a final management decision is made by the Federal awarding agency.

6. "Cognizant agency" means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this Circular on behalf of all Federal agencies. OMB publishes a listing of cognizant agencies.

7. "Common Rule" means the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Final Rule" originally issued at 53 FR 8034 8103 (March 11, 1988). Other common rules will be referred to by their specific titles.

8. "Contract" means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to): awards and notices of awards; job orders or task orders issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and, bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301 et seq.

9. "Cost" means an amount as determined on a cash, accrual, or other basis acceptable to the Federal awarding or cognizant agency. It does not include transfers to a general or similar fund.

10. "Cost allocation plan" means central service cost allocation plan, public assistance cost allocation plan, and indirect cost rate proposal. Each of these terms are further defined in this section.

11. "Cost objective" means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

12. "Federally recognized indian tribal government" means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

13. "Governmental unit" means the entire State, local, or federally recognized Indian tribal government, including any component thereof. Components of governmental units may function independently of the governmental unit in accordance with the term of the award.

14. "Grantee department or agency" means the component of a State, local, or federally recognized Indian tribal government which is responsible for the performance or administration of all or some part of a Federal award.

15. "Indirect cost rate proposal" means the documentation prepared by a governmental unit or component thereof to substantiate its request for the establishment of an indirect cost rate as described in Attachment E of this Circular.

16. "Local government" means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a non profit corporation under State law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

17. "Public assistance cost allocation plan" means a narrative description of the procedures that will be used in identifying, measuring and allocating all administrative costs to all of the programs administered or supervised by State public assistance agencies as described in Attachment D of this Circular.

18. "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments.

C. ***Basic Guidelines***

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

b. Be allocable to Federal awards under the provisions of this Circular.

c. Be authorized or not prohibited under State or local laws or regulations.

d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.

e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.

h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.

i. Be the net of all applicable credits.

j. Be adequately documented.

2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally funded. In determining reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.

b. The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.

c. Market prices for comparable goods or services.

d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.

e. Significant deviations from the established practices of the governmental unit which may

unjustifiably increase the Federal award's cost.

3. Allocable costs.

a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.

c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Circular may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.

d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Attachments C, D, and E.

4. Applicable credits.

a. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

b. In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to Federal awards. (See Attachment B, item 11, "Depreciation and use allowances," for areas of potential application in the matter of Federal financing of activities.)

D. ***Composition of Cost***

1. Total cost. The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.

2. Classification of costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost. Guidelines for determining direct and indirect costs charged to Federal awards are provided in the sections that follow.

E. ***Direct Costs***

1. General. Direct costs are those that can be identified specifically with a particular final cost objective.

2. Application. Typical direct costs chargeable to Federal awards are:

a. Compensation of employees for the time devoted and identified specifically to the performance of those awards.

b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.

c. Equipment and other approved capital expenditures.

d. Travel expenses incurred specifically to carry out the award.

3. Minor items. Any direct cost of a minor amount may be treated as an indirect cost for reasons of

practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

F. ***Indirect Costs***

1. General. Indirect costs are those: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. The term "indirect costs," as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs within a governmental unit department or in other agencies providing services to a governmental unit department. Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

2. Cost allocation plans and indirect cost proposals. Requirements for development and submission of cost allocation plans and indirect cost rate proposals are contained in Attachments C, D, and E.

3. Limitation on indirect or administrative costs.

a. In addition to restrictions contained in this Circular, there may be laws that further limit the amount of administrative or indirect cost allowed.

b. Amounts not recoverable as indirect costs or administrative costs under one Federal award may not be shifted to another Federal award, unless specifically authorized by Federal legislation or regulation.

G. ***Interagency Services.*** The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro rate share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Attachment C.

H. ***Required Certifications.*** Each cost allocation plan or indirect cost rate proposal required by Attachments C and E must comply with the following:

1. No proposal to establish a cost allocation plan or an indirect cost rate, whether submitted to a Federal cognizant agency or maintained on file by the governmental unit, shall be acceptable unless such costs have been certified by the governmental unit using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Attachments C and E. The certificate must be signed on behalf of the governmental unit by an individual at a level no lower than chief financial officer of the governmental unit that submits the proposal or component covered by the proposal.

2. No cost allocation plan or indirect cost rate shall be approved by the Federal Government unless the plan or rate proposal has been certified. Where it is necessary to establish a cost allocation plan or an indirect cost rate and the governmental unit has not submitted a certified proposal for establishing such a plan or rate in accordance with the requirements, the Federal Government may either disallow all indirect costs or unilaterally establish such a plan or rate. Such a plan or rate may be based upon audited historical data or such other data that have been furnished to the cognizant Federal agency and for which it can be demonstrated that all unallowable costs have been excluded. When a cost allocation plan or indirect cost rate is unilaterally established by the Federal Government because of failure of the governmental unit to submit a certified proposal, the plan or rate established will be set to ensure that potentially unallowable costs will not be reimbursed.

ATTACHMENT B
Circular No. A 87

SELECTED ITEMS OF COST

TABLE OF CONTENTS

1. Advertising and public relations costs
2. Advisory councils
3. Alcoholic beverages
4. Audit costs and related services
5. Bad debts
6. Bonding costs
7. Communication costs
8. Compensation for personal services
9. Contingency provisions
10. Defense and prosecution of criminal and civil proceedings, and claims
11. Depreciation and use allowances
12. Donations and contributions
13. Employee morale, health, and welfare costs
14. Entertainment costs
15. Equipment and other capital expenditures
16. Fines and penalties
17. Fund raising and investment management costs
18. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs
19. General government expenses
20. Goods or services for personal use
21. Idle facilities and idle capacity
22. Insurance and indemnification
23. Interest
24. Lobbying
25. Maintenance, operations, and repairs
26. Materials and supplies costs
27. Meetings and conferences
28. Memberships, subscriptions, and professional activity costs
29. Patent costs
30. Plant and homeland security costs
31. Pre award costs
32. Professional service costs
33. Proposal costs
34. Publication and printing costs
35. Rearrangement and alteration costs
36. Reconversion costs
37. Rental costs of building and equipment
38. Royalties and other costs for the use of patents
39. Selling and marketing
40. Taxes
41. Termination costs applicable to sponsored agreements
42. Training costs
43. Travel costs

Sections 1 through 43 provide principles to be applied in establishing the allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. A cost is allowable for Federal reimbursement only to the extent of benefits received by Federal awards and its conformance with the general policies and principles stated in Attachment A to this Circular. Failure to mention a particular item of cost in these sections is not intended to imply that it is either allowable or unallowable; rather, determination of allowability in each case should be based on the treatment or standards provided for similar or related items of cost.

1. ***Advertising and public relations costs.***

a. The term advertising costs means the costs of advertising media and corollary administrative costs.

Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.

b. The term public relations includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

c. The only allowable advertising costs are those which are solely for:

(1) The recruitment of personnel required for the performance by the governmental unit of obligations arising under a Federal award;

(2) The procurement of goods and services for the performance of a Federal award;

(3) The disposal of scrap or surplus materials acquired in the performance of a Federal award except when governmental units are reimbursed for disposal costs at a predetermined amount; or

(4) Other specific purposes necessary to meet the requirements of the Federal award.

d. The only allowable public relations costs are:

(1) Costs specifically required by the Federal award;

(2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of Federal awards (these costs are considered necessary as part of the outreach effort for the Federal award); or

(3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

e. Costs identified in subsections c and d if incurred for more than one Federal award or for both sponsored work and other work of the governmental unit, are allowable to the extent that the principles in Attachment A, sections E. ("Direct Costs") and F. ("Indirect Costs") are observed.

f. Unallowable advertising and public relations costs include the following:

(1) All advertising and public relations costs other than as specified in subsections c, d, and e;

(2) Costs of meetings, conventions, convocations, or other events related to other activities of the governmental unit, including:

(a) Costs of displays, demonstrations, and exhibits;

(b) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and

(c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;

(3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;

(4) Costs of advertising and public relations designed solely to promote the governmental unit.

2. ***Advisory councils.*** Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to Federal awards.

3. ***Alcoholic beverages.*** Costs of alcoholic beverages are unallowable.

4. ***Audit costs and related services.***

a. The costs of audits required by, and performed in accordance with, the Single Audit Act, as implemented by Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" are allowable. Also see 31 USC 7505(b) and section 230 ("Audit Costs") of Circular A-133.

b. Other audit costs are allowable if included in a cost allocation plan or indirect cost proposal, or if specifically approved by the awarding agency as a direct cost to an award.

c. The cost of agreed-upon procedures engagements to monitor subrecipients who are exempted from A-133 under section 200(d) are allowable, subject to the conditions listed in A-133, section 230 (b)(2).

5. ***Bad debts.*** Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs, are unallowable.

6. ***Bonding costs.***

a. Bonding costs arise when the Federal Government requires assurance against financial loss to itself or others by reason of the act or default of the governmental unit. They arise also in instances where the governmental unit requires similar assurance. Included are such bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds.

b. Costs of bonding required pursuant to the terms of the award are allowable.

c. Costs of bonding required by the governmental unit in the general conduct of its operations are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

7. ***Communication costs.*** Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are allowable.

8. ***Compensation for personal services.***

a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this Circular, and that the total compensation for individual employees:

(1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non Federal activities;

(2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and

(3) Is determined and supported as provided in subsection h.

b. Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the governmental unit. In cases where the kinds of employees required for Federal awards are not found in the other activities of the governmental unit, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

c. Unallowable costs. Costs which are unallowable under other sections of these principles shall not be allowable under this section solely on the basis that they constitute personnel compensation.

d. Fringe benefits.

(1) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, governmental unit employee agreement, or an established policy of the governmental unit.

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

(3) When a governmental unit uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

(4) The accrual basis may be only used for those types of leave for which a liability as defined by Generally Accepted Accounting Principles (GAAP) exists when the leave is earned. When a governmental unit uses the accrual basis of accounting, in accordance with GAAP, allowable leave costs are the lesser of the amount accrued or funded.

(5) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs (see subsection e.); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

e. Pension plan costs. Pension plan costs may be computed using a pay as you go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For pension plans financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) Pension costs calculated using an actuarial cost based method recognized by GAAP are allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursement and the governmental unit's contribution to the pension fund. Adjustments may be made by cash refund or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the pension fund.

(3) Amounts funded by the governmental unit in excess of the actuarially determined amount for a fiscal year may be used as the governmental unit's contribution in future periods.

(4) When a governmental unit converts to an acceptable actuarial cost method, as defined by GAAP, and funds pension costs in accordance with this method, the unfunded liability at the time of conversion shall be allowable if amortized over a period of years in accordance with GAAP.

(5) The Federal Government shall receive an equitable share of any previously allowed pension costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

f. Post retirement health benefits. Post retirement health benefits (PRHB) refers to costs of health insurance or health services not included in a pension plan covered by subsection e. for retirees and their spouses, dependents, and survivors. PRHB costs may be computed using a pay as you

go method or an acceptable actuarial cost method in accordance with established written polices of the governmental unit.

(1) For PRHB financed on a pay as you go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) PRHB costs calculated using an actuarial cost method recognized by GAAP are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursements and the governmental unit's contributions to the PRHB fund. Adjustments may be made by cash refund, reduction in current year's PRHB costs, or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the PRHB fund.

(3) Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the government's contribution in a future period.

(4) When a governmental unit converts to an acceptable actuarial cost method and funds PRHB costs in accordance with this method, the initial unfunded liability attributable to prior years shall be allowable if amortized over a period of years in accordance with GAAP, or, if no such GAAP period exists, over a period negotiated with the cognizant agency.

(5) To be allowable in the current year, the PRHB costs must be paid either to:

(a) An insurer or other benefit provider as current year costs or premiums, or

(b) An insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing post retirement benefits to retirees and other beneficiaries.

(6) The Federal Government shall receive an equitable share of any amounts of previously allowed post retirement benefit costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

g. Severance pay.

(1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer employee agreement, or (c) established written policy.

(2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.

(3) Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if approved by the cognizant Federal agency.

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see

subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after the fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;

(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection (c);

(ii) The entire time period involved must be covered by the sample; and

(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection (a) may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of

Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

i. Donated services.

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the provisions of the Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

9. ***Contingency provisions.*** Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable. The term "contingency reserve" excludes self-insurance reserves (see Attachment B, section 22.c.), pension plan reserves (see Attachment B, section 8.e.), and post-retirement health and other benefit reserves (see Attachment B, section 8.f.) computed using acceptable actuarial cost methods.

10. ***Defense and prosecution of criminal and civil proceedings, and claims.***

a. The following costs are unallowable for contracts covered by 10 U.S.C. 2324(k), "Allowable costs under defense contracts."

(1) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of false certification brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification).

(2) Costs incurred by a contractor in connection with any criminal, civil or administrative proceedings commenced by the United States or a State to the extent provided in 10 U.S.C. 2324(k).

b. Legal expenses required in the administration of Federal programs are allowable. Legal expenses for prosecution of claims against the Federal Government are unallowable.

11. ***Depreciation and use allowances.***

a. Depreciation and use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.) except as provided for in subsection g. Except for enterprise funds and internal service funds that are included as part of a State/local cost allocation plan, classes of assets shall be determined on the same basis used for the government-wide financial statements.

b. The computation of depreciation or use allowances shall be based on the acquisition cost of the assets involved. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used. The value of an asset donated to the governmental unit by an unrelated third party shall be its fair market value at the time of donation. Governmental or quasi-governmental organizations located within the same State shall not be considered unrelated third parties for this purpose.

c. The computation of depreciation or use allowances will exclude:

(1) The cost of land;

(2) Any portion of the cost of buildings and equipment borne by or donated by the Federal

Government irrespective of where title was originally vested or where it presently resides; and

(3) Any portion of the cost of buildings and equipment contributed by or for the governmental unit, or a related donor organization, in satisfaction of a matching requirement.

d. Where the depreciation method is followed, the period of useful service (useful life) established in each case for usable capital assets must take into consideration such factors as type of construction, nature of the equipment used, historical usage patterns, technological developments, and the renewal and replacement policies of the governmental unit followed for the individual items or classes of assets involved. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight line method of depreciation shall be used.

Depreciation methods once used shall not be changed unless approved by the Federal cognizant or awarding agency. When the depreciation method is introduced for application to an asset previously subject to a use allowance, the annual depreciation charge thereon may not exceed the amount that would have resulted had the depreciation method been in effect from the date of acquisition of the asset. The combination of use allowances and depreciation applicable to the asset shall not exceed the total acquisition cost of the asset or fair market value at time of donation.

e. When the depreciation method is used for buildings, a building's shell may be segregated from the major component of the building (e.g., plumbing system, heating, and air conditioning system, etc.) and each major component depreciated over its estimated useful life, or the entire building (i.e., the shell and all components) may be treated as a single asset and depreciated over a single useful life.

f. Where the use allowance method is followed, the use allowance for buildings and improvements (including land improvements, such as paved parking areas, fences, and sidewalks) will be computed at an annual rate not exceeding two percent of acquisition costs. The use allowance for equipment will be computed at an annual rate not exceeding 6 2/3 percent of acquisition cost. When the use allowance method is used for buildings, the entire building must be treated as a single asset; the building's components (e.g., plumbing system, heating and air condition, etc.) cannot be segregated from the building's shell.

The two percent limitation, however, need not be applied to equipment which is merely attached or fastened to the building but not permanently fixed to it and which is used as furnishings or decorations or for specialized purposes (e.g., dentist chairs and dental treatment units, counters, laboratory benches bolted to the floor, dishwashers, modular furniture, carpeting, etc.). Such equipment will be considered as not being permanently fixed to the building if it can be removed without the destruction of, or need for costly or extensive alterations or repairs, to the building or the equipment. Equipment that meets these criteria will be subject to the 6 2/3 percent equipment use allowance limitation.

g. A reasonable use allowance may be negotiated for any assets that are considered to be fully depreciated, after taking into consideration the amount of depreciation previously charged to the government, the estimated useful life remaining at the time of negotiation, the effect of any increased maintenance charges, decreased efficiency due to age, and any other factors pertinent to the utilization of the asset for the purpose contemplated.

h. Charges for use allowances or depreciation must be supported by adequate property records. Physical inventories must be taken at least once every two years (a statistical sampling approach is acceptable) to ensure that assets exist, and are in use. Governmental units will manage equipment in accordance with State laws and procedures. When the depreciation method is followed, depreciation records indicating the amount of depreciation taken each period must also be maintained.

12. ***Donations and contributions.***

a. Contributions or donations rendered. Contributions or donations, including cash, property, and services, made by the governmental unit, regardless of the recipient, are unallowable.

b. Donated services received:

(1) Donated or volunteer services may be furnished to a governmental unit by professional and

technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the Federal Grants Management Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

13. ***Employee morale, health, and welfare costs.***

a. The costs of employee information publications, health or first-aid clinics and/or infirmaries, recreational activities, employee counseling services, and any other expenses incurred in accordance with the governmental unit's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance are allowable.

b. Such costs will be equitably apportioned to all activities of the governmental unit. Income generated from any of these activities will be offset against expenses.

14. ***Entertainment.*** Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

15. ***Equipment and other capital expenditures.***

a. For purposes of this subsection 15, the following definitions apply:

(1) "Capital Expenditures" means expenditures for the acquisition cost of capital assets (equipment, buildings, land), or expenditures to make improvements to capital assets that materially increase their value or useful life. Acquisition cost means the cost of the asset including the cost to put it in place. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from the acquisition cost in accordance with the governmental unit's regular accounting practices.

(2) "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or $5000.

(3) "Special purpose equipment" means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

(4) "General purpose equipment" means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

b. The following rules of allowability shall apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency.

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5000 or more have the prior approval of the awarding agency.

(3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior approval

of the awarding agency.

(4) When approved as a direct charge pursuant to Attachment B, section 15.b (1), (2), and (3) above, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the awarding agency. In addition, Federal awarding agencies are authorized at their option to waive or delegate the prior approval requirement.

(5) Equipment and other capital expenditures are unallowable as indirect costs. However, see section 11, Depreciation and use allowance, for rules on the allowability of use allowances or depreciation on buildings, capital improvements, and equipment. Also, see section 37, Rental costs, concerning the allowability of rental costs for land, buildings, and equipment.

(6) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable use allowances or depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency.

(7) When replacing equipment purchased in whole or in part with Federal funds, the governmental unit may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

16. ***Fines and penalties.*** Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the Federal award or written instructions by the awarding agency authorizing in advance such payments.

17. ***Fund raising and investment management costs.***

a. Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.

b. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable. However, such costs associated with investments covering pension, self insurance, or other funds which include Federal participation allowed by this Circular are allowable.

c. Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subsection C.3.b. of Attachment A.

18. ***Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs.***

a. (1) Gains and losses on the sale, retirement, or other disposition of depreciable property shall be included in the year in which they occur as credits or charges to the asset cost grouping(s) in which the property was included. The amount of the gain or loss to be included as a credit or charge to the appropriate asset cost grouping(s) shall be the difference between the amount realized on the property and the undepreciated basis of the property.

(2) Gains and losses on the disposition of depreciable property shall not be recognized as a separate credit or charge under the following conditions:

(a) The gain or loss is processed through a depreciation account and is reflected in the depreciation allowable under sections 11 and 15.

(b) The property is given in exchange as part of the purchase price of a similar item and the gain or loss is taken into account in determining the depreciation cost basis of the new item.

(c) A loss results from the failure to maintain permissible insurance, except as otherwise provided in subsection 22.d.

(d) Compensation for the use of the property was provided through use allowances in lieu of depreciation.

b. Substantial relocation of Federal awards from a facility where the Federal Government participated in the financing to another facility prior to the expiration of the useful life of the financed facility requires Federal agency approval. The extent of the relocation, the amount of the Federal participation in the financing, and the depreciation charged to date may require negotiation of space charges for Federal awards.

c. Gains or losses of any nature arising from the sale or exchange of property other than the property covered in subsection a., e.g., land or included in the fair market value used in any adjustment resulting from a relocation of Federal awards covered in subsection b. shall be excluded in computing Federal award costs.

19. ***General government expenses.***

a. The general costs of government are unallowable (except as provided in Attachment B, section 43, Travel costs). These include:

(1) Salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision or the chief executive of federally recognized Indian tribal government;

(2) Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;

(3) Costs of the judiciary branch of a government;

(4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by program statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General); and

(5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

b. For federally recognized Indian tribal governments and Councils Of Governments (COGs), the portion of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his staff is allowable.

20. ***Goods or services for personal use.*** Costs of goods or services for personal use of the governmental unit's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

21. ***Idle facilities and idle capacity.***

a. As used in this section the following terms have the meanings set forth below:

(1) "Facilities" means land and buildings or any portion thereof, equipment individually or collectively, or any other tangible capital asset, wherever located, and whether owned or leased by the governmental unit.

(2) "Idle facilities" means completely unused facilities that are excess to the governmental unit's current needs.

(3) "Idle capacity" means the unused capacity of partially used facilities. It is the difference between: (a) that which a facility could achieve under 100 percent operating time on a one-shift basis less operating interruptions resulting from time lost for repairs, setups, unsatisfactory materials, and other normal delays; and (b) the extent to which the facility was actually used to meet demands during the accounting period. A multi-shift basis should be used if it can be shown that this amount of usage would normally be expected for the type of facility involved.

(4) "Cost of idle facilities or idle capacity" means costs such as maintenance, repair, housing, rent, and other related costs, e.g., insurance, interest, property taxes and depreciation or use allowances.

b. The costs of idle facilities are unallowable except to the extent that:

(1) They are necessary to meet fluctuations in workload; or

(2) Although not necessary to meet fluctuations in workload, they were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, termination, or other causes which could not have been reasonably foreseen. Under the exception stated in this subsection, costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities.

c. The costs of idle capacity are normal costs of doing business and are a factor in the normal fluctuations of usage or indirect cost rates from period to period. Such costs are allowable, provided that the capacity is reasonably anticipated to be necessary or was originally reasonable and is not subject to reduction or elimination by use on other Federal awards, subletting, renting, or sale, in accordance with sound business, economic, or security practices. Widespread idle capacity throughout an entire facility or among a group of assets having substantially the same function may be considered idle facilities.

22. ***Insurance and indemnification.***

a. Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.

b. Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:

(1) Types and extent and cost of coverage are in accordance with the governmental unit's policy and sound business practice.

(2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the awarding agency has specifically required or approved such costs.

c. Actual losses which could have been covered by permissible insurance (through a self insurance program or otherwise) are unallowable, unless expressly provided for in the Federal award or as described below. However, the Federal Government will participate in actual losses of a self insurance fund that are in excess of reserves. Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and minor losses not covered by insurance, such as spoilage, breakage, and disappearance of small hand tools, which occur in the ordinary course of operations, are allowable.

d. Contributions to a reserve for certain self insurance programs including workers compensation, unemployment compensation, and severance pay are allowable subject to the following provisions:

(1) The type of coverage and the extent of coverage and the rates and premiums would have been allowed had insurance (including reinsurance) been purchased to cover the risks. However, provision for known or reasonably estimated self insured liabilities, which do not become payable for more than one year after the provision is made, shall not exceed the discounted present value of the liability. The rate used for discounting the liability must be determined by giving consideration to such factors as the governmental unit's settlement rate for those liabilities and its investment rate of return.

(2) Earnings or investment income on reserves must be credited to those reserves.

(3) Contributions to reserves must be based on sound actuarial principles using historical experience and reasonable assumptions. Reserve levels must be analyzed and updated at least biennially for each major risk being insured and take into account any reinsurance, coinsurance, etc. Reserve levels related to employee related coverages will normally be limited to the value of claims (a) submitted and adjudicated but not paid, (b) submitted but not adjudicated, and (c) incurred but not submitted. Reserve levels in excess of the amounts based on the above must be identified and justified in the cost allocation plan or indirect cost rate proposal.

(4) Accounting records, actuarial studies, and cost allocations (or billings) must recognize any significant differences due to types of insured risk and losses generated by the various insured

activities or agencies of the governmental unit. If individual departments or agencies of the governmental unit experience significantly different levels of claims for a particular risk, those differences are to be recognized by the use of separate allocations or other techniques resulting in an equitable allocation.

(5) Whenever funds are transferred from a self insurance reserve to other accounts (e.g., general fund), refunds shall be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer.

e. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., subsection 8.f. for post retirement health benefits), are allowable in the year of payment provided (1) the governmental unit follows a consistent costing policy and (2) they are allocated as a general administrative expense to all activities of the governmental unit.

f. Insurance refunds shall be credited against insurance costs in the year the refund is received.

g. Indemnification includes securing the governmental unit against liabilities to third persons and other losses not compensated by insurance or otherwise. The Federal Government is obligated to indemnify the governmental unit only to the extent expressly provided for in the Federal award, except as provided in subsection d.

h. Costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are unallowable.

23. ***Interest.***

a. Costs incurred for interest on borrowed capital or the use of a governmental unit's own funds, however represented, are unallowable except as specifically provided in subsection b. or authorized by Federal legislation.

b. Financing costs (including interest) paid or incurred which are associated with the otherwise allowable costs of building acquisition, construction, or fabrication, reconstruction or remodeling completed on or after October 1, 1980 is allowable subject to the conditions in (1) through (4) of this section 23.b. Financing costs (including interest) paid or incurred on or after September 1, 1995 for land or associated with otherwise allowable costs of equipment is allowable, subject to the conditions in (1) through (4).

(1) The financing is provided (from other than tax or user fee sources) by a bona fide third party external to the governmental unit;

(2) Thee assets are used in support of Federal awards;

(3) Earnings on debt service reserve funds or interest earned on borrowed funds pending payment of the construction or acquisition costs are used to offset the current period's cost or the capitalized interest, as appropriate. Earnings subject to being reported to the Federal Internal Revenue Service under arbitrage requirements are excludable.

(4) For debt arrangements over $1 million, unless the governmental unit makes an initial equity contribution to the asset purchase of 25 percent or more, the governmental unit shall reduce claims for interest cost by an amount equal to imputed interest earnings on excess cash flow, which is to be calculated as follows. Annually, non-Federal entities shall prepare a cumulative (from the inception of the project) report of monthly cash flows that includes inflows and outflows, regardless of the funding source. Inflows consist of depreciation expense, amortization of capitalized construction interest, and annual interest cost. For cash flow calculations, the annual inflow figures shall be divided by the number of months in the year (i.e., usually 12) that the building is in service for monthly amounts. Outflows consist of initial equity contributions, debt principal payments (less the pro rata share attributable to the unallowable costs of land) and interest payments. Where cumulative inflows exceed cumulative outflows, interest shall be calculated on the excess inflows for that period and be treated as a reduction to allowable interest cost. The rate of interest to be used to compute earnings on excess cash flows shall be the three-month Treasury bill closing rate as of the last business day of that month.

(5) Interest attributable to fully depreciated assets is unallowable.

24. ***Lobbying.***

a. General. The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost. Lobbying with respect to certain grants, contracts, cooperative agreements, and loans shall be governed by the common rule, "New Restrictions on Lobbying" published at 55 FR 6736 (February 26, 1990), including definitions, and the Office of Management and Budget "Government wide Guidance for New Restrictions on Lobbying" and notices published at 54 FR 52306 (December 20, 1989), 55 FR 24540 (June 15, 1990), and 57 FR 1772 (January 15, 1992), respectively.

b. Executive lobbying costs. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally sponsored agreement or regulatory matter on any basis other than the merits of the matter.

25. ***Maintenance, operations, and repairs.*** Unless prohibited by law, the cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they: (1) keep property (including Federal property, unless otherwise provided for) in an efficient operating condition, (2) do not add to the permanent value of property or appreciably prolong its intended life, and (3) are not otherwise included in rental or other charges for space. Costs which add to the permanent value of property or appreciably prolong its intended life shall be treated as capital expenditures (see sections 11 and 15).

26. ***Materials and supplies costs.***

a. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.

b. Purchased materials and supplies shall be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.

c. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs.

d. Where federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.

27. ***Meetings and conferences.*** Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. But see Attachment B, section 14, Entertainment costs.

28. ***Memberships, subscriptions, and professional activity costs.***

a. Costs of the governmental unit's memberships in business, technical, and professional organizations are allowable.

b. Costs of the governmental unit's subscriptions to business, professional, and technical periodicals are allowable.

c. Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal awarding agency.

d. Costs of membership in organizations substantially engaged in lobbying are unallowable.

29. ***Patent costs.***

a. The following costs relating to patent and copyright matters are allowable:

(i) cost of preparing disclosures, reports, and other documents required by the Federal award and of searching the art to the extent necessary to make such disclosures;

(ii) cost of preparing documents and any other patent costs in connection with the filing and prosecution of a United States patent application where title or royalty-free license is required by the Federal Government to be conveyed to the Federal Government; and

(iii) general counseling services relating to patent and copyright matters, such as advice on patent and copyright laws, regulations, clauses, and employee agreements (but see Attachment B, sections 32, Professional service costs, and 38, Royalties and other costs for use of patents and copyrights).

b. The following costs related to patent and copyright matter are unallowable:

(i) Cost of preparing disclosures, reports, and other documents and of searching the art to the extent necessary to make disclosures not required by the award

(ii) Costs in connection with filing and prosecuting any foreign patent application, or (ii) any United States patent application, where the Federal award does not require conveying title or a royalty-free license to the Federal Government (but see Attachment B, section 38., Royalties and other costs for use of patents and copyrights).

30. ***Plant and homeland security costs.*** Necessary and reasonable expenses incurred for routine and homeland security to protect facilities, personnel, and work products are allowable. Such costs include, but are not limited to, wages and uniforms of personnel engaged in security activities; equipment; barriers; contractual security services; consultants; etc. Capital expenditures for homeland and plant security purposes are subject to section 15., Equipment and other capital expenditures, of this Circular.

31. ***Pre award costs.*** Pre award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

32. ***Professional service costs.***

a. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the governmental unit, are allowable, subject to subparagraphs b and c when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government.

In addition, legal and related services are limited under Attachment B, section 10.

b. In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

(1) The nature and scope of the service rendered in relation to the service required.

(2) The necessity of contracting for the service, considering the governmental unit's capability in the particular area

(3) The past pattern of such costs, particularly in the years prior to Federal awards.

(4) The impact of Federal awards on the governmental unit's business (i.e., what new problems have arisen).

(5) Whether the proportion of Federal work to the governmental unit's total business is such as to influence the governmental unit in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal grants and contracts.

(6) Whether the service can be performed more economically by direct employment rather than

contracting.

(7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-Federal awards.

(8) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

c. In addition to the factors in subparagraph b, retainer fees to be allowable must be supported by available or rendered evidence of bona fide services available or rendered.

33. ***Proposal costs.*** Costs of preparing proposals for potential Federal awards are allowable. Proposal costs should normally be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and indirect cost rate proposal. However, proposal costs may be charged directly to Federal awards with the prior approval of the Federal awarding agency.

34. ***Publication and printing costs.***

a. Publication costs include the costs of printing (including the processes of composition, plate-making, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications.

b. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the governmental unit.

c. Page charges for professional journal publications are allowable as a necessary part of research costs where:

(1) The research papers report work supported by the Federal Government: and

(2) The charges are levied impartially on all research papers published by the journal, whether or not by federally sponsored authors

35. ***Rearrangement and alteration costs.*** Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable. Special arrangements and alterations costs incurred specifically for a Federal award are allowable with the prior approval of the Federal awarding agency.

36. ***Reconversion costs.*** Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.

37. ***Rental costs of buildings and equipment.***

a. Subject to the limitations described in subsections b. through d. of this section, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.

b. Rental costs under "sale and lease back" arrangements are allowable only up to the amount that would be allowed had the governmental unit continued to own the property. This amount would include expenses such as cepreciation or use allowance, maintenance, taxes, and insurance.

c. Rental costs under "less-than-arms-length" leases are allowable only up to the amount (as explained in Attachment B, section 37.b) that would be allowed had title to the property vested in the governmental unit. For this purpose, a less-than-arms-length lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to those between (i) divisions of a governmental unit; (ii) governmental units under common control through common officers, directors, or members; and (iii) a governmental unit and a director, trustee, officer, or key employee of the

governmental unit or his immediate family, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. For example, a governmental unit may establish a separate corporation for the sole purpose of owning property and leasing it back to the governmental unit.

d. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount (as explained in subsection b) that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. The provisions of Financial Accounting Standards Board Statement 13, Accounting for Leases, shall be used to determine whether a lease is a capital lease. Interest costs related to capital leases are allowable to the extent they meet the criteria in Attachment B, section 23. Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the governmental unit purchased the facility.

38. ***Royalties and other costs for the use of patents.***

a. Royalties on a patent or copyright or amortization of the cost of acquiring by purchase a copyright, patent, or rights thereto, necessary for the proper performance of the award are allowable unless:

(1) The Federal Government has a license or the right to free use of the patent or copyright.

(2) The patent or copyright has been adjudicated to be invalid, or has been administratively determined to be invalid.

(3) The patent or copyright is considered to be unenforceable.

(4) The patent or copyright is expired.

b. Special care should be exercised in determining reasonableness where the royalties may have been arrived at as a result of less-than-arm's-length bargaining, e.g.:

(1) Royalties paid to persons, including corporations, affiliated with the governmental unit.

(2) Royalties paid to unaffiliated parties, including corporations, under an agreement entered into in contemplation that a Federal award would be made.

(3) Royalties paid under an agreement entered into after an award is made to a governmental unit.

c. In any case involving a patent or copyright formerly owned by the governmental unit, the amount of royalty allowed should not exceed the cost which would have been allowed had the governmental unit retained title thereto.

39. ***Selling and marketing.*** Costs of selling and marketing any products or services of the governmental unit are unallowable (unless allowed under Attachment B, section 1, as allowable public relations costs or under Attachment B, section 33, as allowable proposal costs.

40. ***Taxes.***

a. Taxes that a governmental unit is legally required to pay are allowable, except for self assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs. This provision becomes effective for taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter.

b. Gasoline taxes, motor vehicle fees, and other taxes that are in effect user fees for benefits provided to the Federal Government are allowable.

c. This provision does not restrict the authority of Federal agencies to identify taxes where Federal participation is inappropriate. Where the identification of the amount of unallowable taxes would require an inordinate amount of effort, the cognizant agency may accept a reasonable approximation thereof.

41. ***Termination costs applicable to sponsored agreements.*** Termination of awards generally gives

rise to the incurrence of costs, or the need for special treatment of costs, which would not have arisen had the Federal award not been terminated. Cost principles covering these items are set forth below. They are to be used in conjunction with the other provisions of this Circular in termination situations

a. The cost of items reasonably usable on the governmental unit's other work shall not be allowable unless the governmental unit submits evidence that it would not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the governmental unit, the awarding agency should consider the governmental unit's plans and orders for current and scheduled activity.

Contemporaneous purchases of common items by the governmental unit shall be regarded as evidence that such items are reasonably usable on the governmental unit's other work. Any acceptance of common items as allocable to the terminated portion of the Federal award shall be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

b. If in a particular case, despite all reasonable efforts by the governmental unit, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this Circular, except that any such costs continuing after termination due to the negligent or willful failure of the governmental unit to discontinue such costs shall be unallowable.

c. Loss of useful value of special tooling, machinery, and equipment is generally allowable if:

(1) Such special tooling, special machinery, or equipment is not reasonably capable of use in the other work of the governmental unit,

(2) The interest of the Federal Government is protected by transfer of title or by other means deemed appropriate by the awarding agency, and

(3) The loss of useful value for any one terminated Federal award is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the Federal award bears to the entire terminated Federal award and other Federal awards for which the special tooling, machinery, or equipment was acquired.

d. Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated Federal award less the residual value of such leases, if:

(1) the amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the Federal award and such further period as may be reasonable, and

(2) the governmental unit makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the Federal award, and of reasonable restoration required by the provisions of the lease.

e. Settlement expenses including the following are generally allowable:

(1) Accounting, legal, clerical, and similar costs reasonably necessary for:

(a) The preparation and presentation to the awarding agency of settlement claims and supporting data with respect to the terminated portion of the Federal award, unless the termination is for default (see Subpart __.44 of the Grants Management Common Rule implementing OMB Circular A-102); and

(b) The termination and settlement of subawards.

(2) Reasonable costs for the storage, transportation, protection, and disposition of property provided by the Federal Government or acquired or produced for the Federal award, except when grantees or contractors are reimbursed for disposals at a predetermined amount in accordance with Subparts__.31 and ____.32 of the Grants Management Common Rule implementing OMB Circular A-102.

f. Claims under subawards, including the allocable portion of claims which are common to the Federal award, and to other work of the governmental unit are generally allowable.

An appropriate share of the governmental unit's indirect expense may be allocated to the amount of settlements with subcontractors and/or subgrantees, provided that the amount allocated is otherwise consistent with the basic guidelines contained in Attachment A. The indirect expense so allocated shall exclude the same and similar costs claimed directly or indirectly as settlement expenses.

42. ***Training costs.*** The cost of training provided for employee development is allowable.

43. ***Travel costs.***

a. General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the governmental unit. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the governmental unit's non-federally sponsored activities. Notwithstanding the provisions of Attachment B, section 19, General government expenses, travel costs of officials covered by that section are allowable with the prior approval of an awarding agency when they are specifically related to Federal awards.

b. Lodging and subsistence. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the governmental unit in its regular operations as the result of the governmental unit's written travel policy. In the absence of an acceptable, written governmental unit policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under Federal awards (48 CFR 31.205-46(a)).

c. Commercial air travel.

(1) Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except when such accommodations would:

(a) require circuitous routing;
(b) require travel during unreasonable hours;
(c) excessively prolong travel;
(d) result in additional costs that would offset the transportation savings; or
(e) offer accommodations not reasonably adequate for the traveler's medical needs. The governmental unit must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

(2) Unless a pattern of avoidance is detected, the Federal Government will generally not question a governmental unit's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the governmental unit can demonstrate either of the following: (a) that such airfare was not available in the specific case; or (b) that it is the governmental unit's overall practice to make routine use of such airfare.

d. Air travel by other than commercial carrier. Costs of travel by governmental unit-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of allowable commercial air travel, as provided for in subsection c., is unallowable.

e. Foreign travel. Direct charges for foreign travel costs are allowable only when the travel has received prior approval of the awarding agency. Each separate foreign trip must receive such approval. For purposes of this provision, "foreign travel" includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term "foreign travel" for a governmental unit located in a foreign country means travel outside that country.

ATTACHMENT C
Circular No. A 87

STATE/LOCAL WIDE CENTRAL SERVICE COST ALLOCATION PLANS

TABLE OF CONTENTS

A. General

B. Definitions

1. Billed central services
2. Allocated central services
3. Agency or operating agency

C. Scope of the Central Service Cost Allocation Plans

D. Submission Requirements

E. Documentation Requirements for Submitted Plans

1. General
2. Allocated central services
3. Billed services
   a. General
   b. Internal service funds
   c. Self insurance funds
   d. Fringe benefits
4. Required Certification

F. Negotiation and Approval of Central Service Plans

G. Other Policies

1. Billed central service activities
2. Working capital reserves
3. Carry forward adjustments of allocated central service costs
4. Adjustments of billed central services
5. Records retention
6. Appeals
7. OMB assistance

A. ***General.***

1. Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally supported awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process. All costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

2. Guidelines and illustrations of central service cost allocation plans are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Incirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office.

B. ***Definitions.***

1. "Billed central services" means central services that are billed to benefitted agencies and/or

programs on an individual fee for service or similar basis. Typical examples of billed central services include computer services, transportation services, insurance, and fringe benefits.

2. "Allocated central services" means central services that benefit operating agencies but are not billed to the agencies on a fee for service or similar basis. These costs are allocated to benefitted agencies on some reasonable basis. Examples of such services might include general accounting, personnel administration, purchasing, etc.

3. "Agency or operating agency" means an organizational unit or sub division within a governmental unit that is responsible for the performance or administration of awards or activities of the governmental unit.

C. ***Scope of the Central Service Cost Allocation Plans.*** The central service cost allocation plan will include all central service costs that will be claimed (either as a billed or an allocated cost) under Federal awards and will be documented as described in section E. Costs of central services omitted from the plan will not be reimbursed.

D. ***Submission Requirements.***

1. Each State will submit a plan to the Department of Health and Human Services for each year in which it claims central service costs under Federal awards. The plan should include (a) a projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year), and (b) a reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year.

2. Each local government that has been designated as a "major local government" by the Office of Management and Budget (OMB) is also required to submit a plan to its cognizant agency annually. OMB periodically lists major local governments in the Federal Register.

3. All other local governments claiming central service costs must develop a plan in accordance with the requirements described in this Circular and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub recipient, the primary recipient will be responsible for negotiating indirect cost rates and/or monitoring the sub recipient's plan.

4. All central service cost allocation plans will be prepared and, when required, submitted within six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs. Extensions may be granted by the cognizant agency on a case by case basis.

E. ***Documentation Requirements for Submitted Plans.*** The documentation requirements described in this section may be modified, expanded, or reduced by the cognizant agency on a case by case basis. For example, the requirements may be reduced for those central services which have little or no impact on Federal awards. Conversely, if a review of a plan indicates that certain additional information is needed, and will likely be needed in future years, it may be routinely requested in future plan submissions. Items marked with an asterisk (*) should be submitted only once; subsequent plans should merely indicate any changes since the last plan.

1. General. All proposed plans must be accompanied by the following: an organization chart sufficiently detailed to show operations including the central service activities of the State/local government whether or not they are shown as benefiting from central service functions; a copy of the Comprehensive Annual Financial Report (or a copy of the Executive Budget if budgeted costs are being proposed) to support the allowable costs of each central service activity included in the plan; and, a certification (see subsection 4.) that the plan was prepared in accordance with this Circular, contains only allowable costs, and was prepared in a manner that treated similar costs consistently among the various Federal awards and between Federal and non Federal awards/activities.

2. Allocated central services. For each allocated central service, the plan must also include the following: a brief description of the service*, an identification of the unit rendering the service and the operating agencies receiving the service, the items of expense included in the cost of the service, the method used to distribute the cost of the service to benefitted agencies, and a summary schedule showing the allocation of each service to the specific benefitted agencies. If any self insurance funds or fringe benefits costs are treated as allocated (rather than billed) central services, documentation discussed in subsections 3.b. and c. shall also be included.

3. Billed services.

a. a. General. The information described below shall be provided for all billed central services, including internal service funds, self insurance funds, and fringe benefit funds.

b. Internal service funds.

(1) For each internal service fund or similar activity with an operating budget of $5 million or more, the plan shall include: a brief description of each service; a balance sheet for each fund based on individual accounts contained in the governmental unit's accounting system; a revenue/expenses statement, with revenues broken out by source, e.g., regular billings, interest earned, etc.; a listing of all non operating transfers (as defined by Generally Accepted Accounting Principles (GAAP)) into and out of the fund; a description of the procedures (methodology) used to charge the costs of each service to users, including how billing rates are determined; a schedule of current rates; and, a schedule comparing total revenues (including imputed revenues) generated by the service to the allowable costs of the service, as determined under this Circular, with an explanation of how variances will be handled.

(2) Revenues shall consist of all revenues generated by the service, including unbilled and uncollected revenues. If some users were not billed for the services (or were not billed at the full rate for that class of users), a schedule showing the full imputed revenues associated with these users shall be provided. Expenses shall be broken out by object cost categories (e.g., salaries, supplies, etc.).

c. Self insurance funds. For each self insurance fund, the plan shall include: the fund balance sheet; a statement of revenue and expenses including a summary of billings and claims paid by agency; a listing of all non operating transfers into and out of the fund; the type(s) of risk(s) covered by the fund (e.g., automobile liability, workers' compensation, etc.); an explanation of how the level of fund contributions are determined, including a copy of the current actuarial report (with the actuarial assumptions used) if the contributions are determined on an actuarial basis; and, a description of the procedures used to charge or allocate fund contributions to benefitted activities. Reserve levels in excess of claims (1) submitted and adjudicated but not paid, (2) submitted but not adjudicated, and (3) incurred but not submitted must be identified and explained.

d. Fringe benefits. For fringe benefit costs, the plan shall include: a listing of fringe benefits provided to covered employees, and the overall annual cost of each type of benefit; current fringe benefit policies*; and procedures used to charge or allocate the costs of the benefits to benefitted activities. In addition, for pension and post retirement health insurance plans, the following information shall be provided: the governmental unit's funding policies, e.g., legislative bills, trust agreements, or State mandated contribution rules, if different from actuarially determined rates; the pension plan's costs accrued for the year; the amount funded, and date(s) of funding; a copy of the current actuarial report (including the actuarial assumptions); the plan trustee's report; and, a schedule from the activity showing the value of the interest cost associated with late funding.

4. Required certification. Each central service cost allocation plan will be accompanied by a certification in the following form:

CERTIFICATE OF COST ALLOCATION PLAN

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish cost allocations or billings for [identify period covered by plan] are allowable in accordance with the requirements of OMB Circular A 87, "Cost Principles for State, Local, and Indian Tribal Governments," and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

Governmental Unit: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

F. ***Negotiation and Approval of Central Service Plans.***

1. All proposed central service cost allocation plans that are required to be submitted will be reviewed, negotiated, and approved by the Federal cognizant agency on a timely basis. The cognizant agency will review the proposal within six months of receipt of the proposal and either negotiate/approve the proposal or advise the governmental unit of the additional documentation needed to support/evaluate the proposed plan or the changes required to make the proposal acceptable. Once an agreement with the governmental unit has been reached, the agreement will be accepted and used by all Federal agencies, unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special consideration, the funding agency will, prior to the time the plans are negotiated, notify the cognizant agency.

2. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re opening if the agreement is subsequently found to violate a statute or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The results of the negotiation shall be made available to all Federal agencies for their use.

3. Negotiated cost allocation plans based on a proposal later found to have included costs that: (a) are unallowable (i) as specified by law or regulation, (ii) as identified in Attachment B of this Circular, or (iii) by the terms and conditions of Federal awards, or (b) are unallowable because they are clearly not allocable to Federal awards, shall be adjusted, or a refund shall be made at the option of the Federal cognizant agency. These adjustments or refunds are designed to correct the plans and do not constitute a reopening of the negotiation.

G. ***Other Policies.***

1. Billed central service activities. Each billed central service activity must separately account for all revenues (including imputed revenues) generated by the service, expenses incurred to furnish the service, and profit/loss.

2. Working capital reserves. Internal service funds are dependent upon a reasonable level of working capital reserve to operate from one billing cycle to the next. Charges by an internal service activity to provide for the establishment and maintenance of a reasonable level of working capital reserve, in addition to the full recovery of costs, are allowable. A working capital reserve as part of retained earnings of up to 60 days cash expenses for normal operating purposes is considered reasonable. A working capital reserve exceeding 60 days may be approved by the cognizant Federal agency in exceptional cases.

3. Carry forward adjustments of allocated central service costs. Allocated central service costs are usually negotiated and approved for a future fiscal year on a "fixed with carry forward" basis. Under this procedure, the fixed amounts for the future year covered by agreement are not subject to adjustment for that year. However, when the actual costs of the year involved become known, the differences between the fixed amounts previously approved and the actual costs will be carried forward and used as an adjustment to the fixed amounts established for a later year. This "carry forward" procedure applies to all central services whose costs were fixed in the approved plan. However, a carry forward adjustment is not permitted, for a central service activity that was not included in the approved plan, or for unallowable costs that must be reimbursed immediately.

4. Adjustments of billed central services. Billing rates used to charge Federal awards shall be based on the estimated costs of providing the services, including an estimate of the allocable central service costs. A comparison of the revenue generated by each billed service (including total revenues whether or not billed or collected) to the actual allowable costs of the service will be made at least annually, and an adjustment will be made for the difference between the revenue

and the allowable costs. These adjustments will be made through one of the following adjustment methods: (a) a cash refund to the Federal Government for the Federal share of the adjustment, (b) credits to the amounts charged to the individual programs, (c) adjustments to future billing rates, or (d) adjustments to allocated central service costs. Adjustments to allocated central services will not be permitted where the total amount of the adjustment for a particular service (Federal share and non Federal) share exceeds $500,000.

5. Records retention. All central service cost allocation plans and related documentation used as a basis for claiming costs under Federal awards must be retained for audit in accordance with the records retention requirements contained in the Common Rule.

6. Appeals. If a dispute arises in the negotiation of a plan between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

7. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

ATTACHMENT D
Circular No. A 87

PUBLIC ASSISTANCE COST ALLOCATION PLANS

TABLE OF CONTENTS

A. General

B. Definitions

1. State public assistance agency
2. State public assistance agency costs

C. Policy

D. Submission, Documentation, and Approval of Public Assistance Cost Allocation Plans

E. Review of Implementation of Approved Plans

F. Unallowable Costs

A. ***General.*** Federally financed programs administered by State public assistance agencies are funded predominately by the Department of Health and Human Services (HHS). In support of its stewardship requirements, HHS has published requirements for the development, documentation, submission, negotiation, and approval of public assistance cost allocation plans in Subpart E of 45 CFR Part 95. All administrative costs (direct and indirect) are normally charged to Federal awards by implementing the public assistance cost allocation plan. This Attachment extends these requirements to all Federal agencies whose programs are administered by a State public assistance agency. Major federally financed programs typically administered by State public assistance agencies include: Temporary Assistance to Needy Families (TANF), Medicaid, Food Stamps, Child Support Enforcement, Adoption Assistance and Foster Care, and Social Services Block Grant.

B. ***Definitions.***

1. "State public assistance agency" means a State agency administering or supervising the administration of one or more public assistance programs operated by the State as identified in Subpart E of 45 CFR Part 95. For the purpose of this Attachment, these programs include all programs administered by the State public assistance agency.

2. "State public assistance agency costs" means all costs incurred by, or allocable to, the State public assistance agency, except expenditures for financial assistance, medical vendor

payments, food stamps, and payments for services and goods provided directly to program

recipients.

C. ***Policy.*** State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR Part 95. The plan will include all programs administered by the State public assistance agency. Where a letter of approval or disapproval is transmitted to a State public assistance agency in accordance with Subpart E, the letter will apply to all Federal agencies and programs. The remaining sections of this Attachment (except for the requirement for certification) summarize the provisions of Subpart E of 45 CFR Part 95.

D. ***Submission, Documentation, and Approval of Public Assistance Cost Allocation Plans.***

1. State public assistance agencies are required to promptly submit amendments to the cost allocation plan to HHS for review and approval.

2. Under the coordination process outlined in subsection E, affected Federal agencies will review all new plans and plan amendments and provide comments, as appropriate, to HHS. The effective date of the plan or plan amendment will be the first day of the quarter following the submission of the plan or amendment, unless another date is specifically approved by HHS. HHS, as the cognizant agency acting on behalf of all affected Federal agencies, will, as necessary, conduct negotiations with the State public assistance agency and will inform the State agency of the action taken on the plan or plan amendment.

E. ***Review of Implementation of Approved Plans.***

1. Since public assistance cost allocation plans are of a narrative nature, the review during the plan approval process consists of evaluating the appropriateness of the proposed groupings of costs (cost centers) and the related allocation bases. As such, the Federal Government needs some assurance that the cost allocation plan has been implemented as approved. This is accomplished by reviews by the funding agencies, single audits, or audits conducted by the cognizant audit agency.

2. Where inappropriate charges affecting more than one funding agency are identified, the cognizant HHS cost negotiation office will be advised and will take the lead in resolving the issue(s) as provided for in Subpart E of 45 CFR Part 95.

3. If a dispute arises in the negotiation of a plan or from a disallowance involving two or more funding agencies, the dispute shall be resolved in accordance with the appeals procedures set out in 45 CFR Part 75. Disputes involving only one funding agency will be resolved in accordance with the funding agency's appeal process.

4. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, the Office of Management and Budget will lend assistance, as required, to resolve such problems in a timely manner.

F. ***Unallowable Costs.*** Claims developed under approved cost allocation plans will be based on allowable costs as identified in this Circular. Where unallowable costs have been claimed and reimbursed, they will be refunded to the program that reimbursed the unallowable cost using one of the following methods: (a) a cash refund, (b) offset to a subsequent claim, or (c) credits to the amounts charged to individual awards.

ATTACHMENT E
Circular No. A 87

STATE AND LOCAL INDIRECT COST RATE PROPOSALS

TABLE OF CONTENTS

A. General

B. Definitions

1. Indirect cost rate proposal
2. Indirect cost rate
3. Indirect cost pool

4. Base
5. Predetermined rate
6. Fixed rate
7. Provisional rate
8. Final rate
9. Base period

C. Allocation of Indirect Costs and Determination of Indirect Cost Rates

1. General
2. Simplified method
3. Multiple allocation base method
4. Special indirect cost rates

D. Submission and Documentation of Proposals

1. Submission of indirect cost rate proposals
2. Documentation of proposals
3. Required certification

E. Negotiation and Approval of Rates

F. Other Policies

1. Fringe benefit rates
2. Billed services provided by the grantee agency
3. Indirect cost allocations not using rates
4. Appeals
5. Collections of unallowable costs and erroneous payments
6. OMB assistance

A. ***General.***

1. Indirect costs are those that have been incurred for common or joint puroses. 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 directly to Federal awards and other activities as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a Federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a Federal award as a direct cost.

2. Indirect costs include (a) the indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and (b) the costs of central governmental services distributed through the central service cost allocation plan (as described in Attachment C) and not otherwise treated as direct costs.

3. Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards. Guidelines and illustrations of indirect cost proposals are provided in a brochure published by the Department of Health and Human Services entitled "A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government." A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office.

4. Because of the diverse characteristics and accounting practices of governmental units, the types of costs which may be classified as indirect costs cannot be specified in all situations. However, typical examples of indirect costs may include certain State/local wide central service costs, general administration of the grantee department or agency, accounting and personnel services performed within the grantee department or agency, depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities, etc.

5. This Attachment does not apply to State public assistance agencies. These agencies should refer instead to Attachment D.

B. ***Definitions.***

1. "Indirect cost rate proposal" means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate.

2. "Indirect cost rate" is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base.

3. "Indirect cost pool" is the accumulated costs that jointly benefit two or more programs or other cost objectives.

4. "Base" means the accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) used to distribute indirect costs to individual Federal awards. The direct cost base selected should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.

5. "Predetermined rate" means an indirect cost rate, applicable to a specified current or future period, usually the governmental unit's fiscal year. This rate is based on an estimate of the costs to be incurred during the period. Except under very unusual circumstances, a predetermined rate is not subject to adjustment. (Because of legal constraints, predetermined rates are not permitted for Federal contracts; they may, however, be used for grants or cooperative agreements.) Predetermined rates may not be used by governmental units that have not submitted and negotiated the rate with the cognizant agency. In view of the potential advantages offered by this procedure, negotiation of predetermined rates for indirect costs for a period of two to four years should be the norm in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the parties involved to reach an informed judgment as to the probable level of indirect costs during the ensuing accounting periods.

6. "Fixed rate" means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

7. "Provisional rate" means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on Federal awards pending the establishment of a "final" rate for that period.

8. "Final rate" means an indirect cost rate applicable to a specified past period which is based on the actual allowable costs of the period. A final audited rate is not subject to adjustment.

9. "Base period" for the allocation of indirect costs is the period in which such costs are incurred and accumulated for allocation to activities performed in that period. The base period normally should coincide with the governmental unit's fiscal year, but in any event, shall be so selected as to avoid inequities in the allocation of costs.

C. ***Allocation of Indirect Costs and Determination of Indirect Cost Rates.***

1. General.

a. Where a governmental unit's department or agency has only one major function, or where all its major functions benefit from the indirect costs to approximately the same degree, the allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation procedures as described in subsection 2.

b. Where a governmental unit's department or agency has several major functions which benefit from its indirect costs in varying degrees, the allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefitted functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

c. Specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in subsections 2, 3 and 4.

2. Simplified method.

a. Where a grantee agency's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (1) classifying the grantee agency'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 individual Federal awards. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method should also be used where a governmental unit's department or agency has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to that department or agency is relatively small.

b. Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

c. 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.

3. Multiple allocation base method.

a. Where a grantee agency's indirect costs benefit its major functions in varying degrees, such costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefitted functions by means of a base which best measures the relative benefits.

b. The cost groupings should be established so as to permit the allocation of each grouping on the basis of benefits provided to the major functions. Each grouping should constitute a pool of expenses that are of like character in terms of the functions they benefit and in terms of the allocation base which best measures the relative benefits provided to each function. The number of separate groupings should be held within practical limits, taking into consideration the materiality of the amounts involved and the degree of precision needed.

c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Federal Government and the governmental unit. In general, any cost element or related factor associated with the governmental unit's activities is potentially adaptable for use as an allocation base provided that: (1) it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like), and (2) it is common to the benefitted functions during the base period.

d. Except where a special indirect cost rate(s) is required in accordance with subsection 4, the separate groupings of indirect costs allocatec to each major function shall be aggregated and treated as a common pool for that function. The costs in the common pool shall then be distributed to individual Federal awards included in that function by use of a single indirect cost rate.

e. The distribution base used in computing the indirect cost rate for each function 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. An indirect cost rate should be developed for each separate indirect cost pool developed. The rate in each case should be stated as the percentage relationship between the particular indirect cost pool and the distribution base identified with that pool.

4. Special indirect cost rates.

a. In some instances, a single indirect cost rate for all activities of a grantee department or agency or for each major function of the agency may not be appropriate. It may not take into account those different factors which may substantially affect the indirect costs applicable to a particular program or group of programs. The factors may include the physical location of the work, the level of administrative support required, the nature of the facilities or other resources employed, the organizational arrangements used, or any combination thereof. When a particular award is carried out in an environment which appears to generate a significantly different level of indirect costs, provisions should be made for a separate indirect cost pool applicable to that award. The separate indirect cost pool should be developed during the course of the regular allocation process, and the separate indirect cost rate resulting therefrom should be used, provided that: (1) the rate differs significantly from the rate which would have been developed under subsections 2. and 3., and (2) the award to which the rate would apply is material in amount.

b. Although this Circular adopts the concept of the full allocation of indirect costs, there are some Federal statutes which restrict the reimbursement of certain indirect costs. Where such restrictions exist, it may be necessary to develop a special rate for the affected award. Where a "restricted rate" is required, the procedure for developing a non restricted rate will be used except for the additional step of the elimination from the indirect cost pool those costs for which the law prohibits reimbursement.

D. ***Submission and Documentation of Proposals.***

1. Submission of indirect cost rate proposals.

a. All departments or agencies of the governmental unit desiring to claim indirect costs under Federal awards must prepare an indirect cost rate proposal and related documentation to support those costs. The proposal and related documentation must be retained for audit in accordance with the records retention requirements contained in the Common Rule.

b. A governmental unit for which a cognizant agency assignment has been specifically designated must submit its indirect cost rate proposal to its cognizant agency. The Office of Management and Budget (OMB) will periodically publish lists of governmental units identifying the appropriate Federal cognizant agencies. The cognizant agency for all governmental units or agencies not identified by OMB will be determined based on the Federal agency providing the largest amount of Federal funds. In these cases, a governmental unit must develop an indirect cost proposal in accordance with the requirements of this Circular and maintain the proposal and related supporting documentation for audit. These governmental units are not required to submit their proposals unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub recipient, the primary recipient will be responsible for negotiating and/or monitoring the sub recipient's plan.

c. Each Indian tribal government desiring reimbursement of indirect costs must submit its indirect cost proposal to the Department of the Interior (its cognizant Federal agency).

d. Indirect cost proposals must be developed (and, when required, submitted) within six months after the close of the governmental unit's fiscal year, unless an exception is approved by the cognizant Federal agency. If the proposed central service cost allocation plan for the same period has not been approved by that time, the indirect cost proposal may be prepared including an amount for central services that is based on the latest federally approved central service cost allocation plan. The difference between these central service amounts and the amounts ultimately approved will be compensated for by an adjustment in a subsequent period.

2. Documentation of proposals. The following shall be included with each indirect cost proposal:

a. The rates proposed, including subsidiary work sheets and other relevant data, cross referenced and reconciled to the financial data noted in subsection b. Allocated central service costs will be supported by the summary table included in the approved central service cost allocation plan. This summary table is not required to be submitted with the indirect cost proposal if the central service cost allocation plan for the same fiscal year has been approved by the cognizant agency and is available to the funding agency.

b. A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the Federal cognizant

agency in a subsequent proposal.

c. The approximate amount of direct base costs incurred under Federal awards. These costs should be broken out between salaries and wages and other direct costs.

d. A chart showing the organizational structure of the agency during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency. (Once this is submitted, only revisions need be submitted with subsequent proposals.)

3. Required certification. Each indirect cost rate proposal shall be accompanied by a certification in the following form:

CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish billing or final indirect costs rates for [identify period covered by rate] are allowable in accordance with the requirements of the Federal award(s) to which they apply and OMB Circular A 87, "Cost Principles for State, Local, and Indian Tribal Governments." Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

E. ***Negotiation and Approval of Rates.***

1. Indirect cost rates will be reviewed, negotiated, and approved by the cognizant Federal agency on a timely basis. Once a rate has been agreed upon, it will be accepted and used by all Federal agencies unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special indirect cost rates, the funding agency will, prior to the time the rates are negotiated, notify the cognizant Federal agency.

2. The use of predetermined rates, if allowed, is encouraged where the cognizant agency has reasonable assurance based on past experience and reliable projection of the grantee agency's costs, that the rate is not likely to exceed a rate based on actual costs. Long term agreements utilizing predetermined rates extending over two or more years are encouraged, where appropriate.

3. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re opening if the agreement is subsequently found to violate a statute, or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The agreed upon rates shall be made available to all Federal agencies for their use.

4. Refunds shall be made if proposals are later found to have included costs that (a) are unallowable (i) as specified by law or regulation, (ii) as identified in Attachment B of this Circular,

or (iii) by the terms and conditions of Federal awards, or (b) are unallowable because they are clearly not allocable to Federal awards. These adjustments or refunds will be made regardless of the type of rate negotiated (predetermined, final, fixed, or provisional).

F. ***Other Policies.***

1. Fringe benefit rates. If overall fringe benefit rates are not approved for the governmental unit as part of the central service cost allocation plan, these rates will be reviewed, negotiated and approved for individual grantee agencies during the indirect cost negotiation process. In these cases, a proposed fringe benefit rate computation should accompany the indirect cost proposal. If fringe benefit rates are not used at the grantee agency level (i.e., the agency specifically identifies fringe benefit costs to individual employees), the governmental unit should so advise the cognizant agency.

2. Billed services provided by the grantee agency. In some cases, governmental units provide and bill for services similar to those covered by central service cost allocation plans (e.g., computer centers). Where this occurs, the governmental unit should be guided by the requirements in Attachment C relating to the development of billing rates and documentation requirements, and should advise the cognizant agency of any billed services. Reviews of these types of services (including reviews of costing/billing methodology, profits or losses, etc.) will be made on a case by case basis as warranted by the circumstances involved.

3. Indirect cost allocations not using rates. In certain situations, a governmental unit, because of the nature of its awards, may be required to develop a cost allocation plan that distributes indirect (and, in some cases, direct) costs to the specific funding sources. In these cases, a narrative cost allocation methodology should be developed, documented, maintained for audit, or submitted, as appropriate, to the cognizant agency for review, negotiation, and approval.

4. Appeals. If a dispute arises in a negotiation of an indirect cost rate (or other rate) between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

5. Collection of unallowable costs and erroneous payments. Costs specifically identified as unallowable and charged to Federal awards either directly or indirectly will be refunded (including interest chargeable in accordance with applicable Federal agency regulations).

6. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

Return to Top

Attachment 4: Actual Cost Claiming Method—Care and Maintenance Calculation - Less SCO Allowable Costs

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
- [X] **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 =							$114,282			
Total Costs for STRAY Feral Cats Euthanized =										
Total Animal Care Costs:										
FULL Shelter Direct Labor Costs =	$317,356									
- all Animal Care Tech and Snr and Lead ACT cost included										
Shelter Direct Food Costs =	$92,554									
Shelter Indirect/ICRP (110%)	$352,265									
Agency Overhead	388,031									
TOTAL										
Cost per animal =	$47.02									
Cost per animal/per day	**$5.24**									
= 219,600 =	$5.24									
FULL ACTUAL SHELTER STAFF METHOD										
(05) Total							**$114,282**			

THIS COST PER ANIMAL REIMBURSES AGENCY:
- includes 100% of Aninal Care Techs
- includes 100'% of Lead and Snr Care Tech
- includes food
- includes central admin overhead costs
- includes departmental admin costs (with clercial staff)

Labor - Salaries, Benefits FY 2008/2009

Position Title	No. Positions	Salaries	Annual Health Premium	Annual Dental Premium	Annual Retirement Benefits
Clerical	5	$ 150,225.65	$ 17,155.20	$ 423.12	
Dispatch	2	$ 61,142.73	$ 11,409.00	$ 211.56	
Front Office Supervisor	1	$ 45,491.65	$ 4,620.00	$ -	
Animal Care Technicians	8	$ 221,795.71	$ -	$ -	
Sr. ACT	1	$ 29,448.12	$ -	$ -	
Lead ACT	1	$ 49,759.43	$ 4,178.40	$ -	
	18	$ 557,863.29	$ 37,362.60	$ 634.68	$ 48,035.16

(10)

ACTUAL

SEAACA generated

Auditor Analysis	Salaries	Benefits	Salaries and Benefits	% of Care Allowable	
Animal Care Technicians	$ 221,795.71	4,731.57	$ 226,527.28	89%	$ 201,609.00
Sr. ACT	$ 29,448.12	2,061.37	31,509.49	89%	28,043.00
Lead ACT	49,759.43	9,559.98	59,319.41	60%	35,592.00
	$ 301,003.26	$ 16,352.92	$ 317,356.18		$ 265,244.00

A.4.7

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		$261,652	$269,106
Overtime		$63,878			$63,878
Benefits	6.5%	$34,554		$17,034	$17,520
Total		$629,190		$278,687	$350,503
Services & Supplies					
Office Supplies		$1,239		$1,239	
Speicliat Acct 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	
Electicity 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**	**$385,518**	**$443,058**
Cost Plan Costs					
Total					
Total Alloc. Indirect Costs		**$874,671**	**$46,095**	**$385,518**	**$443,058**

ICRP RATE = **110.0%**
(Rate is Based on Salaries)

$385,518 = Total Allowable Indirect Costs
$350,503 Total Direct Salaries & Benefits

SEAACA
Animal Shelter
Fiscal Year
2008-09

Name/Position	100% Admin. or Support Staff Annual Salary
Office Supervisor (99.99%)	$39,578
Dispatcher (2)	$70,762
Clerk (4)	$134,202
Clerk (51%)	$17,111

TOTAL INDIRECT SALARIES **$261,652**

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
Animal Shelter	***$874,672***	30%		$874,672
Animal Kennel	***$2,646***	0.09%		$2,646
Veterinary Services	$625,775	21%		$625,775
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 Costs / Total Expenditures (less admin) = $877,318 / $2,916,332 = 30.08% of Admin Support Costs Allocable to Shelter & Kennel Functions

30.08% x $1,289,872 = $388,031

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)

ALTERNATE CALCULATION METHOD –

TOTAL COSTS LESS SCO ALLOWABLE DIRECT

SEAACA - Requested Care & Maintenance
FY 2008-09 ACTUAL DATA:

			ACTUAL EXPENDITURES		COST PER ANIMAL/DAY
DIRECT SHELTER COSTS					
SHELTER EXPENDITURES			$ 874,672.00		
KENNEL EXPENDITURE	+		$ 2,646.00		
		=	$ 877,318.00		
SHELTER DIRECT		=	$ 877,318.00	=	$ 4.00
SCO ANNIUAL APPROVED CENSUS			$ 219,598.00		
INDIRECT SHELTER COSTS					
ADMIN SUPPORT EXENDITURES			$ 1,289,872.00		
X 30.08% attributable to SHELTER		X	30.08%		
Shelter Related ADMIN SUPPORT COSTS		=	$ 388,031.24		
TOTAL SHELTER (ADMIN SUPPORT OVERHEAD)		=	$ 388,031.24	=	$ 1.77
SCO ANNIUAL APPROVED CENSUS			$ 219,598.00		
TOTAL ACTUAL DIRECT + INDIRECT COSTS				=	**$ 5.76**

LESS SCO ALLOWED/IDENTIFIED DIRECT COSTS IDENTIFIED TO AVOID DUPLICATION:

(less acutual costs found allowable and realted to SHELTER by SCO

ALLOWED PER AUDIT

Holding Period	$	41,278.00
Lost and Found Lists	$	1,647.00
Maint of Non Medical Records	$	22,072.00
TOTAL SCO ALLOWABLE SHELTER COSTS	$	64,997.00
TOTAL SCO ALLOWABLE SHELTER COSTS	$	64,997.00
SCO ANNIUAL APPROVED CENSUS	$	219,598.00

= $ 0.30

AMOUNT REQUESTED BY SEAACA **$ 5.76** full cost recovery - **$ 0.30** sco allowed = **$ 5.47** PER ANIMAL PER DAY

SCO ALLOWED COSTS PER AUDIT - FY 2008-09
SHELTER RELATED COSTS

STAFF	Annual Time Allowed	TOTAL DIRECT COSTS ALLOWED: (Without overhead) LABOR	SUPPLIES
Holding Period			
Clerk/Disatcher (3)	1,092	$ 22,604	
ACT (2)	728	$ 12,315	
License Clerk	364	$ 6,359	
			$ 41,278
Lost and Found Lists			
Clerk	60	$ 1,242	
Front Office Supervisor	16	$ 405	
			$ 1,647
Non Medical Records			
Clerk	625	$ 12,938	
ACT	214	$ 3,620	
ACO	257	$ 5,514	
			$ 22,072
Total SHELTER BUDGET		**$ 53,124**	
TOTAL ANIMAL CONTROL BUDGET	621	$ 11,873	
		$ 64,997	$ 64,997

Southeast Area Animal Control Agency
Legislatively Mandated Animal Adoption Program
July 1, 2001, through June 30, 2003, and July 1, 2006, through June 30, 2009.
Audit ID # S11-MCC-006

Summary of Census Claimed and Allowable

Animals	Fiscal Year 2001-02	2002-03	2006-07	2007-08	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
	20,940	21,943	18,228	19,262	24,462
Average # of Days Held	5	5	7	7	6
Yearly Census	104,700	109,715	127,596	134,834	146,772
			G.1.5.2 >	G.1.5.2 >	G.1.5.1 >
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

SEAACA

ADMINISTRATIVE COST ALLOCATON/ DISTRIBUTION

Based on Actual FY 2008-09 actual data

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*Animal Control = Animal Control ($740,799) + Animal Control (10) ($8,712) + Animal Control Adm Sup. ($39,289) + Veh Maint ($6,119)

Southeast Area Animal Control Agency
Legislativey Mandated Animal Adoption Program
Indirect Cost Summary
FY's 2001-02, 2002-03, 2006-07, 2007-08, and 2008-09
Audit ID #S11-MCC-006

Final audit report findings June 15, 2012

Fiscal Year	Reimbursable Component	[redacted]	Materials & Supplies (D) Claimed	(E) Allowable per Audit	(F) Adjustment (E) - (D)	Direct Costs (G) Claimed	(H) Allowable per Audit	(I) Adjustment (H) - (G)	[redacted]	Summary Total Claimed (G) + (J)	Summary Total Allowable (H) + (L)	Summary Total Adjustment (I) + (M)
2001/02	Care & Maint. Dogs/Cats	-	18,053	18,053	209,802	4,290	(205,512)	209,802	22,343	(187,459)	-	83.29%	15,036	15,036	209,802	37,379	(172,423)
	Care & Maint. Other Animals	-	703	703	23,215	167	(23,048)	23,215	870	(22,345)	-	83.29%	586	586	23,215	1,456	(21,759)
	Increased Holding Period	-	34,170	34,170	36,975		(36,975)	36,975	34,170	(2,805)	-	83.29%	28,460	28,460	36,975	62,630	25,655
	Lost and Found Lists	-	1,318	1,318			-	-	1,318	1,318	-	83.29%	1,098	1,098	-	2,416	2,416
	Maintaining Non-Medical Records	-	15,572	15,572			-	-	15,572	15,572	-	83.29%	12,970	12,970	-	28,542	28,542
	Necessary & Prompt Vet Care	-	3,807	3,807		10,126	10,126	-	13,933	13,933	-	83.29%	3,171	3,171	-	17,104	17,104
		-	73,623	73,623	269,992	14,583	(255,409)	269,992	88,206	(181,786)	-	83.29%	61,321	61,321	269,992	149,527	(120,465)
									A.4.15							A.4.13	
2002/03	Care & Maint. Dogs/Cats	-	20,019	20,019	225,079	3,575	(221,504)	225,079	23,594	(201,485)	-	85.26%	17,068	17,068	225,079	40,662	
	Care & Maint. Other Animals	-	780	780	-	139	139	-	919	919	-	85.26%	665	665	-	1,584	
	Increased Holding Period	-	33,139	33,139	90,302		(90,302)	90,302	33,139	(57,163)	-	85.26%	28,254	28,254	90,302	61,393	
	Lost and Found Lists	-	1,329	1,329			-	-	1,329	1,329	-	85.26%	1,133	1,133	-	2,462	
	Maintaining Non-Medical Records	-	15,478	15,478			-	-	15,478	15,478	-	85.26%	13,197	13,197	-	28,675	
	Necessary & Prompt Vet Care	-	3,647	3,647		10,126	10,126	-	13,773	13,773	-	85.26%	3,109	3,109	-	16,882	
		-	74,392	74,392	315,381	13,840	(301,541)	315,381	88,232	(227,149)	-	85.26%	63,426	63,426	315,381	151,658	(163,723)
									A.4.14							A.4.13	
2006/07	Care & Maint. Dogs/Cats	-	12,687	12,687	397,158	5,250	(391,908)	397,158	17,937	(379,221)	-	89.23%	11,321	11,321	397,158	29,258	
	Care & Maint. Other Animals	-	538	538	6,592	222	(6,370)	6,592	760	(5,832)	-	89.23%	480	480	6,592	1,240	
	Increased Holding Period	-	37,733	37,733	164,993		(164,993)	164,993	37,733	(127,260)	-	89.23%	33,669	33,669	164,993	71,402	
	Lost and Found Lists	-	1,489	1,489			-	-	1,489	1,489	-	89.23%	1,329	1,329	-	2,818	
	Maintaining Non-Medical Records	-	15,716	15,716			-	-	15,716	15,716	-	89.23%	14,023	14,023	-	29,739	
	Necessary & Prompt Vet Care	-	3,312	3,312		10,826	10,826	-	14,138	14,138	-	89.23%	2,955	2,955	-	17,093	
		-	71,475	71,475	568,743	16,298	(552,445)	568,743	87,773	(480,970)	-		63,777	63,777	568,743	151,550	(417,193)
									A.4.16							A.4.15	
2007/08	Care & Maint. Dogs & Cats	-	20,488	20,488	435,435	7,231	(428,204)	435,435	27,719	(407,716)	-	85.35%	17,487	17,487	435,435	45,206	
	Care & Maint. Other Animals	-	1,007	1,007	7,969	355	(7,614)	7,969	1,362	(6,607)	-	85.35%	859	859	7,969	2,221	
	Increased Holding Period	-	41,024	41,024	176,872		(176,872)	176,872	41,024	(135,848)	-	85.35%	35,014	35,014	176,872	76,038	
	Lost and Found Lists	-	1,648	1,648			-	-	1,648	1,648	-	85.35%	1,407	1,407	-	3,055	
	Maintaining Non-Medical Records	-	17,795	17,795			-	-	17,795	17,795	-	85.35%	15,188	15,188	-	32,983	
	Necessary & Prompt Vet Care	-	4,032	4,032		13,631	13,631	-	17,663	17,663	-	85.35%	3,441	3,441	-	21,104	
		-	85,994	85,994	620,276	21,217	(599,059)	620,276	107,211	(513,065)	-		73,396	73,396	620,276	180,607	(439,669)
									A.4.14							A.4.13	
2008/09	Care & Maint. Dogs & Cats	-	26,401	26,401	579,988	9,164	(570,824)	579,988	35,565	(544,423)	-	76.38%	20,165	20,165	579,988	55,730	
	Care & Maint. Other Animals	-	748	748	7,457	260	(7,197)	7,457	1,008	(6,449)	-	76.38%	571	571	7,457	1,579	
	Increased Holding Period	-	41,278	41,278	185,180		(185,180)	185,180	41,278	(143,902)	-	76.38%	31,528	31,528	185,180	72,806	
	Lost and Found Lists	-	1,647	1,647			-	-	1,647	1,647	-	76.38%	1,258	1,258	-	2,905	
	Maintaining Non-Medical Records	-	22,072	22,072			-	-	22,072	22,072	-	76.38%	16,859	16,859	-	38,931	
	Necessary & Prompt Vet Care	-	5,111	5,111		17,869	17,869	-	22,980	22,980	-	76.38%	3,904	3,904	-	26,884	
		-	97,257	97,257	772,625	27,293	(745,332)	772,625	124,550	(648,075)	-		74,285	74,285	772,625	198,835	(573,790)
									A.4.14							A.4.12	
		[redacted]			2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)	[redacted]				2,547,017	832,177	(1,714,840)
													A.4.14				
Recap: by Component																	
Care & Maint. Dogs & Cats		-	97,648	97,648	1,847,462	29,510	(1,817,952)	1,847,462	127,158	(1,720,304)	-		81,077	81,077	1,847,462	208,235	(172,423)
Care & Maint. Other Animals		-	3,776	3,776	45,233	1,143	(44,090)	45,233	4,919	(40,314)	-		3,161	3,161	45,233	8,080	(21,759)
Increased Holding Period		-	187,344	187,344	654,322	-	(654,322)	654,322	187,344	(466,978)	-		156,925	156,925	654,322	344,269	25,655
Lost and Found Lists		-	7,431	7,431	-	-	-	-	7,431	7,431	-		6,225	6,225	-	13,656	2,416
Maintaining Non-Medical Records		-	86,633	86,633	-	-	-	-	86,633	86,633	-		72,237	72,237	-	158,870	28,542
Necessary & Prompt Vet Care		-	19,909	19,909	-	62,578	62,578	-	82,487	82,487	-		16,580	16,580	-	99,067	17,104
		[redacted]			2,547,017	93,231	(2,453,786)	2,547,017	495,972	(2,051,045)	[redacted]				2,547,017	832,177	(120,465)

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

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

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
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
0640	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	14,000.00	19,558.59	19,558.59	0.00	-5,558.59	139.70
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

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

95 SEAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2520 ANIMAL CONT/PATROL

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	606,341.00	391,502.20	391,502.20	0.00	214,838.80	64.57
0020 TEMPORARY PERSONNEL	0.00	124,908.51	124,908.51	0.00	-124,908.51	0.00
0030 OVERTIME	17,000.00	59,336.86	59,336.86	0.00	-42,336.86	349.04
0070 RET/PR INS-APPD %	75,736.00	44,196.48	44,196.48	0.00	31,539.52	58.36
0080 VACATION	0.00	18,896.31	18,896.31	0.00	-18,896.31	0.00
0081 HOLIDAY	0.00	12,543.85	12,543.85	0.00	-12,543.85	0.00
0082 SICK REGULAR	0.00	13,574.83	13,574.83	0.00	-13,574.83	0.00
0083 SICK FAMILY	0.00	1,210.26	1,210.26	0.00	-1,210.26	0.00
0085 HOLIDAY OVERTIME	0.00	3,213.43	3,213.43	0.00	-3,213.43	0.00
0089 COMP TIME USED	0.00	2,127.38	2,127.38	0.00	-2,127.38	0.00
Total PERSONNEL SERVICES	699,077.00	671,510.11	671,510.11	0.00	27,566.89	96.06
00 OPR MATL & SUPPLIES						
0140 SPECIAL ACT SUPPLIES	6,000.00	9,064.36	9,064.36	0.00	-3,064.36	151.07
0180 CLOTHING	7,200.00	6,622.87	6,622.87	0.00	577.13	91.98
0330 PHOTO & BLUEPRINTING	400.00	47.50	47.50	0.00	352.50	11.88
0480 STAFF DEVELOPMENT	2,400.00	1,739.00	1,739.00	0.00	661.00	72.46
0860 EQUIPMENT RENT-CITY	79,000.00	100,452.59	100,452.59	0.00	-21,452.59	127.16
0861 EQUIPMENT RENT-REPLACEMENT	120,000.00	120,000.00	120,000.00	0.00	0.00	100.00
Total OPR MATL & SUPPLIES	215,000.00	237,926.32	237,926.32	0.00	-22,926.32	110.66
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

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 PERSONNEL SERVICES						
00 PERSONNEL SERVICES						
0010 REGULAR SALARIES	582,928.00	288,966.38	288,966.38	0.00	293,961.62	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						

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
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

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

95 SEAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2531 KENNEL

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	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

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

95 SEAACA

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	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

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

95 SEAACA

2000 PUBLIC SAFETY

2500 ANIMAL CONTROL

2550 ANIMAL CONTROL (10)

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00 PERSONNEL SERVICES						
00 OPR CHGS & SVCS						
0320 PRINTING & BINDING	0.00	8,269.52	8,269.52	0.00	-8,269.52	0.00
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

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		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 MILAGE		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

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

95 SEAACA

9000 TRANSFERS OUT
9000 TRANSFERS OUT
9000 TRANSFERS OUT

Account Number		Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
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	4,157,892.00	4,206,202.29	4,206,202.29	0.00	-48,310.29	101.16

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	0.00	0.00
Total	SOUTHEAST ANIMAL CONT	0.00	0.00	0.00	0.00	0.00	0.00

Expenditure Status Report

City of Downey

7/1/2008 through 6/30/2009

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

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

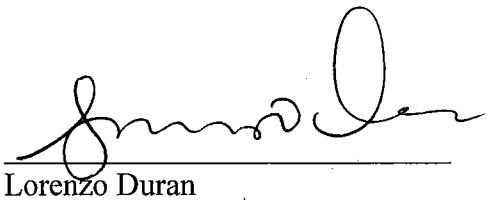
I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On February 16, 2016, I served the:

Claimant Late Comments
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 February 16, 2016 at Sacramento, California.



Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 2/8/16

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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Division of Accounting and Reporting, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 324-0254
DSpeciale@sco.ca.gov

Evelyn Suess, Principal Program Budget Analyst, *Department of Finance*
Local Government Unit, 915 L Street, Sacramento, CA 95814
Phone: (916) 445-3274
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Exhibit D

SEAACA
Dedicated to Quality Animal Care & Control

RECEIVED
June 02, 2016
Commission on
State Mandates

DATE: June 1, 2016

TO: Annette Chin, Cost Recovery Systems

From: Nicole Bouldin, Manager, Information Technology and Office Services

SUBJECT: SEAACA Contract Cities

Below is a list of Cities that SEAACA has contracted with from July 1, 2001 to present.

Bellflower
Buena Park
La Palma
Lakewood
South Gate
Vernon

* Established 10/14/75 SEAACA

JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITY OF NORWALK AND THE CITY OF PICO RIVERA CREATING THE SOUTHEAST AREA ANIMAL CONTROL AUTHORITY

This Agreement is entered into this 16th day of October, 1975, by and between the signatory cities, municipal corporations organized and existing pursuant to the laws of the State of California.

R E C I T A L S

A. The signatory cities are empowered by law to undertake all activities requisite and necessary in order to perform animal control services within their respective jurisdictions.

B. The signatory cities desire to create a separate and distinct public agency for the purpose of providing animal control services within each of these cities.

C. The signatory cities deem it desirable to enter into an Agreement to formulate the basis under which the Southeast Area Animal Control Authority will be established and to designate the responsibilities of this public agency.

NOW, THEREFORE, the signatory cities, for and in consideration of the mutual benefits, promises and agreements set forth herein, do agree as follows:

SECTION 1. Purpose.

This Agreement is made pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code

of the State of California (commencing with Section 6500, herein called "Act") relating to the joint exercise of powers common to the signatory cities. The signatory cities possess the powers referred to in the Recitals set forth hereinabove. The purpose of this Agreement is to exercise such powers jointly by providing a mechanism whereby animal control services can be rendered to each of the respective cities. Said animal control services shall include the licensing of animals, providing of animal patrol services within the respective cities, impounding of animals and such other and further activities and services as may be deemed necessary and/or appropriate in order to provide requisite animal control services, and as may be extended by Section 9 herein.

SECTION 2. Term.

This Agreement shall become effective as of the date set forth hereinabove and continue in full force and effect until June 30, 1976, unless terminated prior to said time by Agreement of the parties, or extended beyond said date by Agreement of the parties.

SECTION 3. Agency.

A. Creation of Agency.

Pursuant to Section 6506 of the Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Southeast Area Animal Control Authority (herein called "Authority") and said Authority shall be a public entity separate and apart from the signatory cities. The debts, liabilities and obligations of the Authority do not constitute debts, liabilities or obligations of any party to this Agreement.

B. Commission.

Authority shall be governed by a Commission composed of one (1) member from each signatory city, each serving in his individual capacity as a member of the Commission. The Commission shall be called the Southeast Area Animal Control Commission (herein referred to as the "Commission"). Commission members shall be appointed by the City Councils of each signatory City. Each of the members shall hold membership on the Commission during the term for which they are appointed and until their successors have been appointed by the City Council, making the initial appointment. In the case of a vacancy in membership on the Commission, the same shall be promptly filled by appointment thereto by the Mayor of the City, subject to confirmation by the City Council. An appointment to fill a vacancy occurring during an unexpired term shall be for the period of that unexpired term. Members of the Commission shall serve without remuneration.

C. Meetings of the Commission.

The Commission of the Authority shall provide for its regular, adjourned regular and special meetings, provided, however, it shall schedule at least one regular meeting in each month and such further meetings as the signatory cities may reasonably request depending upon the pressures of business. The dates upon which, and the hour and place at which, any regular meeting shall be held, shall be fixed by Resolution, and a copy of such Resolution shall be filed with each of the parties hereto. All meetings of the Commission shall comply with and be held in accordance with the provisions of the Ralph M. Brown Act as it presently exists or may be from time to time amended, commencing with Section 54950 of the Government Code. Minutes of the meetings of the Authority shall be maintained and copies of the same

filed with the Clerk of the signatory cities. A majority of the Commission of the Authority shall constitute a quorum for the transaction of business. The Commission may adopt rules and regulations for the conduct of its meetings and affairs.

D. Officers.

The Commission shall elect a chairman and a vice chairman at its first meeting and thereafter at the first meeting held in each succeeding calendar year, the Commission shall elect its chairman and vice chairman. The position of chairman of the Commission shall be rotated between the parties hereto on an annual basis. In addition to the chairman and vice chairman, the Commission may appoint such other officers as may be deemed necessary in order to effectuate purpose of the Commission.

E. Administrative Committee.

An Administrative Committee shall be established, consisting of the City Administrators and City Treasurers or Directors of Finance of each of the signatory cities, or such other employees of the respective cities as may be designated to act in their stead. The Administrative Committee shall implement the policies and directions of the Commission of the Authority and may utilize the City Engineers, Chiefs of Police, and City Attorneys of the parties. The City Engineers, Chiefs of Police, City Attorneys, and other employees of the parties hereto shall assist the Administrative Committee in carrying out the policies and directions of the Authority. Further, the Treasurer of the City of Norwalk shall act as Treasurer for the Authority and post the official bond required by Section 6505.1 of the Act.

SECTION 4. Powers.

The Authority shall have the powers common to the signatory cities set forth in Section 1 of this Agreement; to wit: the power to acquire property, construct and/or maintain facilities, employ personnel, purchase and/or otherwise arrange for the acquisition of personal property and the undertaking of such activities as may be necessary in order to provide animal control services within the Cities of Norwalk and Pico Rivera. The Authority is hereby authorized in its own name to do all acts necessary for the exercise of said common powers for said common purpose, including, but not limited to, any and all of the following: to make and enter into contracts, to employ agents and employees, to acquire, construct, manage, maintain and operate by means of lease, sublease, or otherwise, and to operate buildings, works or improvements and to incur debts, liabilities and obligations which do not constitute debts, liabilities or obligations of the City of Norwalk or Pico Rivera, to receive gifts, contributions and donations of property and funds and services and other financial assistance from the parties hereto and/or other sources, and to sue and be sued in its own name. Such powers shall be exercised in the manner provided in the Act and except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the cities were they to individually exercise the powers which are described herein.

SECTION 5. Accounts and Reports.

The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of Authority shall be open

to inspection at reasonable times by representatives of the parties. The Treasurer shall, within 60 days after the termination of this Agreement, and/or if this Agreement is extended, then within 90 days after the close of each fiscal year, give a complete written report of all financial activities of the fiscal year to the parties hereto. Additionally, the Treasurer shall assume the duties described in Section 6505.5 of the Act; to wit:

(a) Receive and receipt for all money of Authority and place it in the Norwalk treasury to the credit of Authority;

(b) Be responsible upon his official bond for the safekeeping and disbursement of all Authority money so held by him;

(c) Pay, when due, out of money of Authority so held by him, all sums payable;

(d) Pay any other sums due from Authority money;

(e) Verify and report in writing on the first day of July, October, January, and April of each year to Authority and to the parties to this Agreement the amount of money he holds for Authority, the amount of receipts since his last report, and the amount paid out since his last report.

SECTION 6. Funds.

The parties shall advance monies to the Authority from their respective Treasuries, in the following percentage:

City of Norwalk 60 %

City of Pico Rivera 40 %

in order that the Authority can provide the animal control services contemplated herein. In addition, each of the parties hereto shall contract with the Authority for the performance of animal control services within their respective jurisdiction, said Agreements to provide for the payment by the respective Cities, of the amounts set forth in order to cover the costs and expenses incurred by the Authority in performing the animal control services.

The Treasurer of Authority shall have the custody of and disburse Authority funds pursuant to the accounting procedures developed in accordance with the provisions set forth hereinabove and as nearly possible in accordance with the normal procedures of the parties hereto. The public officers herein designated as the persons responsible for the monies of the Authority are hereby also designated as responsible for all other property of the Authority. The parties find and determine that the Treasurer shall be liable on his official bond in the amount of $ 100,000.00 .

SECTION 7. Personnel.

Authority may request from either of the Cities the services of such City personnel as may be necessary to carry out this Agreement and may employ other personnel necessary to assist in performance of the terms and conditions of this Agreement, provided that adequate funds are available.

SECTION 8. Notice.

Notice shall be sufficient if delivered to:

City of Norwalk
12700 Norwalk Boulevard
Norwalk, California 90650

Attention: City Administrator

City of Pico Rivera
6615 Passons Boulevard
Pico Rivera, California 90660

Attention: City Manager

SECTION 9. Extension of Service.

The Authority shall have the power, pursuant to law, to extend its animal control services to other jurisdictions under the following circumstances and exclusive procedures:

(a) Extension by Agreement Amendment.

The service area of the Authority may be extended by amendment to this Agreement between parties hereto, and other cities pursuant to the Act and Section 13 herein. Each joining City shall negotiate its participation in the amended Agreement on a fair and equitable basis, the details of which shall be at the discretion of the parties concerned. Cities joining the Authority shall be accorded full rights and assume full duties under this Agreement.

(b) Extension by Service Contract.

The service area of the Authority may be extended to other cities by service contract between the Authority and the jurisdiction to be served. Approval of such contracts shall be by unanimous vote of the Commission, with the confirmation by all signatory cities.

SECTION 10. Miscellaneous.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Upon termination of this Agreement there shall be returned to each of the parties all surplus monies in the ratio of the contributions of the parties hereto. In addition, personal property shall be returned to the City which contributed the same to the Authority.

This Agreement is made in the State of California under the Constitution and laws of such state and is to be so construed.

SECTION 11. Severability.

Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstances, be held to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to continue to constitute the agreement that the parties intended to enter into in the first instance.

SECTION 12. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto.

SECTION 13. Amendments.

This Agreement may be amended by agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this

Agreement on the date first above written.

CITY OF NORWALK

By _____
Mayor, Peter H. Fogarty

ATTEST:

City Clerk, William H. Kraus

APPROVED:

City Attorney, J. Kenneth Brown

CITY OF PICO RIVERA

By _____
Mayor, William J. Toehr

ATTEST:

City Clerk, Howard Schroyer

APPROVED:

City Attorney, Samuel Siegel

JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITIES OF NORWALK, PICO RIVERA, DOWNEY, BELL GARDENS, MONTEBELLO, PARAMOUNT, SANTA FE SPRINGS AND SOUTH EL MONTE GOVERNING THE SOUTHEAST AREA ANIMAL CONTROL AUTHORITY

This Agreement is entered into this 10th day of March , 2000, by and between the signatory cities (herein also referred to as "member cities"), municipal corporations organized and existing pursuant to the laws of the State of California.

RECITALS

A. The signatory cities have entered into a Joint Exercise of Powers Agreement dated July 1, 1997 (hereinafter "the Joint Powers Agreement") to establish and maintain the Southeast Area Animal Control Authority Area Animal Control Authority (hereinafter, "SEAACA") as a separate and distinct agency for the purpose of providing animal control services within each of those cities.

B. The Joint Powers Agreement provides that it may be amended by agreement of the parties to the Joint Powers Agreement.

C. The term of the Joint Powers Agreement currently expires June 30, 2007 and it is the desire of the signatory cities to extend that termination date to June 30, 2020:

NOW, THEREFORE, the signatory cities for and in consideration of mutual benefits, promises, and agreement set forth in the Joint Powers Agreement and herein do agree as follows:

SECTION 1. Section 2 of the Joint Powers Agreement is revised to read as follows:

"SECTION 2. Term.

This Agreement shall become effective as of July 1, 1997 and continue in full force and effect until June 30, 2020, unless terminated prior to said time by Agreement approved by a majority of the parties, or extended beyond said date by agreement of the parties"

This Amendment to Agreement has been executed by the member cities on the dates indicated below.

CITY OF NORWALK

Mayor

ATTEST:

City Clerk

February 1, 2000
Date

APPROVED:

City Attorney

CITY OF PICO RIVERA

Mayor

ATTEST:

City Clerk

2/8/00
Date

APPROVED:

City Attorney

CITY OF DOWNEY

Keith McCarthy

Mayor Keith McCarthy

ATTEST:

Judith E. McDonnell

City Clerk

February 9, 2000

Date

APPROVED:

City Attorney

CITY OF BELL GARDENS

Ramon Morales

Mayor

ATTEST:

City Clerk

3/9/00

Date

APPROVED:

J. Arnoldo Beltran

City Attorney

CITY OF MONTEBELLO

Mayor

ATTEST:

City Clerk

10/5/99
Date

APPROVED:

City Attorney

CITY OF PARAMOUNT

Mayor

ATTEST:

City Clerk

3/10/2000
Date

APPROVED:

City Attorney

CITY OF SOUTH EL MONTE

Mayor

ATTEST:

City Clerk

February 3, 2000
Date

APPROVED:

City Attorney

CITY OF SANTA FE SPRINGS

Mayor

ATTEST:

City Clerk

January 27, 2000
Date

APPROVED:

City Attorney

JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITIES OF NORWALK, PICO RIVERA, DOWNEY, BELL GARDENS, MONTEBELLO, PARAMOUNT, SANTA FE SPRINGS AND SOUTH EL MONTE GOVERNING THE SOUTHEAST AREA ANIMAL CONTROL AUTHORITY

This Agreement is entered into this 1st day of July, 1997, by and between the signatory cities (herein also referred to as "member cities"), municipal corporations organized and existing pursuant to the laws of the State of California.

RECITALS

A. The signatory cities are empowered by law to perform animal control services as may be required and necessary within their respective jurisdictions.

B. The Cities of Norwalk and Pico Rivera entered into a Joint Exercise of Powers Agreement on October 16, 1975, creating the Southeast Area Animal Control Authority (hereinafter "the Authority"), as a separate and distinct public agency for the purpose of providing animal control services within each of those cities.

C. On January 19, 1976, said agreement was superseded by a new agreement, executed by the Cities of Norwalk, Pico Rivera, and Downey, extending the service area of the Authority to such cities and making other changes consistent with the basic agreement.

D. Further amendments have been made to said agreement, including one providing that additional public agencies may join the Authority and be deemed signatories to the Joint Powers Agreement.

E. The Cities of Bell Gardens, Lynwood, Montebello, and Paramount presented resolutions in 1984 as required by the amended Joint Powers Agreement expressing the desire of each city to join the Authority, and the Commission determined that each such city should be accorded full rights and assume full duties under the Joint Powers Agreement.

F. The Cities of South El Monte and Santa Fe Springs presented resolutions in 1987 and 1988, respectively, as required by the amended Joint Powers Agreement expressing the desire of each city to join the Authority, and the Commission determined that each such city should be accorded full rights and assume full duties under the Joint Powers Agreement.

G. The City of Lynwood gave notice to the Authority pursuant to Section 10 (c) of this agreement of their intention to withdraw membership from the Joint powers Agreement in 1991.

H. The member cities deem it desirable to execute this Joint Powers Agreement, extending the term of this Agreement.

I. The member cities also desire to recognize the original signatory cities, Norwalk, Pico Rivera and Downey, for their initial contributions toward the purchase and development of the Authority's property located at 9777 SEAACA Street, Downey, California, and to be reimbursed for the value of their contributions in the event the members terminate the Joint Powers Agreement.

J. The member cities wish to allow any signatory city the right to withdraw from the Authority if it objects to a capital improvement plan.

NOW, THEREFORE, the signatory cities for and in consideration of mutual benefits, promises, and agreements set forth herein, do agree as follows:

SECTION 1. Purpose.

This Agreement is made pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500, herein called the "Act") relating to the joint exercise of powers common to the signatory cities. The signatory cities possess the powers referred to in the Recitals set forth hereinabove. The purpose of this Agreement is to exercise such powers jointly by providing a mechanism whereby animal control services can be rendered to each of the respective cities. Said animal control services may include the licensing of animals, providing of animal patrol services within the respective cities, impounding of animals and such other and further activities and services as may be deemed necessary and/or appropriate in order to provide requisite animal control services.

SECTION 2. Term.

This Agreement shall become effective as July 1, 1997 and continue in full force and effect until June 30, 2007, unless terminated prior to said time by Agreement approved by a majority of the parties, or extended beyond said date by Agreement of the parties.

SECTION 3. Agency.

A. Creation of Agency.

Pursuant to Section 6506 of the Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Southeast Area Animal Control Authority (herein called "Authority") and said Authority shall be a public entity separate and apart from the signatory cities. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement.

B. Commission.

Authority shall be governed by a Commission composed of one (1) member from each signatory city, each serving in his individual capacity as a member of the Commission. The Commission shall be called the Southeast Area Animal Control Commission (herein referred to as the "Commission"). Commission members shall be appointed by the respective City Council of each signatory city. Each of the members shall hold membership on the Commission during the term for which they are appointed and until their successors have been appointed. In the case of a vacancy in membership on the Commission, the same shall be promptly filled in the same manner as the initial appointment. Members of the Commission shall receive such compensation as is determined by the Commission.

C. Meetings of the Commission.

The Commission shall provide for its regular, adjourned regular and special meetings, provided, however, it shall schedule at least one regular meeting in each month and such further meetings as the signatory cities may reasonably request depending upon the pressures of business. The dates upon which, and the hour and place at which, any regular meeting shall be held shall be fixed by Resolution of the Commission, and a copy of such Resolution shall be filed with each of the parties hereto. All meetings of the Commission shall comply with and be held in accordance with the provisions of the Ralph M. Brown Act as it presently exists or may be from time to time amended, commencing with Section 54950 of the Government Code. Minutes of the meetings of the Authority shall be maintained and copies of the same filed with the Clerk of the signatory cities. A majority of the Commission shall constitute a quorum for the transaction of business. The Commission may adopt rules and regulations for the conduct of its meetings and affairs.

D. Officers.

The Commission shall elect a chairman and a vice chairman at its first meeting and thereafter at the regular meeting of the Commission held in July of each succeeding year, the Commission shall elect its chairman and vice chairman. The position of chairman of the Commission shall be rotated among the parties hereto on an annual basis. In addition to the chairman and vice chairman, the Commission may appoint such other officers as may be deemed necessary in order to effectuate the purpose of the Commission.

The Director of Finance of the City of Downey shall act as Treasurer of the Authority and shall post the official bond required by Section 6505.1 of the Act.

E. Administrative Committee.

An Administrative Committee shall be established. consisting of the City Administrator and City Treasurer or Director of Finance of each of the signatory cities, or such other employees of the respective cities as may be designated by such city to act in their stead. The Administrative Committee shall implement the policies and directions of the Commission and may utilize the City Engineers, Chiefs of Police, and City Attorneys of the parties. The City Engineers, Chiefs of Police, City Attorneys, and other employees of the parties hereto shall assist the Administrative Committee in carrying out the policies and directions of the Authority.

SECTION 4. Powers.

The Authority shall have the powers common to the signatory cities set forth in Section I of this Agreement, to wit: the power to acquire property, construct and/or maintain facilities, employ personnel, purchase and/or otherwise arrange for the acquisition of personal property and the undertaking of such activities as may be necessary in order to provide animal control services within serviced cities. The Authority is hereby authorized in its own name to do all acts necessary

for the exercise of said common powers for said common purpose, including, but not limited to, any and all of the following: to make and enter into contracts, to employ agents and employees, to acquire, construct, manage, maintain and operate by means of lease, sublease, or otherwise, and to operate buildings, works of improvements and to incur debts, liabilities and obligations which do not constitute debts, liabilities or obligations of the signatory cities, to receive gifts, contributions and donations of property and funds and services and other financial assistance from the parties hereto and/or other sources, and to be sued in its own name. Such powers shall be exercised in the manner provided for general law cities and in the Act and except as otherwise expressly set forth herein.

SECTION 5. Accounts and Reports.

The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of Authority shall be open to inspection at reasonable times by representatives of the parties. The Treasurer shall, within sixty (60) days after the termination of this Agreement, and/or if this Agreement is extended, then within ninety (90) days after the close of each fiscal year, give a complete written report of all financial activities of the fiscal year to the parties hereto. Additionally, the Treasurer shall assume the duties described in Section 6505.5 of the Act; to wit:

A. Receive and receipt for all money of Authority and place it in the City of Downey treasury to the credit of Authority;

B. Be responsible upon his official bond for the safekeeping and disbursement of all Authority money so held by him;

C. Pay, when due, out of money of Authority so held by him, all sums payable;

D. Pay any other sums due from Authority money;

E. Verify and report in writing on the first day of July, October, January, and April of each year to Authority and to the parties to this Agreement the amount of money he holds for Authority, the amount of receipts since his last report, and the amount paid out since his last report.

SECTION 6. Authority Operations.

A. Funding.

The Commission shall, with the advice of the Administrative Committee, develop and adopt an operating budget based upon fixed operating expenses and the level and extent of animal control service sought by the serviced cities within their respective jurisdictions and agreed upon as herein provided. Any operating or capital funds required to serve the signatory cities shall be provided by the signatory cities from their respective treasuries or through approved in-kind service or property contributions based on a pro-rata by population basis. The Authority's annual budget shall be approved by a two-thirds (2/3) vote of the entire Commission.

B. Service Relations/Procedures.

Each of the parties hereto shall be provided animal control service within their respective jurisdiction as is contemplated under this Agreement and shall provide for the payment of the amounts necessary to cover the total expense of such service as determined by the Commission. The Commission may adopt operation procedures consistent with this Agreement, applicable law, and with generally accepted animal control standards.

C. Property Control.

The Treasurer of the Authority shall be responsible for the proper inventory of and control over all property and other assets of the Authority. The parties find and determine that the Treasurer shall be liable on his official bond in the amount of $25,000.

SECTION 7. Personnel.

Authority may request from any of the signatory cities the services of such city personnel as may be necessary to carry out this Agreement, and may employ other personnel necessary to assist in performance of the terms and conditions of this Agreement, provided that adequate funds are available.

SECTION 8. Notice.

Notice shall be sufficient if delivered to:

City of Norwalk
12700 Norwalk Boulevard
Norwalk, California 90650

Attention: City Manager

City of Pico Rivera
6615 Passons Boulevard
Pico Rivera, California 90660

Attention: City Manager

City of Downey
11111 Brookshire Avenue
Downey, California 90241

Attention: City Manager

City of Bell Gardens
7100 South Garfield
Bell Gardens, California 90201

Attention: City Manager

City of Montebello
1600 Beverly Boulevard
Montebello, California 90640

Attention: City Administrator

City of Paramount
16400 Colorado Avenue
Paramount, California 90723

Attention: City Manager

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, California 90670

Attention: City Manager

City of South El Monte
1415 N. Santa Anita Avenue
South El Monte, California 91733

Attention: City Manager

SECTION 9. Extension of Service.

The Authority shall have the power, pursuant to law, to extend its animal control services to other jurisdictions under the following circumstances and exclusive procedures:

A. Extension By Participation in Authority.

Any public agency empowered by law to perform animal control services may join the Authority and be deemed a signatory city for all purposes within this Joint Powers Agreement pursuant to the provisions of this section. Any such public agency desiring to join the Authority shall present to the Commission a resolution of its governing body expressing that desire and an address for service of any notices required by this Agreement. The Commission shall determine if the Authority has the capacity to provide such animal control services, and if such capacity exists, may by resolution adopted by a two-thirds vote of all of the Commission members determine that such public agency shall be accorded full rights and assume full duties under this Joint Powers Agreement. Such approval, and admission to full membership, shall be subject to such terms and conditions as the Commission determines.

B. Extension by Service Contract.

The service area of the Authority may be extended to other geographic areas by service contract between the Authority and the jurisdiction to be served, provided the Authority has capacity to provide such services and that such services are not subsidized by the members of the Authority. Approval of such contract shall be by unanimous vote of the Commission, with the confirmation of all signatory cities, and shall be subject to such terms and conditions as the Commission determines.

SECTION 10. Miscellaneous.

A. Headings.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language of the section referred to.

B. Governing Law.

This Agreement is made in the State of California under the Constitution and laws of such state and is to be so construed.

C. Withdrawal.

Any signatory city may withdraw from membership in the Authority by sending the Commission written notice of its intent to withdraw at least ninety (90) days prior to the end of the Authority's fiscal year. Withdrawal shall occur on the first day of the fiscal year following receipt of such notice. Any signatory city withdrawing pursuant to this subsection shall remain obligated for any previously approved bonded indebtedness and either liabilities or reserves for potential liabilities the Authority incurred prior to the effective date of the withdrawal. A withdrawing signatory city shall be entitled to participate in the distribution of assets as provided in subsection D (below) should the termination of this Agreement occur. If such a termination should occur, a withdrawn signatory city's share of the distribution of assets provided for in subsection D below shall be based upon the value of the assets as of the date of the withdrawal by a signatory city.

The obligations and liabilities described above will not extend to any budgetary contribution, lease payment, certificate of participation contribution or bond payment which is intended to finance or procure the occupancy, construction or improvement of capital facilities for use by SEAACA under the following circumstances:

(1) Prior to any vote on a budget or a contract creating the obligation to which the City objects, the City shall notify the Commission in writing that it objects to the capital improvement plan:

(2) The objecting City, prior to the date on which the item is set for vote, informs the Commission that it will withdraw from the Joint Powers Authority if the capital facilities plan is approved;

(3). The City agrees to withdraw at the conclusion of the current fiscal year, or the following fiscal year if less than 90 days remain in the current fiscal year.

No vote on any matter covered by this section may occur without providing each city with at least 35 days' written notice on the item on which the vote will occur.

D. Termination.

As of July 1, 1997, the Authority owns property and facilities located at 9777 SEAACA Street, Downey, California. Said assets were purchased with contributions as follows: Downey, Forty Nine Thousand Six Hundred Dollars ($49,600.00); Norwalk, Six Hundred Thousand Dollars ($600,000.00); and Pico Rivera, Thirty Thousand Four Hundred Dollars ($30,400,00); and by contributions made in the following ratio: Downey, Thirty Eight Percent (38%); Norwalk, Thirty Nine Percent (39%); and Pico Rivera, Twenty Three Percent (23%). The value of the present Authority property and facilities was determined prior to June 30th, 1984. Upon termination of this Agreement, an appraisal of the assets of the Authority shall be prepared, and the assets shall be distributed or, if sold, the proceeds of those assets shall be distributed as follows:

(1). To reimburse the original signatory cities for their original contribution, distribution shall be made to them in the following amounts:

Downey	$ 49,600.00
Norwalk	$ 600,000.00
Pico Rivera	$ 30,400.00

(2). The difference between the $680,000.00 and the value of the Authority's assets on June 30th, 1984, shall be distributed to the original member cities in the following ratio:

To Downey	38% of the proceeds
To Norwalk	39% of the proceeds
To Pico Rivera	23% of the proceeds

(3). The remainder of the Authority's assets or the proceeds of those assets, if sold, after disbursing the amounts provided in Sections (1) and (2) above, shall be distributed as follows:

(a) The first 25% shall be distributed to the Cities of Downey, Norwalk, and Pico Rivera in the same ratio as is provided in Section (2) above to provide a return to these cities on their initial contribution to the Authority; and

(b) The remaining 75% shall then be distributed to the then members of the Authority in the same ratio as the member cities have contributed to the funding of the Authority's operations for the year in which the Authority is terminated, or as otherwise provided by law.

The provisions of this section, relative to distribution of assets of the Authority upon termination, can only be changed by unanimous vote of the signatory cities including any signatory city which withdrew following the date of this Agreement.

SECTION 11. Severability.

Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstances, be held to be illegal or in conflict with any law of the State of

California, or otherwise be rendered unenforceable, the validity of the remaining parts, terms, portions or provisions, or the application thereof to other persons or circumstances, shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substances to continue to constitute the Agreement that the parties intended to enter into in the first instance.

SECTION 12. Successors.

This Agreement shall be binding upon and shall insure to the benefit of the successors of the parties hereto.

SECTION 13. Amendments.

This Agreement may be amended by agreement in writing of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written.

CITY OF NORWALK

Mayor

ATTEST:

City Clerk

APPROVED:

City Attorney

CITY OF PICO RIVERA

Mayor

ATTEST:

City Clerk

APPROVED:

City Attorney

CITY OF DOWNEY

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM

City Attorney

CITY OF BELL GARDENS

David Torres
Mayor

ATTEST:

City Clerk

APPROVED: ~~AS~~ TO FORM:

J. Arnoldo Beltrán
City Attorney

CITY OF MONTEBELLO

Will M. Mohn
Mayor

ATTEST:

Mary Anne Saucedo
City Clerk

APPROVED:

Jonathan Stone
City Attorney

CITY OF PARAMOUNT

Mayor

ATTEST:

City Clerk

APPROVED:

City Attorney

CITY OF SOUTH EL MONTE

Mayor

ATTEST:

City Clerk

APPROVED:

City Attorney

CITY OF SANTA FE SPRINGS

Mayor

ATTEST:

City Clerk

APPROVED:

City Attorney

Exhibit E

STATE of CALIFORNIA
COMMISSION ON STATE MANDATES

November 7, 2016

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

Ms. Sally Hazzard
South East Area Animal Control Authority
9777 SEAACA Street
Downey, CA 90241

Ms. Jill Kanemasu
State Controller's Office
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

And Parties, Interested Parties, and Interested Persons (See Mailing List)

Re: **Draft Proposed Decision, Schedule for Comments, and Notice of Hearing**
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; As Added or Amended by Statutes 1998, Chapter 752 (SB 1785)
Fiscal Years: 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009
Southeast Area Animal Control Authority, Claimant

Dear Ms. Chinn, Ms. Hazzard, and Ms. Kanemasu:

The Draft Proposed Decision for the above-captioned matter is enclosed for your review and comment.

Written Comments

Written comments may be filed on the Draft Proposed Decision by **November 28, 2016**. You are advised that comments filed with the Commission on State Mandates (Commission) are required to be simultaneously served on the other interested parties on the mailing list, and to be accompanied by a proof of service. However, this requirement may also be satisfied by electronically filing your documents. Refer to http://www.csm.ca.gov/dropbox_procedures.php on the Commission's website for electronic filing instructions. (Cal. Code Regs., tit. 2, § 1181.3.)

If you would like to request an extension of time to file comments, please refer to section 1187.9(a) of the Commission's regulations.

Hearing

This matter is set for hearing on **Friday, January 27, 2017**, at 10:00 a.m., State Capitol, Room 447, Sacramento, California. The proposed decision will be issued on or about October 14, 2016. Please let us know in advance if you or a representative of your agency will testify at the hearing, and if other witnesses will appear. If you would like to request postponement of the hearing, please refer to section 1187.9(b) of the Commission's regulations.

Sincerely,

Heather Halsey
Executive Director

J:\MANDATES\IRC\2014\9811 (Animal Adoption)\14-9811-I-03\Correspondence\draftPDtrans.docx

ITEM __

INCORRECT REDUCTION CLAIM

DRAFT PROPOSED DECISION

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 1998, Chapter 752 (SB 1785)

Animal Adoption

Fiscal Years 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009

14-9811-I-03

Southeast Area Animal Control Authority, Claimant

EXECUTIVE SUMMARY

Overview

This Incorrect Reduction Claim (IRC) addresses reductions made by the State Controller's Office (Controller) to reimbursement claims filed by the Southeast Area Animal Control Authority (claimant) for costs incurred during fiscal years 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009 under the *Animal Adoption* program.

The Controller reduced and recalculated the claims because it found that the claimant did not comply with the Parameters and Guidelines when calculating costs under the actual cost method, 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, misstated indirect costs, and overstated offsetting revenues.

As indicated below, staff recommends that the Commission on State Mandates (Commission) partially approve this IRC.

The *Animal Adoption* Program

The *Animal Adoption* program arose from amendments to the Civil Code and Food and Agriculture Code made by Statutes 1998, chapter 752 (SB 1785[1]). The purpose of the test claim statute was to carry out the state policy that "*no adoptable animal* should be euthanized if it can be adopted into a suitable home" and "*no treatable animal* should be euthanized."[2] Generally, the program increases the holding period to allow for the adoption and redemption of stray and abandoned dogs, cats, and other specified animals before the local agency can euthanize the animal, and requires:

[1] Sometimes referred to as the Hayden Bill.

[2] Civil Code section 1834.4, Penal Code section 559d, and Food and Agricultural Code section 17005 as added or amended by Statutes 1998, chapter 752.

- verification of the temperament of feral cats;
- posting of lost and found lists;
- maintenance of records for impounded animals; and
- that impounded animals receive "necessary and prompt veterinary care."

On January 25, 2001, the Commission partially approved the Test Claim, 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).

The Commission adopted the Parameters and Guidelines for this program on February 28, 2002. Those Parameters and Guidelines, in addition to the activities identified in the Test Claim Statement of Decision, as described above, provide reimbursement for one-time activities of developing policies and procedures; training; and developing or procuring computer software for maintaining records; as well as ongoing costs for:

- Acquisition of additional space or construction of new facilities, by purchase or lease, 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;[3] and
- 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.[4]

On March 12, 2003, the Joint Legislative Audit Committee authorized an audit of the *Animal Adoption* mandate, which was completed by the Bureau of State Audits on October 15, 2003. The audit report recommended that the Legislature direct the Commission to amend the Parameters and Guidelines for the *Animal Adoption* mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space. In 2004, AB 2224 (Stats. 2004, ch. 313) was enacted to direct the Commission to amend the Parameters and Guidelines for the *Animal Adoption* program to:

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.

On January 26, 2006, the Commission adopted the Parameters and Guidelines Amendment, applicable to claims beginning July 1, 2005, to require, among other things, contemporaneous source documents to show the validity of costs claimed and their relationship to the reimbursable activities. The 2006 amendment also amended the formula for determining the reimbursable portion of acquiring or building additional shelter space and clarified the definition of "average daily census" of dogs and cats, for purposes of the formula to calculate care and maintenance; this amendment is clarifying only, and does not affect the methodology used to calculate actual costs for this component.[5]

Procedural History

On January 15, 2003, the claimant signed and dated the reimbursement claim for fiscal year 2001-2002.[6] On January 15, 2004, the claimant signed and dated the reimbursement claim for fiscal year 2002-2003.[7] On January 15, 2008, the claimant signed and dated the reimbursement

[3] Exhibit X, Staff Analysis and Proposed Parameters and Guidelines, Hearing Item 4, February 28, 2002, pages 1607-1608.

[4] Exhibit X, Staff Analysis and Proposed Parameters and Guidelines, Hearing Item 4, February 28, 2002, page 1609.

[5] Exhibit A, IRC, pages 252-271 (2006 Amended Parameters and Guidelines, pages 1-20).

[6] Exhibit A, IRC, page 546 (Form FAM-27).

[7] Exhibit A, IRC, page 563 (Form FAM-27).

claim for fiscal year 2006-2007.[8] On January 22, 2009, the claimant signed and dated the reimbursement claim for fiscal year 2007-2008.[9] On February 4, 2010, the claimant signed and dated the reimbursement claim for fiscal year 2008-2009.[10]

On August 12, 2010, the Controller dated a letter to the claimant regarding the start of the audit.[11] On May 22, 2012, the Controller issued the Draft Audit Report.[12] On June 4, 2012, the claimant dated and sent a letter in response to the Draft Audit Report.[13] On June 15, 2012, the Controller issued the Final Audit Report.[14]

On June 8, 2015, the claimant filed this IRC.[15] On November 10, 2015, the Controller filed late comments on the IRC.[16] On February 11, 2016, the claimant filed late rebuttal comments.[17] On November 7, 2016, Commission staff issued the Draft Proposed Decision.[18]

Commission Responsibilities

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state mandated costs that the Controller determines is excessive or unreasonable.

Government Code section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the Decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of the Parameters and Guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit. The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6, of

[8] Exhibit A, IRC, page 593 (Form FAM-27).

[9] Exhibit A, IRC, page 614 (Form FAM-27).

[10] Exhibit A, IRC, page 641 (Form FAM-27).

[11] Exhibit B, Controller's Late Comments on the IRC, page 5 ("A field audit of the claims for fiscal year (FY) 2001-02, FY 2002-03, FY 2006-07, FY 2007-08, and FY 2008-09 started on August 12, 2010 (issuance of the audit start letter) and ended on June 15, 2012 (issuance of the final report)." [Declaration of Jim L. Spano, dated Nov. 10, 2015, paragraph 7]).

[12] Exhibit A, IRC, page 468.

[13] Exhibit A, IRC, pages 524-539 (Letter from Dan Morrison to James Spano, dated June 4, 2012).

[14] Exhibit A, IRC, page 464 (cover letter), pages 463-540 (Final Audit Report).

[15] Exhibit A, IRC, pages 1, 2.

[16] Exhibit B, Controller's Late Comments on the IRC, page 1.

[17] Exhibit C, Claimant's Late Rebuttal Comments, page 1.

[18] Exhibit E, Draft Proposed Decision.

the California Constitution.[19] The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."[20]

With regard to the Controller's audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.[21]

The Commission must review the Controller's audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with the claimant.[22] In addition, sections 1185.1(f)(3) and 1185.2(c) of the Commission's regulations require that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Commission's ultimate findings of fact must be supported by substantial evidence in the record.[23]

Claims

The following chart provides a brief summary of the claims and issues raised and staff's recommendation:

Issue	Description	Staff Recommendation
Does the claimant, a joint powers authority, have standing to bring this IRC?	Claimant is a joint powers authority composed of member cities and contracting cities.	*Yes* — To the extent that the claimant is acting in a representative capacity for cities, the claimant has standing to bring this IRC. The claimant may not request reimbursement for its own expenses which are separate from those of its constituent or contracting cities.

[19] *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

[20] *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1281, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

[21] *Johnston v. Sonoma County Agricultural Preservation and Open Space Dist.* (2002) 100 Cal.App.4th 973, 983-984. See also *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

[22] *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

[23] Government Code section 17559(b), which provides that 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 in the record.

Whether the Controller correctly reduced costs for claimant's failure to comply with the Parameters and Guidelines when calculating costs for care and maintenance costs.	The Parameters and Guidelines contain a formula to claim costs for the care and maintenance of eligible animals during the increased holding period. By its own admission, the claimant did not abide by the formula in the Parameters and Guidelines. Instead of using the cost to care for animals as the base of the calculation, the claimant used all costs incurred by the shelter operations division, which includes costs that go beyond the scope of the mandate to care and maintain each eligible animal during the increased holding period. In addition, the claimant's formula includes costs for other reimbursable components, which are not reimbursed based on this formula.	*Correct* — The Controller's finding that the claimant failed to abide by the Parameters and Guidelines when calculating reimbursable costs is correct as a matter of law and supported by evidence in the record.
Whether the Controller correctly excluded "ineligible animals" when recalculating allowable costs for care and maintenance (Finding 1) and prompt and necessary veterinary care (Finding 5).	The Parameters and Guidelines authorize local agencies to claim reimbursement for the cost of care and maintenance and prompt and necessary veterinary care for impounded stray or abandoned animals that "die during the increased holding period or are ultimately euthanized." The Controller excluded from the population of "eligible animals" several categories of animals it claims are not within the scope of the mandated program, which resulted in a	*Partially Correct* — The Controller's exclusion of animals that died *after* the increased holding period is consistent with the Parameters and Guidelines, and is therefore correct as a matter of law. The following exclusions of animals are incorrect as a matter of law, and are arbitrary, capricious, or entirely lacking in evidentiary support: • The exclusion of animals deemed treatable upon arrival at the shelter and later euthanized during the

	reduction of costs. The exclusions include, but are not limited to, the following: • Animals deemed treatable upon arrival at the shelter and later euthanized during the increased holding period because they became non-rehabilitatable. • Animals that may have been euthanized during the holding period because of the claimant's misinterpretation of the required holding period in conflict with the Court of Appeal's decision in *Purifoy v. Howell* (2010) 183 Cal.App.4th 166, which held that Saturday is not a "business day" for purposes of calculating the required holding period before an animal can be adopted or euthanized. • Animals that died *after* the increased holding period. • Ineligible "wild" other animals.	increased holding period because they became non-rehabilitatable. • Exclusions of "eligible animals" held for the required duration under *Purifoy*, based on the Controller's recalculation of costs using an *average* number of days. • *To the extent excluded*, "wild animals" legally allowed as personal property and, thus subject to the protection of the mandated activities.
The Controller's remaining findings when recalculating care and maintenance costs (Finding 1).	The actual cost method outlined in the Parameters and Guidelines for calculating the costs for care and maintenance require the claimant to 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 and materials costs. The formula also requires the calculation of the yearly	*Correct* — the Controller's remaining findings for care and maintenance costs (Finding 1) are correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

	census of animals, or the total number of days that all animals are housed in the shelter. Thus, the Controller calculated costs for salary and benefits, materials and supplies, and yearly census of animals based on documentation provided by the claimant. The claimant does not directly address these adjustments to the total annual costs of care and maintenance.	
The Controller's reduction of costs relating to unallowable employee hours for making animals available for adoption or owner redemption (Finding 2).	The claimant requested costs for this component, by adding together expenditures of the shelter division and kennel division and a portion of the expenditures of the administration division and veterinary division. The claimant then 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 for owner redemption. The Controller determined that the claimant's calculation included costs beyond the scope of the mandated activity to make animals available for owner redemption. The Controller recalculated costs based on documentation provided by the claimant identifying the hours of operation for its animal shelter, and the hours the claimant made animals	*Correct* — The Controller's attempt to limit reimbursement on Saturdays to those employees that are necessary to make animals available for owner redemption, and to reduce all other costs beyond the scope of this mandated activity, is consistent with the Parameters and Guidelines and the purpose of the test claim statute. Thus, the adjustments are correct as a matter of law. In addition, there is no evidence in the record to support a finding that the Controller's recalculation of costs, based on documentation provided by the claimant, was arbitrary or capricious.

	available for owner redemption.	
The Controller's recalculation of costs based on a time study conducted by the claimant during the audit for lost and found lists (Finding 3), maintaining non-medical records (Finding 4), and necessary and prompt veterinary care (Finding 5).	The claimant did not individually claim costs for lost and found lists, maintaining non-medical records, and providing necessary and prompt veterinary care, but included those costs in its overall calculation for care and maintenance. The Controller isolated those reimbursable costs in Findings 3 through 5, in part, by allowing the claimant to conduct a time study during the audit for the time spent performing the activities. In addition, for necessary and prompt veterinary care, the Controller allowed reimbursement for material and supply costs based on the actual cost of vaccines administered to each eligible animal.	*Correct* — There is no evidence that the Controller's recalculation of costs for lost and found lists (Finding 3), maintaining non-medical records (Finding 4), and necessary and prompt veterinary care (Finding 5), is arbitrary, capricious, or entirely lacking in evidentiary support.
The Controller's reduction of indirect costs (Finding 6).	The claimant did not directly claim reimbursement for indirect costs for any fiscal year in the audit period. Instead, the claimant included a portion of its overhead costs in both the care and maintenance (Finding 1) and holding period (Finding 2) cost components. According to the Controller, the claimant calculated indirect costs by assuming that all costs incurred by the animal shelter, kennel, and veterinary divisions were direct mandate-related costs, and that all costs incurred within the animal control and	*Correct* — The Controller's reduction of indirect costs is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support. The claimant's original calculation of indirect costs does not comply with the Parameters and Guidelines. Moreover, staff finds that the Controller considered all the facts and documents maintained by the claimant in support of its reimbursement claims, and considered the claimant's arguments and new proposals for calculating

	license/canvassing divisions were direct non-mandate related costs. Using the two totals, the claimant determined the percentage of direct mandate-related costs and multiplied this percentage by the amount of costs incurred with the administration division. The Controller asserts that this method of calculating indirect costs is not consistent with the Parameters and Guidelines. The Controller also asserts that the claimant's assumption that all costs incurred within the animal shelter, kennel, and veterinary divisions were direct mandate-related costs, and that all costs incurred within the animal control and license/canvassing divisions were direct non-mandate related costs, is also incorrect. Thus, the Controller rejected the claimant's method of determining indirect costs.	indirect costs. Staff further finds that there is no evidence that the Controller's recalculation of indirect costs is arbitrary or capricious.

Staff Analysis

A. The SEAACA Has Standing to Bring this IRC as a Representative of the Cities Which Compose or Contracted with SEAACA.

The threshold issue is whether the Southeast Area Animal Control Authority (SEAACA), a joint powers authority, has standing to bring this IRC. SEAACA is comprised of eight member cities and six 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 for this purpose.

Staff finds that, on this record, the claimant may file and maintain an IRC in a representative capacity on behalf of its member and contracting cities.

The purpose of a joint powers arrangement is to allow two or more public entities to jointly exercise a shared power, and, in this case, each of the cities possesses the power to file and

maintain an IRC. [24] In an unpublished opinion, the Second District of the California Court of Appeal held that a joint powers authority had standing to file and maintain a test claim before the Commission because the joint powers authority was acting on behalf of its constituent entities (which, in that particular case, were counties).[25] While the Court of Appeal's unpublished opinion is not binding,[26] the Commission should be persuaded by the Court of Appeal's reasoning, particularly in light of the nearly identical factual and legal issues underpinning the standing analysis.

The claimant may *only* seek reimbursement of costs which were incurred by its member or contracting cities; since joint powers authorities are not subject to the tax and spend limitations of the California Constitution and they were deliberately deleted from the Government Code's list of eligible claimants. The claimant may *not* seek reimbursement of costs which were incurred by the claimant separately and apart from its member or contracting cities. Here, the claimant represents that its accounting records for the costs at issue in this IRC are maintained on a city-by-city basis.[27] Additionally, the IRC raises issues which, based on this record, apply to each of the member and contracting cities.

Consequently, the Commission should find that the claimant possesses the standing required to file and maintain this IRC in its capacity as a representative of its member and contracting cities.

B. The Controller's Finding that the Claimant Failed to Abide by the Parameters and Guidelines when Calculating Reimbursable Costs Is Correct as a Matter of Law and Not Arbitrary, Capricious or Entirely Lacking in Evidentiary Support.

The Parameters and Guidelines contain a formula to claim costs for the care and maintenance of eligible animals during the increased holding period. The formula requires the eligible annual cost of care for all animals to be divided by the yearly census of animals to arrive at an average cost per animal per day. The cost per animal per day is then multiplied by the number of eligible animals and the number of increased holding period days.

By its own admission, the claimant did not abide by the Parameters and Guidelines. Instead of using the cost to care for animals as the base of the calculation, the claimant used all costs incurred by the shelter operations division, which includes costs that go beyond the scope of the mandate to care and maintain each eligible animal during the increased holding period. In addition, the claimant's formula includes costs for other reimbursable components, which are not reimbursed based on this formula but are instead reimbursable under other components as set out in the Parameters and Guidelines.

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[24] Government Code section 17518 ("'Local agency' means any city . . . ."); Government Code section 17551(d) ("The commission . . . shall hear and decide upon a claim by a local agency . . . that the Controller has incorrectly reduced payments to the local agency . . . .").

[25] *CSAC Excess Insurance Authority v. Commission on State Mandates* (Dec. 20, 2006, B188169) (nonpub. opn.).

[26] *Farmers Insurance Exchange v Superior Court (Wilson)* (2013) 218 Cal.App.4th 96, 109.

[27] Exhibit A, IRC, page 63.

To receive reimbursement, claimants are required to comply with the Parameters and Guidelines, which are regulatory documents,[28] which means in this case submitting calculations using the formula specified.[29]

Based on the above, the Controller's finding that the claimant failed to abide by the Parameters and Guidelines when calculating reimbursable costs is correct as a matter of law.

C. The Controller's Recalculation of Costs Is Partially Correct.

1. The Controller's Exclusions of what It Deems "Ineligible Animals" Are Partially Incorrect as a Matter of Law and Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support, Resulting in Some Incorrect Reductions in Finding 1 (Care and Maintenance Costs) and Finding 5 (Necessary and Prompt Veterinary Care) of the Audit Report.

The Parameters and Guidelines for the *Animal Adoption* program authorize local agencies to claim reimbursement for the costs of care and maintenance during the increased holding period for impounded stray or abandoned animals that "die during the increased holding period or are ultimately euthanized," based on a formula for determining actual costs. The Parameters and Guidelines also authorize reimbursement for providing necessary and prompt veterinary care as specified in the Parameters and Guidelines during the holding period for stray and abandoned animals that "die during the increased holding period or are ultimately euthanized." Claimants are to calculate and claim their costs for these activities in part by determining the number of "stray or abandoned animals that die during the increased holding period or are ultimately euthanized." The Controller calls this factor of the calculation "eligible animals."

The Controller, in its audit and recalculation of allowable costs for care and maintenance and necessary and prompt veterinary care, states that the following animals were excluded from the population of "eligible animals:"

- Dogs, cats, and other animals that were euthanized *during* the holding period. Local agencies are eligible to receive reimbursement for dogs, cats, and other animals that were euthanized after the holding period (day 7 of the holding period and beyond). This includes animals originally determined to be treatable and adoptable, but were euthanized during the increased holding period after becoming non-rehabilitatable, and animals that were euthanized too early because the claimant counted Saturday as a business day.
- Dogs, cats, and other animals that died of natural causes *after* the increased holding period.
- Exclusion of "other animals" *to the extent* the Controller concluded that the animal was "wild."[30]

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[28] *Clovis Unified School District v. Chiang* (2010) 188 Cal.App.4th 794, 799.

[29] *Clovis Unified School District v. Chiang* (2010) 188 Cal.App.4th 794, 799.

[30] Exhibit B, Controller's Late Comments on the IRC, page 135. The Controller's comments on the IRC contain a chart titled "Raw Data — Eligible Other Animals" showing the raw data of eligible other animals held by the claimant for fiscal year 2008-2009, with an auditor note of "wild?" next to the lines for a rabbit, a dove, and ducks.

a) The exclusion of animals deemed treatable upon arrival at the shelter and later euthanized <u>during</u> the increased holding period because they became non-rehabilitatable is incorrect as a matter of law.

The Controller excludes from reimbursement all costs incurred for the care and maintenance and prompt and necessary veterinary care of dogs, cats, and other animals that were euthanized *during* the increased holding period.

The Commission finds that the Controller's interpretation of the Parameters and Guidelines is not correct. The Parameters and Guidelines provide that local agencies are eligible to receive reimbursement for care and maintenance and prompt and necessary veterinary costs for those animals "that die during the increased holding period or are ultimately euthanized." The plain language of the phrase "animals that die during the increased holding period or are ultimately euthanized" is vague and ambiguous because the word "die" can include both death by natural causes and death by euthanasia. Since the plain language is not clear, it is necessary to review the decisions adopted by the Commission on this issue and the statutory scheme of the test claim statutes.

The phrase "ultimately euthanized" was used in the Test Claim Statement of Decision only to identify those animals whose owners are unknown or are not adopted, meaning that the costs for care, treatment, and veterinary services during the holding period for this group of animals could not be recovered by fee revenue.[31]

In addition, Food and Agriculture Code section 17006 provides that the holding period does not apply to animals that are irremediably suffering from a serious illness or severe injury or to newborn animals that need maternal care and have been impounded without their mothers. A related statute, Food and Agricultural Code section 17005(b), expressly addresses the issue of a "treatable" animal's health changing over the course of impoundment: "It is the policy of the state that no treatable animal should be euthanized. A treatable animal shall include any animal that is not adoptable but that could become adoptable with reasonable efforts."

Section 17005, thus, expressly contemplates an animal's health changing over the course of impoundment. Read together with section 17006, the two statutes require a shelter to hold an animal which is ill or injured — but not an animal which is irremediably suffering — for the relevant holding period on the ground that the animal's health may improve.

Consistent with the statutory scheme, the Parameters and Guidelines expressly contemplate an animal's health changing over the course of impoundment from "treatable" to "adoptable." Section IV. (B)(8) of the Parameters and Guidelines allows reimbursement for the initial physical examination of a stray or abandoned animal to determine the animal's baseline health status and classification as "adoptable, treatable, or non-rehabilitatable." The Parameters and Guidelines further authorize reimbursement for the administration of a wellness vaccine to "treatable" or "adoptable" animals, veterinary care to stabilize and relieve the suffering of a "treatable" animal, and veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a "treatable" animal until the animal becomes "adoptable."

[31] Exhibit B, Controller's Late Comments on the IRC, pages 66-67 (Test Claim Statement of Decision, pages 29-30 [emphasis added]).

Therefore, to the extent the Controller's reduction includes costs incurred for the care and maintenance and prompt and necessary veterinary costs of stray or abandoned dogs, cats, and other animals that were initially classified as "adoptable" or "treatable," but became non-rehabilitatable and were euthanized during, but before the expiration of, the increased holding period, the reduction is incorrect as a matter of law.

> b) *The Commission and the Controller are bound by the Purifoy decision and, thus, the Controller's exclusion of animals that were euthanized too early, and during the holding period, because Saturday was counted as a business day for the required holding period, is correct as a matter of law. However, the Controller's recalculation of costs using an average number of reimbursable days is incorrect as a matter of law to the extent it results in an exclusion of "eligible animals" held for the time required under Purifoy.*

As indicated above, the Controller only included as eligible animals those dogs, cats, and other animals "*euthanized after the holding period*." Animals may have been euthanized *during* the holding period because of claimant's misinterpretation of the required holding period in conflict with the Court of Appeal's decision in *Purifoy*, which held that Saturday is not a "business day" for purposes of calculating the required holding period under the test claim statutes before a stray or abandoned dog can be adopted or euthanized.[32] Before the decision was issued, many local agencies were operating under the assumption that, so long as they were open on Saturday, Saturday was a "business day" that could be counted as part of the holding period, which resulted in the euthanization of some animals too early and *during* the holding period.[33] Pursuant to the *Purifoy* decision, the Controller excluded those animals from the number of "eligible animals that die during the holding period or are ultimately euthanized" for purposes of calculating reimbursable costs for care and maintenance and necessary and prompt veterinary care.

Staff finds that the court's interpretation of "business day" in *Purifoy* is binding, and that the Controller's exclusion of Saturday as a business day when calculating the increased holding period is correct as a matter of law. Thus, except in the circumstances described below, the Controller's exclusion of animals that were euthanized too early because Saturday was counted as a business day for the required holding period, is also correct as a matter of law.

However, when recalculating the number of reimbursable days pursuant to *Purifoy*, the Controller calculated an *average* increased holding period for all dogs and cats of three days, and the average increased holding period for all other "eligible" animals of six days, and did not determine the actual number of reimbursable days for each eligible animal based on the day of impoundment. Even if the increased holding period averages three days for dogs and cats, or six days for other animals, the Parameters and Guidelines do not provide for reimbursement based on an average number of days. Moreover, the Controller's recalculation may result in the exclusion of eligible animals that are correctly held under the law, but are euthanized during the Controller's defined "average" holding period. For example, if a stray or abandoned dog or cat is impounded on a Monday or Sunday, the actual increased holding period under the law is two *calendar* days, and not three days, and the dog or cat may be euthanized on day three (a day

[32] *Purifoy v. Howell* (2010) 183 Cal.App.4th 166.

[33] Exhibit A, IRC, page 494 (Final Audit Report, page 29).

before the Controller's average and, thus, "during the holding period" as defined by the Controller). Similarly, for "other animals," the Controller applied an increased holding period of six days. However, if a stray bird or rabbit is impounded on a Monday, the actual increased holding period under the law is four calendar days, and not six days, and the bird or rabbit may be euthanized on day five (a day before the Controller's average and, thus, "during the holding period" as defined by the Controller). Therefore, the Controller's recalculation and use of the average number of reimbursable days results in an exclusion of "eligible animals" correctly held under the law. Under these circumstances, the Controller's recalculation and use of the average number of reimbursable days is incorrect as a matter of law to the extent it results in an exclusion of "eligible animals" held for the duration required by law.

c) The Controller's exclusion of animals that died <u>after</u> the increased holding period is consistent with the Parameters and Guidelines and is correct as a matter of law.

Staff finds that the Controller's exclusion of animals that died after the increased holding period is consistent with the Parameters and Guidelines and is correct as a matter of law. The Parameters and Guidelines do not authorize reimbursement for animals that continue to be held by the local agency for adoption longer than the holding period and die *thereafter*. Thus, the Controller's interpretation is consistent with the plain language of the Parameters and Guidelines. The Parameters and Guidelines are binding, and no request to amend the Parameters and Guidelines has been filed. Therefore, the Commission finds that the exclusions of animals that died after the holding period is correct as a matter of law.

d) Any reduction of costs relating to the Controller's exclusion of "other animals" "legally allowed as personal property" and thus subject to the protection of the mandated activities is incorrect as a matter of law and is arbitrary, capricious, and entirely lacking in evidentiary support.

As indicated in the Final Audit Report, the Controller excluded 543 "eligible other animals" during the audit period. These exclusions are due to the reasons described above, and may also be due to the exclusion of animals that were considered "wild." Included with the Controller's comments on the IRC is a chart showing the raw data of eligible other animals held by the claimant for fiscal year 2008-2009, with an auditor note of "wild?" next to the lines for a rabbit, a dove, and ducks.[34] It is unclear from the record if the Controller chose to exclude these animals on the basis that they were considered "wild." Staff finds that to the extent the Controller's excluded eligible animals that are legally allowed as personal property, the exclusion is incorrect as matter of law and is arbitrary, capricious, or entirely lacking in evidentiary support.

The Parameters and Guidelines track the statutory language in Food and Agriculture Code section 31753 and authorize reimbursement during the required holding period for the care and maintenance of "other animals" to include "impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises *legally allowed as personal*

[34] Exhibit B, Controller's Late Comments on the IRC, page 136.

property."[35] The phrase "legally allowed as personal property" applies to the entire list of animals, including "…bird, lizard, snake, turtle, or tortoise…" This construction is consistent with Section 1(c)(3) of the test claim statute (Statutes 1998, chapter 752), which states that the intent of the act includes extending public shelter responsibilities from dogs and cats to "other legal pets."[36] In addition, several of the code sections reenacted or amended by Statutes 1998, chapter 752, state that it is the policy of the state of California "that *no adoptable animal* should be euthanized if it can be adopted into a suitable home."[37]

All property must be real or personal in nature,[38] and animals, to the extent they are legally allowed to be property, fall into the latter category.[39] Even many types of wild animals may be legally allowed as personal property in certain circumstances.[40] And whether a particular animal is "legally allowed as personal property" can be a complex issue of law and fact. However, to the extent the Controller excluded "wild animals," there are no findings or evidence in the record whether that exclusion included animals that are legally allowed as pets. Therefore, to the extent the Controller excluded "wild animals" without analysis and notice to the claimant, that exclusion is facially inconsistent with the law and the Parameters and Guidelines, is incorrect as a matter of law, and is arbitrary, capricious, and entirely lacking in evidentiary support.

2. Except as Determined in Section C.1. of this Decision, the Controller's Remaining Findings for Care and Maintenance Costs (Finding 1) Are Correct as a Matter of Law and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

The actual cost method outlined in the Parameters and Guidelines for calculating the costs for care and maintenance require the claimant to 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 and materials costs. The formula also requires the calculation of the yearly census of animals, or the total number of days that all animals are housed in the shelter. The Controller made the following findings on these components:

- Salary and benefit costs. During the audit, the claimant provided actual salary and benefit costs for the audit period for three positions (animal care technicians, senior animal care technicians, and lead animal care technicians) that provide care and maintenance to the animals housed at the shelter. However, only a percentage of shelter staff time is devoted to care and maintenance. The claimant estimated that 89 percent of the animal care technician's and senior animal care technician's time and 60 percent of the lead animal care technician's time was devoted to care and maintenance. The

[35] Exhibit A, IRC, page 116 (2002 Parameters and Guidelines, page 8); Exhibit B, Controller's Late Comments on IRC, page 72 (Test Claim Decision, page 35) (emphasis added).

[36] Statutes 1998, chapter 752, section 1.

[37] See, e.g., Civil Code section 1834.4; Food and Agriculture Code section 17005; Penal Code section 599d (as added or amended, Stats. 1998, ch. 752) (emphasis added).

[38] Civil Code section 657.

[39] See Civil Code sections 658-660, 662 (further defining real property); see also Civil Code section 663 (stating that all property which is not real is defined as personal).

[40] See, e.g., Civil Code section 656 and California Code of Regulations, title 14, section 671.

Controller determined that the estimated percentages appeared reasonable based on the job descriptions provided.[41] Thus, the Controller multiplied the actual salary and benefit amounts provided by the claimant by the percentage of time spent on mandated care and maintenance activities, resulting in allowable salaries and benefits of $952,445.[42]

- Material and supply costs claimed in the amount of $7,690,644 were overstated by the claimant. The Controller, allowing $288,726 in materials and supplies, determined that the claimant included total costs incurred to operate the shelter (such as shelter, kennel, veterinary, and administrative divisional expenses) instead of claiming costs specifically incurred for care for and maintain the animals. The Controller determined the allowable costs by reviewing the claimant's account #140 (special activities supplies for shelter operations). The claimant indicated that account #140 is specifically for the expenses related to the care and maintenance of animals and includes costs for animal food, cat litter, light bulbs, and cleaning supplies, and does not include expenses that are not eligible for reimbursement (such as euthanasia medication, microchip expenses, and medical supplies).[43]
- The claimant estimated the yearly census by assuming that the animals were held an average of five days in fiscal years 2001-2002 and 2002-2003, an average of seven days in fiscal years 2006-2007 and 2007-2008, and an average of six days in fiscal year 2008-2009. The Controller reviewed the claimant's Paw Trax software system, which detailed the actual total annual census of animals housed in the claimant's animal shelter in fiscal years 2006-2007 through 2008-2009. Since the information was not available for fiscal years 2001-2002 and 2002-2003, the Controller used an average of the information from fiscal years 2006-2007 through 2008-2009 for those earlier years. The Controller's recalculation resulted in an increase of yearly census numbers.[44]

The claimant does not directly address these adjustments to the total annual costs of care and maintenance.

Staff finds that the Controller's recalculations are consistent with the Parameters and Guidelines and are based on the claimant's records.

Accordingly, except as determined in Section C.1 of this Decision, the remaining calculations for care and maintenance in Finding 1 are correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

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[41] Exhibit B, Controller's Late Comments on the IRC, pages 15, 110-120.

[42] Exhibit A, IRC, page 479 (Final Audit Report, page 14).

[43] Exhibit A, IRC, page 480 (Final Audit Report, page 15); Exhibit B, Controller's Late Comments on the IRC, pages 15, 120-125.

[44] Exhibit A, IRC, pages 480-481 (Final Audit Report, pages 15-16); Exhibit B, Controllers' Late Comments on the IRC, pages 15, 126.

3. The Controller's Reductions in Finding 2 Relating to Unallowable Employee Hours for Making Animals Available for Adoption or Owner Redemption Are Correct as a Matter of Law and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

The Parameters and Guidelines provide that an agency desiring to apply the shortened holding period is eligible for reimbursement for making animals available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or, for local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, for establishing a procedure for owners to reclaim their animals by appointment.[45] For dogs and cats, reimbursement for this activity begins July 1, 1999. For "other animals" specified in Food and Agriculture Code section 31753, reimbursement for this activity begins January 1, 1999.[46]

The reimbursement claims included $654,322 in costs for the audit period for this component, by adding together expenditures of the shelter division and kennel division and a portion of the expenditures of the administration division and veterinary division. The claimant then 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 for owner redemption.[47]

The Controller determined that this calculation was not correct and included costs beyond the scope of the mandated activity. The Controller states that the mandate is limited to keeping the shelter open for purposes of owner redemption. "We believe that other animal services such as animal control officer duties, euthanasia, spay and neutering procedures, implanting microchips, licensing, processing animal adoptions, and certain other animal services do not become temporarily reimbursable activities just because the animal shelter is open for extra hours to make animals available for owner redemption. These activities are not reimbursable under any cost component of the mandated program at any time."[48]

The Controller recalculated costs based on documentation provided by the claimant identifying the hours of operation for its animal shelter, and the hours the claimant made animals available for owner redemption. The Controller applied the allowable hours by each employee's productive hourly and benefit rates and determined that $187,344 was allowable for salary and benefits.[49]

The Controller is correct that the reason to remain open on a Saturday, pursuant to the test claim statutes and the Commission's Decision, is to promote owner redemption. Indeed, the express language of the reimbursable component at issue in Finding 2 is "Making the animal available for owner redemption…"[50] Therefore, the Controller's attempt to limit reimbursement on Saturdays to those employees that are necessary to make animals available for owner

[45] Exhibit A, IRC, page 118 (2002 Parameters and Guidelines, page 10).

[46] Exhibit A, IRC, page 118 (2002 Parameters and Guidelines, page 10).

[47] Exhibit A, IRC, page 501 (Final Audit Report, page 36).

[48] Exhibit B, Controller's Late Comments on the IRC, page 26.

[49] Exhibit A, IRC, pages 502-503 (Final Audit Report, pages 37-38).

[50] Exhibit A, IRC, page 118 (2002 Parameters and Guidelines, page 10).

redemption, and to reduce all other costs beyond the scope of this mandated activity, is consistent with the Parameters and Guidelines and the purpose of the test claim statute. Thus, the adjustments are correct as a matter of law. In addition, there is no evidence in the record to support a finding that the Controller's recalculation of costs, based on documentation provided by the claimant, was arbitrary or capricious.

Based on the foregoing, the Controller's reductions in Finding 2 relating to unallowable costs to make the animal available for owner redemption is correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

4. Except as Determined in Section C.1., There Is No Evidence that the Controller's Recalculation of Costs Based on a Time Study Conducted by the Claimant During the Audit for Lost and Found Lists (Finding 3), Maintaining Non-Medical Records (Finding 4), and Necessary and Prompt Veterinary Care (Finding 5), Is Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

As indicated in background, the claimant did not individually claim costs for lost and found lists, maintaining non-medical records, and providing necessary and prompt veterinary care, but included those costs in its overall calculation for care and maintenance. The Controller isolated those reimbursable costs in Findings 3 through 5, in part, by allowing the claimant to conduct a time study during the audit for the time spent performing the activities. In addition, for necessary and prompt veterinary care, the Controller allowed reimbursement for material and supply costs based on the actual cost of vaccines administered to each eligible animal.

Although the claimant requests that all costs reduced be reinstated, the claimant has not provided any argument or evidence in the record to support a finding that the Controller's recalculation of these costs based on the time studies conducted and the actual costs for vaccines, was arbitrary, capricious, or entirely lacking in evidentiary support.

Therefore, except as determined in Section C.1. of this Decision regarding Finding 5, there is no evidence that the Controller's recalculation of costs for lost and found lists (Finding 3), maintaining non-medical records (Finding 4), and necessary and prompt veterinary care (Finding 5), is arbitrary, capricious, or entirely lacking in evidentiary support.

5. The Controller's Reduction of Indirect Costs (Finding 6) Is Correct as a Matter of Law and Is Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

The Parameters and Guidelines amended in 2006 state that "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." The original set of Parameters and Guidelines contained similar language. Both sets of Parameters and Guidelines further provide claimants with the option of using 10 percent 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.[51]

In Finding 6 of the Final Audit Report, the Controller states that the claimant did not properly claim indirect costs of $2,458,387. Specifically, the Controller found that the claimant calculated indirect costs by assuming that all costs incurred by the animal shelter, kennel, and veterinary divisions were direct mandate-related costs, and that all costs incurred within the animal control and license/canvassing divisions were direct non-mandate related costs. Using the two totals, the claimant determined the percentage of direct mandate-related costs and multiplied this percentage by the amount of costs incurred with the administration division. The Controller asserts that this method of calculating indirect costs is not consistent with the Parameters and Guidelines. The Controller also asserts that the claimant's assumption that all costs incurred within the animal shelter, kennel, and veterinary divisions were direct mandate-related costs, and that all costs incurred within the animal control and license/canvassing divisions were direct non-mandate related costs, is also incorrect. Thus, the Controller rejected the claimant's method of determining indirect costs and ultimately allowed $336,205 in such costs, based on an indirect cost rate proposal (ICRP) of 76.38 percent, using allowable salaries and benefits from all the divisions within the claimant's organization.[52]

Staff finds that the Controller's reduction of indirect costs is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support. The claimant's original calculation of indirect costs does not comply with the Parameters and Guidelines, which provides that if a claimant seeks a reimbursement of indirect costs that is more than 10 percent of the total of direct costs, the claimant may submit an Indirect Cost Rate Proposal (ICRP) created in conformity with federal Office of Management and Budget Circular A-87. There are no provisions in the Parameters and Guidelines that provides a special reimbursement formula be applied to this claimant.

Moreover, the Controller's audit decisions and recalculation of indirect costs is entitled to deference so long as it is correct as a matter of law.[53] Staff finds that the Controller considered all the facts and documents maintained by the claimant in support of its reimbursement claims, and considered the claimant's arguments and new proposals for calculating indirect costs. Staff further finds that there is no evidence that the Controller's recalculation of indirect costs is arbitrary or capricious.

Accordingly, the Controller's reduction of indirect costs is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support.

Conclusion

Based on the foregoing analysis, staff finds the following reductions are incorrect as a matter of law and arbitrary, capricious and entirely lacking in evidentiary support:

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[51] Exhibit A, pages 122-123 (2002 Parameters and Guidelines, pages 14-15); Exhibit A, pages 269-270 (2006 Parameters and Guidelines, pages 18-19).

[52] Exhibit A, IRC, page 516 (Final Audit Report, page 51).

[53] *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

- Any reduction of costs relating to the Controller's exclusion of specified "birds" and "other animals" "legally allowed as personal property" and thus subject to the protection of the mandated activities.
- Any reduction of costs relating to the exclusion of animals deemed treatable upon arrival at the shelter and later euthanized during the increased holding period because they became non-rehabilitatable.
- Any reduction of costs relating to the Controller's recalculation of costs following the *Purifoy* decision and its use of an average number of reimbursable days, to the extent the recalculation resulted in an exclusion of "eligible animals" correctly held under the law.

Staff further finds that all other reductions made by the Controller are correct as a matter of law and are not arbitrary, capricious, or entirely lacking in evidentiary support.

Staff Recommendation

Staff therefore recommends that the Commission adopt the Proposed Decision to partially approve the IRC and request, pursuant to Government Code section 17551(d) and section 1185.9 of the Commission's regulations, that the Controller reinstate costs that relate to the following incorrect reductions to the extent the claimant can provide documentation to support the validity of the costs incurred. Section VI. of the Parameters and Guidelines require claimants to provide source documents that show the evidence of the validity of such costs and their relationship to the mandate. The supporting documentation must be kept on file by the agency during the audit period required by Government Code section 17558.5. In this respect, claimants are required by Food and Agriculture Code section 32003 to maintain records on animals that are taken up, euthanized, or impounded. Such records shall identify the date the animal was taken up, euthanized, or impounded; the circumstances surrounding these events; and the names of the personnel performing these activities.[54]

Staff further recommends that the Commission authorize staff to make any technical, non-substantive changes following the hearing.

[54] The record in this case shows that the claimant started maintaining records using the Pax Trax system in fiscal years 2006-2007 and 2008-2009, and that no records were available for the earlier fiscal years of 2001-2002 and 2002-2003. Based on the legal findings of the Commission relating to animals that were incorrectly excluded by the Controller, the Controller on remand and under its audit authority, may continue to average the numbers of "eligible animals" for those earlier fiscal years based on the data from fiscal years 2006-2007 and 2008-2009.

BEFORE THE

COMMISSION ON STATE MANDATES

STATE OF CALIFORNIA

IN RE INCORRECT REDUCTION CLAIM ON: 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 1998, Chapter 752 (SB 1785) Fiscal Years 2001-2002, 2002-2003; 2006-2007, 2007-2008, and 2008-2009 Southeast Area Animal Control Authority, Claimant	Case No.: 14-9811-I-03 *Animal Adoption* DECISION PURSUANT TO GOVERNMENT CODE SECTION 17500 ET SEQ.; CALIFORNIA CODE OF REGULATIONS, TITLE 2, DIVISION 2, CHAPTER 2.5, ARTICLE 7 (*Adopted January 27, 2017*)

DECISION

The Commission on State Mandates (Commission) heard and decided this Incorrect Reduction Claim (IRC) during a regularly scheduled hearing on January 27, 2017. [Witness list will be included in the adopted decision.]

The law applicable to the Commission's determination of a reimbursable state-mandated program is article XIII B, section 6 of the California Constitution, Government Code section 17500 et seq., and related case law.

The Commission [adopted/modified] the Proposed Decision to [approve/partially approve/deny] this IRC by a vote of [vote count will be included in the adopted Decision] as follows:

Member	**Vote**
Ken Alex, Director of the Office of Planning and Research	
Richard Chivaro, Representative of the State Controller	
Mark Hariri, Representative of the State Treasurer, Vice Chairperson	
Sarah Olsen, Public Member	
Eraina Ortega, Representative of the Director of the Department of Finance, Chairperson	
Carmen Ramirez, City Council Member	
Don Saylor, County Supervisor	

Summary of the Findings

This IRC was filed in response to an audit by the State Controller's Office (Controller) of the Southeast Area Animal Control Authority's (claimant's) initial reimbursement claims under the *Animal Adoption* program for fiscal years 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009. The Controller reduced and recalculated the claims because it found that the

claimant did not comply with the Parameters and Guidelines when calculating costs under the actual cost method, 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, misstated indirect costs, and overstated offsetting revenues.[55]

The Commission partially approves this IRC, and requests, pursuant to Government Code section 17551(d) and section 1185.9 of the Commission regulations, that the Controller reinstate costs that relate to the following incorrect reductions to the extent the claimant can provide documentation to support the validity of the costs incurred:[56]

- Any reduction of costs relating to the Controller's exclusion of specified "birds" and "other animals" "legally allowed as personal property" and thus subject to the protection of the mandated activities.
- Any reduction of costs relating to the exclusion of animals deemed treatable upon arrival at the shelter and later euthanized during the increased holding period because they became non-rehabilitatable.
- Any reduction of costs relating to the Controller's recalculation of costs following the *Purifoy v. Howell* decision and its use of an average number of reimbursable days, to the extent the recalculation resulted in an exclusion of "eligible animals" correctly held under the law.

The Commission further finds that all other reductions made by the Controller are correct as a matter of law and are not arbitrary, capricious, or entirely lacking in evidentiary support.

I. Chronology

01/15/2003 Claimant signed and dated the reimbursement claim for fiscal year 2001-2002.[57]

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[55] See Exhibit A, IRC, page 464 (Cover Letter of Final Audit Report, page 1).

[56] Section VI. of the Parameters and Guidelines require claimants to provide source documents that show the evidence of the validity of such costs and their relationship to the mandate. The supporting documentation must be kept on file by the agency during the audit period required by Government Code section 17558.5. In this respect, claimants are required by Food and Agriculture Code section 32003 to maintain records on animals that are taken up, euthanized, or impounded. Such records shall identify the date the animal was taken up, euthanized, or impounded; the circumstances surrounding these events; and the names of the personnel performing these activities.

The record in this case shows that the claimant started maintaining records using the Paw Trax system in fiscal years 2006-2007 and 2008-2009, and that no records were available for the earlier fiscal years of 2001-2002 and 2002-2003. *See* Exhibit B, page 15 (State Controller's Office Analysis and Response, page 9). Based on the legal findings of the Commission relating to animals that were incorrectly excluded by the Controller, the Controller on remand and under its audit authority, may average the number of "eligible animals" for those earlier fiscal years based on the actual data it reviews for fiscal years 2006-2007 and 2008-2009.

[57] Exhibit A, IRC, page 546 (Form FAM-27).

01/15/2004	Claimant signed and dated the reimbursement claim for fiscal year 2002-2003.[58]
01/15/2008	Claimant signed and dated the reimbursement claim for fiscal year 2006-2007.[59]
01/22/2009	Claimant signed and dated the reimbursement claim for fiscal year 2007-2008.[60]
02/04/2010	Claimant signed and dated the reimbursement claim for fiscal year 2008-2009.[61]
08/12/2010	Controller dated a letter to claimant regarding the start of the audit.[62]
05/22/2012	Controller dated the Draft Audit Report.[63]
06/04/2012	Claimant signed and dated a letter in response to the Draft Audit Report.[64]
06/15/2012	Controller dated the Final Audit Report.[65]
06/08/2015	Claimant filed this IRC.[66]
11/10/2015	Controller filed late comments on the IRC.[67]
02/11/2016	Claimant filed late rebuttal comments.[68]
11/7/2016	Commission staff issued the Draft Proposed Decision.[69]

[58] Exhibit A, IRC, page 563 (Form FAM-27).

[59] Exhibit A, IRC, page 593 (Form FAM-27).

[60] Exhibit A, IRC, page 614 (Form FAM-27).

[61] Exhibit A, IRC, page 641 (Form FAM-27).

[62] Exhibit B, Controller's Late Comments on the IRC, page 5 ("A field audit of the claims for fiscal year (FY) 2001-02, FY 2002-03, FY 2006-07, FY 2007-08, and FY 2008-09 started on August 12, 2010 (issuance of the audit start letter) and ended on June 15, 2012 (issuance of the final report." [Declaration of Jim L. Spano, dated Nov. 10, 2015, paragraph 7]).

[63] Exhibit A, IRC, page 468 ["We issued a draft audit report on May 22, 2012" [Final Audit Report, page 3).

[64] Exhibit A, IRC, pages 524-539 (Letter from Dan Morrison to James Spano, dated June 4, 2012, pages 1-16).

[65] Exhibit A, IRC, page 464 (cover letter), pages 463-540 (Final Audit Report).

[66] Exhibit A, IRC, pages 1, 2. The IRC was initially filed on June 8, 2015; after the Commission deemed the IRC to be incomplete, the claimant filed a revised and complete IRC on July 29, 2015, which, per Commission practice, related back to the date of the filing of the initial IRC.

[67] Exhibit B, Controller's Late Comments on the IRC, page 1.

[68] Exhibit C, Claimant's Late Rebuttal Comments, page 1.

[69] Exhibit E, Draft Proposed Decision.

II. Background

The *Animal Adoption* Program

The *Animal Adoption* program arose from amendments to the Civil Code and Food and Agriculture Code made by Statutes 1998, chapter 752 (SB 1785[70]). The purpose of the test claim statute was to carry out the state policy that "no adoptable animal should be euthanized if it can be adopted into a suitable home" and "no treatable animal should be euthanized."[71] Generally, the program increases the holding period to allow for the adoption and redemption of stray and abandoned dogs, cats, and other specified animals before the local agency can euthanize the animal, and requires:

- verification of the temperament of feral cats;
- posting of lost and found lists;
- maintenance of records for impounded animals; and
- that impounded animals receive "necessary and prompt veterinary care."

On January 25, 2001, the Commission partially approved the Test Claim, 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);

[70] Sometimes referred to as the Hayden Bill.

[71] Civil Code section 1834.4, Penal Code section 559d, and Food and Agricultural Code section 17005 as added or amended by Statutes 1998, chapter 752.

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).[72]

The Commission first addressed the Parameters and Guidelines for *Animal Adoption* at its August 23, 2001, hearing, but the matter was continued for further public comment and analysis.[73] The Commission adopted the first set of Parameters and Guidelines for this program on February 28, 2002.[74] The Parameters and Guidelines were then re-issued as corrected on March 20, 2002.[75] The 2002 Parameters and Guidelines, in addition to the activities identified in the Test Claim Statement of Decision, provide reimbursement for one-time activities of developing policies and procedures; training; and developing or procuring computer software for maintaining records; as well as:

- 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.[76]
- 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.[77]

Section VI. of the Parameters and Guidelines also require claimants to provide source documents that show the evidence of the validity of such costs and their relationship to the mandate. The supporting documentation must be kept on file by the agency during the audit period required by Government Code section 17558.5. In this respect, claimants are required by Food and Agriculture Code section 32003 to maintain records on animals that are taken up, euthanized, or impounded. Such records shall identify the date the animal was taken up, euthanized, or

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[72] Exhibit B, Controller's Late Comments on the IRC, pages 74-75 (Statement of Decision, *Animal Adoption*, adopted Jan. 25, 2001, pages 37-38).

[73] Exhibit X, Staff Analysis and Proposed Parameters and Guidelines, Hearing Item 8, August 23, 2001.

[74] Exhibit A, IRC, page 109 (2002 Parameters and Guidelines, page 1).

[75] Exhibit A, IRC, page 109 (2002 Parameters and Guidelines, page 1).

[76] Exhibit A, IRC, page 111 (2002 Parameters and Guidelines, page 3).

[77] Exhibit A, IRC, page 113 (2002 Parameters and Guidelines, page 5).

impounded; the circumstances surrounding these events; and the names of the personnel performing these activities.

On March 12, 2003, the Joint Legislative Audit Committee authorized an audit of the *Animal Adoption* mandate, which was completed by the Bureau of State Audits on October 15, 2003. The audit report recommended that the Legislature direct the Commission to amend the Parameters and Guidelines of the *Animal Adoption* mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space. In 2004, AB 2224 (Stats. 2004, ch. 313) was enacted to direct the Commission to amend the Parameters and Guidelines for the *Animal Adoption* program to:

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.

On January 26, 2006, the Commission adopted the Parameters and Guidelines Amendment, applicable to claims beginning July 1, 2005, in accordance with AB 2224, to require, among other things, contemporaneous source documents to show the validity of costs claimed and their relationship to the reimbursable activities.[78] The 2006 amendment also clarified the definition of "average daily census" of dogs and cats, for purposes of the formula used to calculate care and maintenance costs; this amendment is clarifying only, and does not affect the methodology used to calculate actual costs for this component.[79]

The Controller's Audit and Reduction of Costs

Costs of $2,316,724 for the mandated program were claimed during the audit period (fiscal years 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009), which were reduced by $1,556,633.[80]

The Controller determined that the claimant combined and claimed costs for at least four cost components of the program under the cost component of care and maintenance.[81] The claimant calculated costs by adding up the costs incurred in its Animal Shelter Division, Kennel Division, and Veterinary Division, adding in indirect costs, subtracting the cost of euthanasia supplies, and then dividing the total by the average daily census of animals. The claimant's methodology included costs for maintaining lost and found lists, maintaining non-medical records, feral cat review, and necessary and prompt veterinary care. The Controller concluded, however, that the reimbursable costs for the other cost components are not determined in the same manner as the

[78] Exhibit A, IRC, pages 252-271 (2006 Parameters and Guidelines, pages 1-20).

[79] Exhibit X, Final Staff Analysis and Proposed Parameters and Guidelines Amendment, January 26, 2006.

[80] Exhibit A, IRC, page 471 (Final Audit Report, page 6) (Summary chart).

[81] Exhibit A, IRC, page 475 (Final Audit Report, page 10).

costs for care and maintenance. In addition, the expenditures claimed included activities that are not reimbursable.

Although the Controller originally found that all costs claimed were unallowable because the claimant did not comply with the Parameters and Guidelines, the Controller worked with the claimant's representatives during the course of the audit in order to determine the procedures followed to perform the reimbursable activities. The Controller allowed time studies supporting four different cost components during the course of the audit and calculated allowable costs based on agency-provided documentation. In its Final Audit Report, the Controller made the following principal findings:

Finding 1: The claimant overstated care and maintenance costs, resulting in a reduction of $1,760,618.[82]

The Controller found, as described below, that the claimant used the actual cost method for claiming care and maintenance costs, but did not claim allowable salary and benefit costs; claimed unallowable material and supply costs; estimated the yearly census of animals; 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.

- Salary and benefit costs. During the audit, the claimant provided actual salary and benefit costs for the audit period for three positions (animal care technicians, senior animal care technicians, and lead animal care technicians) that provide care and maintenance to the animals housed at the shelter. However, only a percentage of shelter staff time is devoted to care and maintenance. The claimant estimated that 89 percent of the animal care technician's and senior animal care technician's time and 60 percent of the lead animal care technician's time was devoted to care and maintenance. The Controller determined that the estimated percentages appeared reasonable based on the job descriptions provided.[83] Thus, the Controller multiplied the actual salary and benefit amounts provided by the claimant by the percentage of time spent on mandated care and maintenance activities, resulting in allowable salaries and benefits of $952,445.[84]
- Material and supply costs of $7,690,644 were overstated by the claimant. The Controller, allowing $288,726 in materials and supplies, determined that the claimant included total costs incurred to operate the shelter (such as shelter, kennel, veterinary, and administrative divisional expenses) instead of claiming costs specifically incurred to care for and maintain the animals. The Controller determined the allowable costs by reviewing the claimant's account #140 (special activities supplies for shelter operations). The claimant indicated that account #140 is used specifically for the expenses related to the care and maintenance of animals and includes costs for animal food, cat litter, light bulbs, and cleaning supplies, and does not include expenses that are not eligible for

[82] Exhibit A, IRC, pages 476-500 (Final Audit Report, page 11-35).

[83] Exhibit B, Controller's Late Comments on the IRC, pages 15, 109-137 (Controller's Analysis and Response, page 9 and Tab 6).

[84] Exhibit A, IRC, page 479 (Final Audit Report, page 14).

reimbursement (such as euthanasia medication, microchip expenses, and medical supplies).[85]

- Yearly animal census refers to the total number of days that all animals are housed in the shelter. The claimant estimated the yearly census by assuming that the animals were held an average of five days in fiscal years 2001-2002 and 2002-2003, an average of seven days in fiscal years 2006-2007 and 2007-2008, and an average of six days in fiscal year 2008-2009. The Controller reviewed the claimant's Paw Trax software system, which detailed the actual total annual census of animals housed in the claimant's animal shelter in fiscal years 2006-2007 through 2008-2009. Since the information was not available for fiscal years 2001-2002 and 2002-2003, the Controller used an average of the information from fiscal years 2006-2007 through 2008-2009 for those earlier years. The Controller's recalculation resulted in an increase of yearly census numbers.[86]

- The Controller found that number of eligible dogs, cats, and other animals that died during the increased holding period or were ultimately euthanized was overstated by the claimant. To verify the eligible animal population claimed for reimbursement of care and maintenance costs, the Controller ran a query from the claimant's Paw Trax system for fiscal years 2006-2007 and 2008-2009, and then applied an average number from that data to the earlier fiscal years for which no data was maintained. The Controller allowed reimbursement for eligible dogs and cats that died during the increased holding period (on days 4, 5, and 6), or were ultimately euthanized on day 7 or later; and "eligible" other animals that died during the increased holding period (on days 2, 3, 4, 5, and 6, or were ultimately euthanized on day 7 or later). The Controller did not count as an eligible animal, animals that died on day 1 because they were most likely irremediably suffering or were too severely injured to move, and it was likely more humane to dispose of the animal than to hold it; animals that were euthanized during the holding period; and animals that died of natural causes after the required holding period.[87] It also appears from the Controller's comments that the Controller excluded from "other animals" required to be held in fiscal year 2008-2009, 22 animals the Controller believed were "wild."[88]

- Applying the court's decision in *Purifoy v. Howell* (2010) 183 Cal.App.4th 166, which held that Saturday is not a business day for purposes of calculating the number of days in the required holding period, the Controller calculated an *average* increased holding period for all dogs and cats to be three days, and the average increased holding period for all other "eligible" animals to be six days,[89] and found that the claimant understated the

[85] Exhibit A, IRC, page 480 (Final Audit Report, page 15); Exhibit B, Controller's Late Comments on the IRC, pages 15, 109-137.

[86] Exhibit A, IRC, pages 480-481 (Final Audit Report, pages 15-16); Exhibit B, Controller's Late Comments on the IRC, pages 15, 109-137.

[87] Exhibit A, IRC, pages 481-482 (Final Audit Report, pages 16-17); Exhibit B, Controller's Late Comments on the IRC, pages 14-16.

[88] Exhibit B, Controller's Late Comments on the IRC, page 136 ("wild?" notations).

[89] Exhibit B, Controller's Late Comments on the IRC, pages 137-138.

number of reimbursable days, resulting in increased reimbursement for the claimant. "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 2008-2009, 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."[90]

Finding 2: The claimant miscalculated holding period costs by including costs that were not related to making animals available for owner redemption, resulting in a reduction of $466,978.[91]

The Parameters and Guidelines provide that an agency desiring to apply the shortened holding period is eligible for reimbursement for making animals available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or, as otherwise specified in the statute. The claimant requested $654,322 costs for the audit period for this component, by adding together expenditures of the shelter division and kennel division and a portion of the expenditures of the administration division and veterinary division. The claimant then 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 for owner redemption.[92]

The Controller determined that this calculation is not correct and included costs beyond the scope of the mandated activity. The Controller states that the mandate is limited to keeping the shelter open for purposes of owner redemption. "We believe that other animal services such as animal control officer duties, euthanasia, spay and neutering procedures, implanting microchips, licensing, processing animal adoptions, and certain other animal services do not become temporarily reimbursable activities just because the animal shelter is open for extra hours to make animals available for owner redemption. These activities are not reimbursable under any cost component of the mandated program at any time."[93]

The Controller recalculated costs based on documentation provided by the claimant identifying the hours of operation for its animal shelter, and the hours the claimant made animals available for owner redemption. On Saturdays, the claimant's shelter was open from 8:00 a.m. to 5:00 p.m. However, the shelter made the animals available for owner redemption only from 10:00 a.m. to 5:00 p.m., for a total of seven hours per week. Based on information provided by the claimant, the Controller determined the employee classifications and the number of employees on duty specifically to make animals available for owner redemption. The Controller did not include other employees on duty that performed reimbursable activities relating to the other cost components of care and maintenance, lost and found lists, maintaining non-medical records, and necessary and prompt veterinary care. The Controller applied the allowable hours

[90] Exhibit A, IRC, pages 494-495 (Final Audit Report, page 29); Exhibit B, Controller's Late Comments on the IRC, pages 137-138, showing an increase in allowable reimbursable days for all fiscal years during the audit period.

[91] Exhibit A, IRC, pages 501-505 (Final Audit Report, pages 36-40).

[92] Exhibit A, IRC, page 501 (Final Audit Report, page 36).

[93] Exhibit B, Controller's Late Comments on the IRC, page 26.

by each employee's productive hourly and benefit rates and determined that $187,344 is allowable for salary and benefits.[94]

Finding 3: The claimant did not individually claim costs for lost and found lists since these costs were included in the calculation for care and maintenance; the Controller determined $7,432 is reimbursable.[95]

The costs allowable are based on a time study that the claimant conducted during the course of the audit for the time spent performing the activities.

Finding 4: The claimant did not individually claim costs for maintaining non-medical records since these costs were included in the calculation for care and maintenance; the Controller determined $86,633 is reimbursable.[96]

The costs allowable are based on a time study that the claimant conducted during the course of the audit for the time spent performing the activities.

Finding 5: The claimant did not individually claim costs for prompt and necessary veterinary care since these costs were included in the calculation for care and maintenance; the Controller determined $82,487 is reimbursable.[97]

The costs allowable are based on a time study that the claimant conducted during the course of the audit based on the time taken to perform an initial physical exam and administer a wellness vaccine to "treatable" or "adoptable" animals for each "eligible animal." The allowable material and supply costs are based on the actual costs of wellness vaccines administered to each "eligible" animal. The Controller defined "eligible animals" for this activity consistent with its recalculation for care and maintenance and the holding in the *Purifoy* case. Thus, the Controller allowed reimbursement for the cost of prompt and necessary veterinary care for dogs and cats that died during the increased holding period (on days 4, 5, and 6), or were ultimately euthanized on day 7 or later; and "eligible" other animals that died during the increased holding period (on days 2, 3, 4, 5, and 6, or were ultimately euthanized on day 7 or later. Prompt and necessary veterinary costs were not allowed for animals that died on day 1 because they were most likely irremediably suffering or were too severely injured to move; animals that were euthanized during the holding period; and animals that died of natural causes after the required holding period.

Finding 6: The claimant misstated its indirect costs; the Controller determined that $336,205 was allowable.[98]

The reimbursement claims filed by the claimant included $2,458,387 in overhead costs incurred by its animal shelter, kennel, and veterinary divisions. This amount was then included as part of the request for reimbursement for care and maintenance and increased holding period costs. The claimant's calculation did not include overhead costs from its animal control and licensing/canvassing divisions. The Controller determined that including a component for

[94] Exhibit A, IRC, pages 502-503 (Final Audit Report, pages 37-38).

[95] Exhibit A, IRC, pages 506-507 (Final Audit Report, pages 41-42).

[96] Exhibit A, IRC, pages 508-510 (Final Audit Report, pages 43-45).

[97] Exhibit A, IRC, pages 511-515 (Final Audit Report, pages 46-50).

[98] Exhibit A, IRC, pages 516-520 (Final Audit Report, pages 51-55).

overhead within a cost component is not an option outlined in the Parameters and Guidelines for claiming indirect costs. Instead, the Parameters and Guidelines state that claimants have the option of using 10 percent 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.

The Controller recalculated indirect costs by working with the claimant's expenditure information from all six of its divisions during the audit period to develop an indirect cost rate proposal (ICRP) of 76.38 percent based on allowable salaries and benefits from all the divisions within the claimant's organization. The Controller found that indirect costs totaling $336,205 were allowable.[99]

Finding 7: The claimant overstated offsetting revenue by $158,206.[100]

This resulted in increased reimbursement to the claimant.

III. Positions of the Parties

A. Southeast Area Animal Control Agency

The claimant objects to reductions totaling $1,556,633 for fiscal years 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009, and seeks reinstatement of the entire amount reduced.

The claimant takes the following principal positions, which are more fully summarized in the analysis:

1. The claimant, a joint powers authority, possesses the standing to bring this IRC as a representative of its member cities and contracting cities.[101]
2. The California Court of Appeal's decision in *Purifoy v. Howell* should be applied prospectively only.[102]
3. The claimant acted reasonably when it utilized a self-created and unauthorized formula to calculate its reimbursable costs.[103] Instead of following the formula contained within the Parameters and Guidelines, the claimant used the costs of its shelter operations as its base in determining care and maintenance costs; from that base, the claimant then deducted unallowable line items (such as the costs of euthanasia) and then added the claimant's administrative costs.[104]
4. The Controller should not have reduced the costs associated with supervisory and other personnel working evening and weekend hours.[105] The claimant states that the Controller

[99] Exhibit B, Controller's Late Comments on the IRC, page 34.

[100] Exhibit A, IRC, pages 521-522 (Final Audit Report, pages 56-57). The claimant does not object to Finding 7.

[101] Exhibit A, IRC, pages 63-64 (Letter from Sally Hazzard to Heather Halsey, dated July 17, 2015, pages 1-2).

[102] Exhibit A, IRC, pages 19-20 (Written Narrative, pages 4-5).

[103] Exhibit A, IRC, pages 4-18 (Written Narrative, pages 1-3 plus exhibits).

[104] Exhibit A, IRC, pages 4 (Written Narrative, page 1).

[105] Exhibit A, IRC, page 26 (Written Narrative, page 11).

allows reimbursement for a "bare bones" level of staffing which includes only the shelter personnel who deal directly with the public or the animals; this policy, the claimant argues, excludes supervisors and other necessary, but not front-line, personnel.[106]

5. The Controller should reinstate the claimant's animal care and maintenance costs incurred for animals which are euthanized *during* the increased holding period.[107]
6. The Controller should reinstate the animal care and maintenance costs incurred for animals which die of natural causes *after* the close of the increased holding period.[108]

B. State Controller's Office

The Controller contends that it acted according to the law when it made reductions totaling $1,556,633 to the claimant's reimbursement claims for fiscal years 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009. The Controller's specific arguments with respect to each finding are summarized in the analysis.

IV. Discussion

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state mandated costs that the Controller determines is excessive or unreasonable.

Government Code section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the Decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of the Parameters and Guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit. The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6, of the California Constitution.[109] The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."[110]

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[106] Exhibit A, IRC, page 26 (Written Narrative, page 11).

[107] Exhibit A, IRC, pages 20-24 (Written Narrative, pages 5-9).

[108] Exhibit A, IRC, pages 27-28 (Written Narrative, page 1 and Mandated Costs Animal Adoption Claim Summary).

[109] *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

[110] *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1281, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

With regard to the Controller's audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.[111] Under this standard, the courts have found:

> When reviewing the exercise of discretion, "[t]he scope of review is limited out of deference to the agency's authority and presumed expertise: 'The court may not reweigh the evidence or substitute its judgment for that of the agency. [Citation.]' " ... "In general ... the inquiry is limited to whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support. . . ." [Citations.] When making that inquiry, the " ' "court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute." [Citation.]' "[112]

The Commission must review the Controller's audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with the claimant. [113] In addition, sections 1185.1(f)(3) and 1185.2(c) of the Commission's regulations require that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Commission's ultimate findings of fact must be supported by substantial evidence in the record.[114]

A. Southeast Area Animal Control Authority (SEAACA) Has Standing, as a Representative of the Cities Which Compose or Contracted with It, to Bring this IRC.

The threshold issue before the Commission is whether SEAACA has standing to bring this IRC.[115] The claimant is a joint powers authority "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

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[111] *Johnston v. Sonoma County Agricultural Preservation and Open Space Dist.* (2002) 100 Cal.App.4th 973, 983-984. See also *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

[112] *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

[113] *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

[114] Government Code section 17559(b), which provides that 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 in the record.

[115] In its late comments on the IRC (Exhibit B), the Controller did not raise the issue of whether the claimant has standing to file and maintain an IRC. The Commission — a quasi-judicial agency with limited jurisdiction — raises the issue sua sponte. (See, e.g., *In re: J.T.* (2011) 195 Cal. App. 4th 707, 710 ["We raised sua sponte the issue of sister's standing to be heard on her claims and ordered supplemental briefing on that issue."].)

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."[116]

The Commission has authority to adjudicate an IRC filed "by a local agency or school district."[117] A "local agency" is defined as "any city, county, special district, authority, or other political subdivision of the state."[118] A "special district," in turn, is defined as "any agency of the state that performs governmental or proprietary functions within limited boundaries," a definition which "includes a county service zone, a maintenance district or area, an improvement district or improvement zone, or any other zone or area."[119] "Joint powers authorities" however, are specifically not included within this definition and have a history with regard to state mandate claims.

In 1984, the Legislature added the definition of "special district" for purposes of establishing the mandates process and expressly included "a joint powers agency or authority" as a form of local agency which possessed the standing to bring a test claim.[120] The following year, the Legislature created the IRC procedure, allowing local agencies — which included special districts which, in turn, included "a joint powers agency or authority" — to bring an IRC.[121] Consequently, as of January 1, 1985, a joint powers authority had standing to bring an IRC.

Twenty years later, the Legislature removed the phrase "a joint powers agency or authority" from the definition of "special district."[122]

Specifically, Assembly Bill 2856 deleted the text reading "a redevelopment agency, a joint powers agency or entity" from the statutory definition of "special district."[123] The deletion was intentional since the deletion was mentioned at least three times in the subsequent legislative

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[116] Exhibit A, IRC, page 63 [Letter from Sally Hazzard to Heather Halsey, dated July 17, 2015, page 1.]).

[117] Government Code section 17551(d).

[118] Government Code section 17518.

[119] Government Code section 17520.

[120] Statutes 1984, chapter 1459, section 1 (adding Government Code section 17520, which read, " '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.").

[121] Statutes 1985, chapter 179, section 5 (adding Government Code section 17551(c)).

[122] Statutes 2004, chapter 890, section 7 (amending Government Code section 17520).

[123] Exhibit X, AB 2856, as amended in Senate on August 5, 2004 (http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200320040AB2856) as accessed on November 3, 2016.

history of the bill.[124] Consequently, as of January 1, 2005, joint powers authorities no longer are a local government with standing to bring an IRC.

The deletion of statutory language and the legislative analyses stating that the deletion removes joint powers agencies from the definition of "special district" for purposes of Government Code section 17520 (mandates law) demonstrates that the Legislature intended to substantively alter the law and remove from the ambit of the state mandates process those classes of persons described in the deleted language. "Where the amendment of a statute consists of the deletion of an express provision, the presumption is that a substantial change in the law was intended."[125] "Where the Legislature has deleted such language, apparently purposefully, the current version of the statute cannot be interpreted to include the rejected requirement. Reading in language that the Legislature chose to remove ... violates basic principles of statutory construction and impermissibly interferes with the legislative function."[126]

The remaining text in the mandates statutes cannot be read to include joint powers authorities because such a reading would reduce the 2004 amendments to null surplusage. "In deference to the Legislature, we assume its acts do not produce meaningless results; therefore, we must construe the amendment as accomplishing something and not as an idle act."[127]

Consequently, as of January 1, 2005, joint powers agencies (also known as joint powers authorities) can no longer file or maintain IRCs in their own right.[128] However, a joint powers agency may file and maintain such an IRC in a representative capacity on behalf of its member and contracting cities. The Commission bases its conclusion on the following reasons.

The record reflects that, at the time of the relevant claim, the claimant was composed of eight member cities and also contracted with three cities for animal control services.[129] The purpose of a joint powers arrangement is to allow two or more public entities to jointly exercise a shared

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[124] Exhibit X, Assembly Floor Analysis of AB 2856, dated August 18, 2004, pages 1-2 ("The Senate amendments. . . . 5. Remove redevelopment agencies and joint powers agencies from the definition of 'special district.' "); Assembly Committee on Local Government Analysis of AB 2856, dated August 20, 2004, pages 1-2 (identical); Assembly Floor Analysis of AB 2856, dated August 24, 2004, pages 1-2 (identical).

[125] *Subsequent Injuries Fund v. Industrial Accident Commission* (1963) 59 Cal.2d 842, 844.

[126] *Commonwealth v. Porges* (2011) 460 Mass. 525, 530 [952 N.E.2d 917, 921].

[127] *R & P Capital Resources, Inc. v. California State Lottery* (1995) 31 Cal.App.4th 1033, 1038.

[128] Although the instant IRC includes claims for costs incurred during two fiscal years which pre-dated the 2004 amendment (specifically, fiscal years 2001-2002 and 2002-2003), a joint powers agency or authority would not have standing to maintain an IRC in its own capacity if — as is the case here — the standing law was amended before a final judgment was entered on the claims. "For a lawsuit properly to be allowed to continue, standing must exist at all times until judgment is entered and not just on the date the complaint is filed." *Californians for Disability Rights v. Mervyn's, LLC* (2006) 39 Cal.4th 223, 232-233. Here, SEAACA lacked standing to bring this IRC in its own capacity even on the day the IRC was filed (June 8, 2015), since the filing date was more than 10 years after the standing statute was amended.

[129] Exhibit A, IRC, page 63.

power,[130] and, in this case, each of the cities possesses the power to file and maintain an IRC. [131] In an unpublished opinion, the Second District of the California Court of Appeal held that a joint powers authority had standing to file and maintain a test claim before the Commission because the joint powers authority was acting on behalf of its constituent entities (which, in that particular case, were counties).[132] "Given that the joint powers agreement expressly authorized the EIA [Excess Insurance Authority] to exercise all of the powers common to counties in California, to do all acts necessary for the exercise of said powers, and to sue and be sued in its own name, we conclude that the joint powers agreement authorized the EIA to bring the test claims on behalf of its member counties, each of which qualifies as a local agency to bring a test claim under Government Code section 17518."[133] While the Court of Appeal's unpublished opinion is not binding,[134] the Commission is persuaded by the Court of Appeal's reasoning, particularly in light of the nearly identical factual and legal issues underpinning the standing analysis.

The same facts and reasoning apply to this IRC. By the Joint Powers Agreement dated July 1, 1997 (Agreement), the cities of Bell Gardens, Downey, Montebello, Norwalk, Paramount, Pico Rivera, Santa Fe Springs and South El Monte created the current version of claimant SEAACA.[135] The Agreement states that:

- The member cities are "empowered by law to perform animal control services" and that the agreement's purpose is "to exercise such powers jointly."[136]

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[130] "If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties, including, but not limited to, the authority to levy a fee, assessment, or tax, even though one or more of the contracting agencies may be located outside this state." Government Code section 6502 (first sentence).

[131] Government Code section 17518 (" 'Local agency' means any city . . . ."); Government Code section 17551(d) ("The commission . . . shall hear and decide upon a claim by a local agency . . . that the Controller has incorrectly reduced payments to the local agency . . . .").

[132] Exhibit X, *CSAC Excess Insurance Authority v. Commission on State Mandates* (Dec. 20, 2006, B188169) (nonpub. opn.).

[133] Exhibit X, *CSAC Excess Insurance Authority v. Commission on State Mandates* (Dec. 20, 2006, B188169) (nonpub. opn.), page 5.

[134] *Farmers Insurance Exchange v Superior Court (Wilson)* (2013) 218 Cal.App.4th 96, 109 ("nonpublished opinions have no precedential value").

[135] Exhibit D, Claimant's Response to the Request for Additional Information, Joint Exercise of Powers Agreement, dated July 1, 1997.

[136] Exhibit D, Claimant's Response to the Request for Additional Information, Joint Exercise of Powers Agreement, dated July 1, 1997, Recital A and Section 1, pages 17, 19.

- SEAACA shall possess "the powers common to the signatory cities" including "the undertaking of such activities as may be necessary in order to provide animal control services within serviced cities."[137]
- SEAACA is "authorized in its own name to do all acts necessary for the exercise of said common powers for said common purpose, including, but not limited to . . . make and enter contracts, . . . and to be sued in its own name."[138]

In addition, SEAACA represents that, at relevant times, additional cities contracted with SEAACA for animal control purposes.[139]

Thus, the claimant may *only* seek reimbursement of costs which were incurred by its member or contracting cities since joint powers authorities are not subject to the tax and spend limitation of the California Constitution and they were deliberately deleted by the Legislature from the statute's list of eligible claimants. The claimant may *not* seek reimbursement of costs which were incurred by the claimant separately and apart from its member or contracting cities. Here, the claimant represents that its accounting records for the costs at issue in this IRC are maintained on a city-by-city basis.[140]

Additionally, the IRC raises issues which, based on this record, apply to each of the member and contracting cities equally.

Consequently, the Commission finds that the claimant possesses the standing required to file and maintain this IRC — but only in its capacity as a representative of its member and contracting cities.

B. The Controller's Finding that the Claimant Failed to Abide by the Parameters and Guidelines when Calculating Reimbursable Costs, Is Correct As a Matter of Law and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

Parameters and Guidelines provide instructions for eligible claimants to prepare reimbursement claims for the direct and indirect costs incurred under a state-mandated program.[141] "Claims for direct and indirect costs filed pursuant to Section 17561 shall be filed in the manner prescribed in the parameters and guidelines. . . ."[142] The Parameters and Guidelines are regulatory, in that before their adoption, notice and an opportunity to comment on them are provided, and a full

[137] Exhibit D, Claimant's Response to the Request for Additional Information, Joint Exercise of Powers Agreement, dated July 1, 1997, Section 4, pages 21-22.

[138] Exhibit D, Claimant's Response to the Request for Additional Information, Joint Exercise of Powers Agreement, dated July 1, 1997, Section 4, pages 21-22.

[139] Exhibit A, IRC, page 63.

[140] Exhibit A, IRC, page 63 ("If the Commission on State Mandates (CSM) and the State Controller's Office (SCO) now wish to divide the costs between 11 separate cities and have us file 11 separate Incorrect Reduction Claims, we can do so as the data is tracked in detail." [Letter from Sally Hazzard to Heather Halsey, dated July 17, 2015, page 1]).

[141] Government Code section 17557; California Code of Regulations, title 2, section 1183.7(e).

[142] Government Code section 17564, as amended by Statutes 1999, chapter 643.

quasi-judicial hearing is held.[143] Once adopted, whether after judicial review or without it, the Parameters and Guidelines are final and binding on the parties. The Parameters and Guidelines may not be amended or set aside by the Commission absent a court order pursuant to Government Code section 17559, or a later request to amend the Parameters and Guidelines pursuant to section 17557, or a request for the adoption of a new test claim decision pursuant to section 17570.[144]

The fundamental fact of this IRC is that the claimant did not abide by the reimbursement formula in the Parameters and Guidelines. In the Final Audit Report, the Controller stated, "The agency used the Actual Cost method, although it did not follow the instruction contained in the parameters and guidelines of how to claim costs using this method."[145] The Controller found that instead of categorizing costs within each of the various claim components recognized by the Parameters and Guidelines, the claimant lumped all costs into the care and maintenance cost component. "The agency used ALL costs incurred in its Animal Shelter Division (Division 2350), 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."[146]

The claimant admitted that it lumped the bulk of its claimed costs into the care and maintenance cost component and did not break out the costs into the various claim components required by the Parameters and Guidelines. "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 expenditures of that division, unallowable items, such as euthanasia supplies, were deleted and additional agency wide overhead costs from the Administrative division were added."[147]

The claimant argues that this self-created formula is reasonable and that it yields a cost per animal per day which is comparable to that of other animal services agencies.[148]

On this record, the Commission finds that the Controller's conclusion that the claimant failed to abide by the Parameters and Guidelines is correct as a matter of law and is supported by evidence in the record. The Parameters and Guidelines provide for reimbursement of care and maintenance costs for impounded stray or abandoned animals that die during the increased holding period or are ultimately euthanized either by claiming actual costs or by performing a

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[143] *Clovis Unified School Dist. v. Chiang* (2010) 188 Cal.App.4th 794, 799, 805, 808.

[144] *California School Boards Association v. State of California* (2009) 171 Cal.App.4th 1183, 1201.

[145] Exhibit A, IRC, page 491 (Final Audit Report, page 26).

[146] Exhibit A, IRC, page 491 (Final Audit Report, page 26).

[147] Exhibit A, IRC, page 4. See also Exhibit B, Controller's Late Comments on the IRC, page 14.

[148] Exhibit A, IRC, pages 4-5.

time study.[149] The actual cost method is a formula designed to reimburse a proportion of total care and maintenance costs based on the incremental increase in service (the increased holding period) and the animals for which no fees can be collected (animals that are not adopted, redeemed, or released to a nonprofit animal rescue organization). The Parameters and Guidelines provide that actual costs for dogs and cats shall be calculated as follows:

> 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.[150]
>
> 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).[151]

For "other animals," the actual cost formula is essentially the same, except that the number of reimbursable days is not counted as "the difference between three days … and four or six business days." Because there was no 72-hour holding period required under prior law for "other animals," the "reimbursable days" multiplier is simply "four or six business days."[152]

Thus, the actual cost formula requires the eligible annual cost of care for all animals to be divided by the yearly census of animals to arrive at an average cost per animal per day. The cost per animal per day is then multiplied by the eligible number of animals and the number of increased holding period days. By its own admission, the claimant did not abide by the Parameters and Guidelines. Instead of using the cost to care for animals as the base of the calculation, the claimant used all costs incurred by the shelter operations division, which

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[149] Exhibit A, IRC, pages 115-118 (2002 Parameters and Guidelines, pages 7-10); Exhibit A, IRC, pages 260-264 (2006 Parameters and Guidelines, pages 9-13).

[150] The quoted language is taken from the 2002 Parameters and Guidelines. (Exhibit A, IRC, page 115.) The 2006 Parameters and Guidelines are substantially the same and clarify that: "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." This amendment is clarifying only, and has no substantive effect on the methodology used to calculate actual costs. (Exhibit A, IRC, page 261 [2006 Parameters and Guidelines, page 10.])

[151] Exhibit A, IRC, page 115 (2002 Parameters and Guidelines, page 7).

[152] Exhibit A, IRC, pages 116-118 (2002 Parameters and Guidelines, pages 8-10).

includes costs that go beyond the scope of the mandate to care and maintain each eligible animal during the increased holding period. In addition, the claimant's formula includes costs for other reimbursable components, which are not reimbursed based on this formula.

If the claimant wishes to be reimbursed under the *Animal Adoption* state mandate reimbursement program, the claimant is required to submit calculations using the formula specified in the Parameters and Guidelines, which are regulatory documents.[153]

Moreover, the cost per animal per day achieved by other animal service agencies is irrelevant and, pursuant to section 1187.5(a) of the Commission's regulations, non-relevant evidence must be excluded as a basis for the Commission's findings.[154] This IRC is about the costs which were claimed and substantiated by this claimant on this record. The Controller states that the actual cost method applied to the claimant was applied no differently than for other local agencies and was based on the actual cost information provided in the expenditure ledgers of the claimant.[155]

The Controller's finding — that the claimant failed to abide by the Parameters and Guidelines — is therefore correct as a matter of law and supported by evidence in the record.

C. The Controller's Recalculation of Costs Is Partially Correct.

1. <u>The Controller's Exclusions of What It Deems "Ineligible Animals" Are Partially Incorrect as a Matter of Law, and Are Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support, Resulting in Some Incorrect Reductions in Findings 1 and 5 of the Audit Report.</u>

The Parameters and Guidelines for the *Animal Adoption* program authorize local agencies to claim reimbursement for the costs of care and maintenance during the increased holding period for impounded stray or abandoned animals that "die during the increased holding period or are ultimately euthanized," based on a formula for determining actual costs. The Parameters and Guidelines also authorize reimbursement for providing necessary and prompt veterinary care as specified in the Parameters and Guidelines during the holding period for stray and abandoned animals that "die during the increased holding period or are ultimately euthanized." Claimants are to calculate and claim their costs for these activities in part by determining the number of "stray or abandoned animals that die during the increased holding period or are ultimately euthanized," multiplied by the costs per animal per day. The Controller determined that the claimant overstated costs for care and maintenance (Finding 1) and necessary and prompt veterinary care (Finding 5) by overstating the number of eligible animals.[156]

"Eligible animals" under the test claim statutes means any are any stray or abandoned cat, dog, "rabbit, guinea pig, hamster, potbellied pig, bird, lizard, snake, turtle, or tortoise that is legally allowed as personal property."[157] The following animals are excluded from "eligible animals"

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[153] *Clovis Unified School District v. Chiang* (2010) 188 Cal.App.4th 794, 799.

[154] California Code of Regulations, title 2, sections 1185.1 and 1187.5.

[155] Exhibit A, IRC, page 492 (Final Audit Report, page 27).

[156] Exhibit B, Controller's Late Comments on the IRC, pages 7, 15.

[157] Food and Agriculture Code sections 31108, 31752 and 31753.

by statute or because the Commission found there were no increased costs under Government Code section 17556(d) due to fee authority sufficient to cover the costs of the program:

- "Animals that are irremediably suffering from a serious illness or severe injury." [158]
- Animals too severely injured to move or where a veterinarian is not available, in the field, and it would be more humane to dispose of the animal.[159]
- "Newborn animals that need maternal care and have been impounded without their mother."[160]
- Animals for which fees sufficient to cover the costs of the program may be collected including:
    - Owner relinquished animals, and
    - Animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.[161]

The Controller, in its audit and recalculation of allowable costs for care and maintenance and necessary and prompt veterinary care, states that the following animals were excluded from the population of "eligible animals:"

- Dogs, cats, and other animals that were euthanized *during* the holding period. Local agencies are eligible to receive reimbursement for dogs, cats, and other animals that were euthanized after the holding period (day 7 of the holding period and beyond). This includes animals originally determined to be treatable and adoptable, but were euthanized during the increased holding period after becoming non-rehabilitable, and animals that were euthanized too early because the claimant counted Saturday as a business day.
- Dogs, cats, and other animals that died of natural causes *after* the increased holding period. The Parameters and Guidelines authorize reimbursement for care and maintenance and veterinary services only for animals that die during the increased holding period.
- Exclusion of "other animals" because the Controller concluded that the animal was "wild."[162]

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[158] Food and Agriculture Code section 17006.

[159] Penal Code sections 597.1(e) and 597f(d).

[160] Food and Agriculture Code section 17006.

[161] Exhibit A, IRC, page 116 (2002 Parameters and Guidelines, page 8) and pages 257-266 (2006 Parameters and Guidelines, pages 6-15).

[162] The Controller's Late Comments on the IRC contain a chart titled "Raw Data — Eligible Other Animals" showing the raw data of eligible other animals held by the claimant for fiscal year 2008-2009, with an auditor note of "wild?" next to the lines for a rabbit, a dove, and ducks. Exhibit B, page 136. It is unclear from the record, however, if the Controller chose to exclude these animals on the basis that they were considered "wild."

a) *The exclusion of animals deemed treatable upon arrival at the shelter and later euthanized <u>during</u> the increased holding period because they became non-rehabilitatable, is incorrect as a matter of law.*

The Controller excludes from reimbursement all costs incurred for the care and maintenance and prompt and necessary veterinary care of dogs, cats, and other animals that were euthanized *during* the increased holding period. The Controller contends that agencies are eligible to receive reimbursement to care for dogs and cats and other animals that were *euthanized after the holding period*. The Controller bases its finding to exclude these animals on the plain language of the Parameters and Guidelines, which provides that local agencies are eligible to receive reimbursement for care and maintenance costs and for necessary and prompt veterinary costs only for those animals "that die during the increased holding period or are ultimately euthanized." The Controller maintains that these costs are only eligible for reimbursement for those animals that die of natural causes during the increased holding period or are euthanized *after* the increased holding period. Thus, the Controller argues, if an animal is euthanized during the increased holding period, then no costs for that animal are eligible for reimbursement.

The Commission finds that the Controller's interpretation of the Parameters and Guidelines is not correct. The Parameters and Guidelines provide that local agencies are eligible to receive reimbursement for care and maintenance and prompt and necessary veterinary costs only for those animals "that die during the increased holding period or are ultimately euthanized." The plain language of the phrase "animals that die during the increased holding period or are ultimately euthanized" is vague and ambiguous because the word "die" can include both death by natural causes and death by euthanasia. Since the plain language is not clear, it is necessary to review the decisions adopted by the Commission on this issue and the statutory scheme of the test claim statutes.[163]

The phrase "ultimately euthanized" was used in the Test Claim Statement of Decision only to identify those animals whose owners are unknown or are not adopted, meaning that the costs for care, treatment, and veterinary services during the holding period for this group of animals could not be recovered by fee revenue. The Statement of Decision states in relevant part:

> Fee Authority – Government Code Section 17556, Subdivision (d). Government Code section 17556, subdivision (d), provides that there shall be no costs mandated by the state if the local agency has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program.
>
> In the present case, local agencies do have the authority, under certain circumstances, to assess fees upon the owner of an impounded animal for the care and maintenance of the animal. For example, pursuant to Civil Code section 2080, any public agency that takes possession of an animal has the authority to charge the owner, *if known*, a reasonable charge for saving and taking care of the animal.

[163] The Commission's Parameters and Guidelines are regulatory in nature (*Clovis Unified School Dist. v. Chiang* (2010) 188 Cal. App. 4th 794, 799), and must therefore be construed in accordance with the rules of statutory and regulatory construction.

Similarly, Penal Code sections 597f and 597.1 also allow local agencies to pass on the costs of caring for abandoned or seized animals to their owners by providing that "the cost of caring for the animal shall be a lien on the animal until the charges are paid."

Moreover, Penal Code section 597f allows the cost of hospital and emergency veterinary services provided for impounded animals to be passed on to the owner, if known. [Footnote omitted.]

The fee authority granted under the foregoing authorities applies only if the owner is known. Thus, local agencies have the authority to assess a fee to care and provide treatment for animals relinquished by their owners pursuant to Food and Agriculture Code section 31754. Local agencies also have the authority to assess a fee for the care and treatment of impounded animals that are ultimately redeemed by their owners. Under such circumstances, the Commission finds that the fee authority is sufficient to cover the increased costs to care, maintain, and provide necessary veterinary treatment for the animal during the required holding period since the "cost of caring" for the animal can be passed on to the owner.

Accordingly, pursuant to Government Code section 17556, subdivision (d), the Commission finds that there are no costs mandated by the state for the care, maintenance and necessary veterinary treatment of animals relinquished by their owners or redeemed by their owners during the required holding period.

The Commission further finds that there are no costs mandated by the state under Government Code section 17556, subdivision (d), for the care, maintenance, and treatment of impounded animals that are ultimately adopted by a new owner; for the care, maintenance, and treatment of impounded animals that are requested by a nonprofit animal rescue or adoption organization; or for the administrative activities associated with releasing the animal to such organizations.

The test claim legislation gives local agencies the authority to assess a standard adoption fee, in addition to any spay or neuter deposit, upon nonprofit animal rescue or adoption organizations that request the impounded animal prior to the scheduled euthanization of the animal. [Footnote omitted.]

The claimant contends that the "standard adoption fee" is not sufficient to cover the costs for animals adopted or released to nonprofit animal rescue or adoption organizations. However, based on the evidence presented to date, the Commission finds that local agencies are not prohibited by statute from including in their "standard adoption fee" the costs associated with caring for and treating impounded animals that are ultimately adopted by a new owner or released to nonprofit animal rescue or adoption organizations, and the associated administrative costs. Rather, local agencies are only prohibited from charging nonprofit animal rescue or adoption organizations a higher fee than the amount charged to individuals seeking to adopt an animal.

However, the fees recovered by local agencies under the foregoing authorities do *not* reimburse local agencies for the care and maintenance of stray or abandoned

animals, or the veterinary treatment of stray or abandoned animals (other than cats and dogs) during the holding period required by the test claim legislation when:

- The owner is unknown;
- The animal is not adopted or redeemed; or
- The animal is not released to a nonprofit animal rescue or adoption organization.

Thus, the fee authority is not sufficient to cover the increased costs for care, maintenance, and treatment during the required holding period for those animals that are ultimately euthanized. Under such circumstances, the Commission finds that that Government Code section 17556, subdivision (d), does not apply to deny this claim. Rather, local agencies may incur increased costs mandated by the state to care for these animals during the required holding period.[164]

There was no discussion of animals that die during the increased holding period in the Test Claim Statement of Decision.

During the adoption of the Parameters and Guidelines, however, the County of Fresno requested reimbursement for animals that die during the increased holding period while being held pending adoption or euthanization as follows:

> Fresno County recommends that reimbursements that 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 had to be held until its untimely demise.[165]

The staff analysis adopted for the Parameters and Guidelines agreed with the request as follows:

> 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.[166]

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[164] Exhibit B, Controller's Late Comments on the IRC, pages 66-67 (Test Claim Statement of Decision, pages 29-30 [emphasis added]).

[165] Exhibit X, Staff Analysis and Proposed Parameters and Guidelines, Hearing Item 4, February 28, 2002, page 6.

[166] Exhibit X, Staff Analysis and Proposed Parameters and Guidelines, Hearing Item 4, February 28, 2002, page 7.

Thus, the Parameters and Guidelines define the mandated population of animals for purposes of calculating reimbursement for the care and maintenance, and necessary and prompt veterinary care, as those that "die during the holding period or are ultimately euthanized."

However, neither the Parameters and Guidelines, nor the analyses adopted for the Parameters and Guidelines, define what it means to "die" during the holding period. And the decisions do *not* limit reimbursement to animals that die of natural causes during the increased holding period. Such a limitation would be contrary to the statutory scheme.

Food and Agriculture Code section 17006 provides that the holding period does not apply to animals that are irremediably suffering from a serious illness or severe injury or to newborn animals that need maternal care and have been impounded without their mothers. Such animals may be euthanized without being held for owner redemption or adoption. A related statute addresses the issue of a "treatable" animal's health changing over the course of impoundment. Food and Agricultural Code section 17005 reads in its entirety:

> (a) It is the policy of the state that no adoptable animal should be euthanized if it can be adopted into a suitable home. Adoptable animals include only those animals eight weeks of age or older that, at or subsequent to the time the animal is impounded or otherwise taken into possession, have manifested no sign of a behavioral or temperamental defect that could pose a health or safety risk or otherwise make the animal unsuitable for placement as a pet, and have manifested no sign of disease, injury, or congenital or hereditary condition that adversely affects the health of the animal or that is likely to adversely affect the animal's health in the future.
>
> (b) *It is the policy of the state that no treatable animal should be euthanized. A treatable animal shall include any animal that is not adoptable but that could become adoptable with reasonable efforts.* This subdivision, by itself, shall not be the basis of liability for damages regarding euthanasia.[167]

Section 17005, thus, expressly contemplates an animal's health changing over the course of impoundment. Read together with section 17006, the two statutes require a shelter to hold an animal which is ill or injured— but not an animal which is irremediably suffering — for the relevant holding period on the ground that the animal's health may improve. The stated intent of the test claim statute was to require shelters to care for all pets and to shift the focus from euthanasia to owner redemption or adoption:

> According to the author, the purpose of this bill is: (1) to make it clear that animal shelters and private individuals have the same responsibility to animals under their care; (2) to reduce the number of adoptable animals euthanized at shelters by shifting the focus of shelters from killing to owner redemption and adoption; (3) to give owner-relinquished pets the same chance to live as stray animals by providing for uniform holding periods; (4) to establish clearer guidelines for the care and treatment of animals in shelters; and (5) *to require shelters to care for all pets*.

[167] Emphasis added.

> *The author argues that too many adoptable animals are euthanized by shelters and that the proposed changes will decrease the frequency of this tragedy*. Further, the author argues that taxpayers who own legally allowed pets other than cats and dogs should be treated the same as taxpayers who own cats and dogs.[168]

Consistent with the statutory scheme, the Parameters and Guidelines expressly contemplate an animal's health changing over the course of impoundment from "treatable" to "adoptable." Section IV. (B)(8) of the Parameters and Guidelines allows reimbursement for the initial physical examination of a stray or abandoned animal to determine the animal's baseline health status and classification as "adoptable, treatable, or non-rehabilitatable." The Parameters and Guidelines further authorize reimbursement for the administration of a wellness vaccine to "treatable" or "adoptable" animals, veterinary care to stabilize and/or relieve the suffering of a "treatable" animal, and veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a "treatable" animal until the animal becomes "adoptable."

Even with veterinary care, the condition of the animal can change during the increased holding period and the animal can become non-rehabilitatable. If that occurs, the animal is not "adoptable" or "treatable" and may be euthanized under the law. Therefore, to deny reimbursement for the costs incurred during the increased holding period for an animal that becomes non-rehabilitatable and that has to be euthanized during, but before the end of, the increased holding period conflicts with the test claim statute and the Parameters and Guidelines. The Commission finds that reimbursement is required under these circumstances.

Therefore, to the extent the Controller's reduction includes costs incurred for the care and maintenance and prompt and necessary veterinary costs of stray or abandoned dogs, cats, and other animals that were initially classified as "adoptable" or "treatable," but became non-rehabilitatable and were euthanized during, but before the expiration of, the increased holding period, the reduction is incorrect as a matter of law.

> *b) The Commission and the Controller are bound by the Purifoy decision and, thus, the Controller's exclusion of animals that were euthanized too early, and <u>during</u> the holding period, because Saturday was counted as a business day for the required holding period, is correct as a matter of law. However, the Controller's recalculation of costs using an average number of reimbursable days is incorrect as a matter of law to the extent it results in an exclusion of "eligible animals" held for the time required under Purifoy.*

As indicated above, the Controller only included as eligible animals those dogs, cats, and other animals "*euthanized after the holding period*."[169] Animals may have been euthanized *during* the holding period because of claimant's misinterpretation of the required holding period in conflict with the Court of Appeal's decision in *Purifoy*, which held that Saturday is not a "business day" for purposes of calculating the required holding period under the test claim statutes before a stray

[168] Exhibit X, Senate Judiciary Committee, Analysis of SB 1785 [1997-1998 Regular Session] as amended April 14, 1998], pages 3-4, emphasis added.

[169] Exhibit A, IRC, page 481 (Final Audit Report, page 16).

or abandoned dog can be adopted or euthanized.[170] Before the decision was issued, many local agencies were operating under the assumption that, so long as they were open on Saturday, Saturday was a "business day" that could be counted as part of the holding period, which resulted in the euthanization of some animals too early and *during* the holding period.[171] Pursuant to the *Purifoy* decision, the Controller excluded those animals from the number of "eligible animals that die during the holding period or are ultimately euthanized" for purposes of calculating reimbursable costs for care and maintenance and necessary and prompt veterinary care. The Controller describes the effect of its recalculation under *Purifoy* with respect to care and maintenance costs in the Final Audit Report as follows:

> 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 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:

[170] *Purifoy v. Howell* (2010) 183 Cal.App.4th 166.

[171] Exhibit A, IRC, page 494 (Final Audit Report, page 29).

	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."[172]

The claimant does not comment or provide any specific argument to rebut the Controller's finding on the effect of the *Purifoy* decision, but generally protests the application of the decision. The claimant maintains that its calculation of the holding period was based on a reasonable interpretation of the test claim statute and the Parameters and Guidelines, and that the Controller's application of the *Purifoy* holding to recalculate the increased holding period, and the resulting adjustment to the population of eligible animals, is an unfair and unreasonable retroactive application of the law.[173]

Based on the evidence in the record, the Commission finds that the Controller's application of the *Purifoy* holding did not result in a reduction of costs in fiscal year 2008-2009 and, thus, the Commission makes no finding on the Controller's recalculation for that year.[174] In addition, the Controller increased reimbursable days for the holding period (from 5 days to 6 days for other animals, and from 2 days to 3 days for dogs and cats) as a result of the *Purifoy* decision, thereby

[172] Exhibit A, IRC, pages 494-495 (Final Audit Report, pages 29-30).

[173] Exhibit A, IRC, pages 19-20 (Written Narrative, pages 4-5).

[174] Government Code section 17551(d) gives the Commission jurisdiction only over a *reduction* of costs.

increasing costs. However, since the number of eligible animals is used as a multiplier in the calculation of actual costs for both cost components, then a decrease in the number of eligible animals would reduce costs.

As described below, the Commission finds that the court's interpretation of "business day" in *Purifoy* is binding, and that the Controller's exclusion of Saturday as a business day when calculating the increased holding period is correct as a matter of law. Thus, the Controller's exclusion of animals that were euthanized too early because Saturday was counted as a business day for the required holding period, is also correct as a matter of law. However, to the extent the Controller reduced costs for care and maintenance (Finding 1) for fiscal years 2001-2002, 2002-2003, 2006-2007, and 2007-2008, and necessary and prompt veterinary care (Finding 5) in all fiscal years of the audit period, using an average number of reimbursable days that results in an exclusion of "eligible animals" held for the time required under *Purifoy,* the recalculation and reduction of costs is not consistent with the Parameters and Guidelines and is, therefore, incorrect as a matter of law.

1) *The court's interpretation of "business day" in Purifoy is binding and, thus, the Controller's exclusion of Saturday as a business day when calculating the increased holding period is correct as a matter of law. Therefore, the exclusion of animals that were euthanized too early because Saturday was counted as a business day for the required holding period, is also correct as a matter of law.*

The court in *Purifoy* held that Saturday is not a "business day" for purposes of calculating the required holding period. In that case, Plaintiff Veena Purifoy's dog Duke was impounded on a Thursday, and adopted the following Wednesday by a new owner (Duke was returned to Purifoy). The shelter, Contra Costa County Animal Services, counted the required holding period for Duke under section 31108 beginning Friday (the day after impoundment), Saturday (day 2), Tuesday (day 3), and Wednesday (day 4). The shelter was closed on Sunday and Monday, and did not count those as business days, by its own admission.[175] The court examined the meaning of "business days" elsewhere in state law and in case law, and found that sometimes "business day" includes Saturdays, but sometimes it does not. The court reasoned that the purpose of the statute was to promote a longer holding period for animal adoption and redemption, and that excluding Saturday as a business day would generally mean extending the holding period by one day. Thus, the court held "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, we conclude that 'business days' in section 31108(a) means Monday through Friday, the meaning most commonly used in ordinary discourse."[176] The court applied this interpretation to the case of Duke, and concluded that the shelter in question had not held the animal for the required number of business days before permitting his adoption to a new owner.[177]

[175] *Purifoy v. Howell* (2010) 183 Cal.App.4th 166, 171-172.

[176] *Purifoy v. Howell* (2010) 183 Cal.App.4th 166, 182.

[177] *Purifoy v. Howell* (2010) 183 Cal.App.4th 166.

Thus, based on the *Purifoy* holding, a dog impounded on a Thursday, in a shelter that stays open weekend hours, would be subject to a four day holding period beginning on Friday, excluding Saturday and Sunday, and through the close of business on Wednesday; if the shelter counted Saturday as a business day, the holding period for the same dog would end a day earlier. The Controller maintains that application of the *Purifoy* decision is appropriate because the decision clarified the legal definition of a business day "as of the date that the applicable statute was enacted in 1998."[178]

The claimant strenuously protests the Controller's application of the *Purifoy* holding. The claimant maintains that its calculation of the holding period was based on a reasonable interpretation of the test claim statute and the Parameters and Guidelines, and that the Controller's application of the *Purifoy* holding to recalculate the increased holding period, and the resulting adjustment to the population of eligible animals, is an unfair and unreasonable retroactive application of the law.[179]

The court's interpretation of "business day" is binding. The interpretation of a statute is an exercise of the judicial power the Constitution assigned to the courts, and constitutes the authoritative statement of what the statute meant before as well as after the decision of the case giving rise to that construction.[180] This is why judicial decisions are normally said to have retroactive effect, because the court is interpreting the law, rather than making new law.[181] Moreover, where a judicial decision is limited to prospective effect, the court will exercise equitable authority and, based on the facts of a particular case, will so state that its decision operates prospectively only. Indeed, in the principal case cited by the claimants discussing retroactivity, the court explains that "[a] *court* may decline to follow the standard rule when retroactive application of a decision would raise substantial concerns about the effects of the new rule on the general administration of justice, or would unfairly undermine the reasonable reliance of parties on the previously existing state of the law."[182] "In other words," the Court continued, "*courts* have looked to the 'hardships' imposed on parties by full retroactivity, permitting an exception only when the circumstances of a case draw it apart from the usual run of cases."[183] Unlike the courts, the Commission's jurisdiction is limited, as a quasi-judicial agency created by statute, and the Commission has no authority to do equity.[184] Absent a statement by the court that *Purifoy* should be limited in its application, the Commission and the Controller are bound to apply the court's definition of "business day" for purposes of the test claim statute particularly where, as here, it does not conflict with the Parameters and Guidelines. Under the doctrine of

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[178] Exhibit B, Controller's Late Comments on the IRC, page 17.

[179] Exhibit A, IRC, pages 19-20.

[180] *McClung v. Employment Development Department* (2004) 34 Cal.4th 467, 473; *Carter v. California Department of Veteran Affairs* (2006) 38 Cal.4th 914, 922.

[181] See *Newman v. Emerson Radio Corp*., (1989) 48 Cal.3d 973, 978 ("The general rule that judicial decisions are given retroactive effect is basic in our legal tradition.").

[182] *Newman v. Emerson Radio Corp*., (1989) 48, Cal.3d 973, 983, emphasis added.

[183] *Newman v. Emerson Radio Corp*., (1989) 48 Cal.3d 973, 98, emphasis added.

[184] *Ferdig v. State Personnel Board* (1969) 71 Cal.2d 96, 103-104.

stare decisis, all tribunals exercising inferior jurisdiction are required to follow decisions of courts exercising superior jurisdiction.[185]

Furthermore, even though *Purifoy* only directly and expressly defines "business day" for purposes of section 31108 (the holding period for dogs), the court's analysis and conclusion apply with equal force to sections 31752 and 31753 (holding periods for cats and for "other animals," respectively). The California Supreme Court has declared that "[a] statute that is modeled on another, and that shares the same legislative purpose is in *pari materia* with the other, and should be interpreted consistently to effectuate congressional intent."[186] Accordingly, Food and Agriculture sections 31752 and 31753 should be interpreted consistently with section 31108, because all three code sections provide for the same holding period for different animals, and all three were enacted within the test claim statute.

Moreover, even though the Legislature amended the code after the decision in *Purifoy* was issued to state that any day that a shelter is open for four or more hours is a "business day," this later amendment by the Legislature cannot be interpreted as the Legislature's declaration of the original existing law. When the court "'finally and definitively' interprets a statute, the Legislature does not have the power to then state that a later amendment merely declared existing law."[187] The later amendment goes into effect only when the statute is operative and effective, in this case on January 1, 2012, many years after the fiscal years at issue in this IRC.

Accordingly, the Controller's exclusion of Saturday as a business day when calculating the increased holding period is correct as a matter of law. Thus, to the extent that the Controller excluded from the population of "eligible animals" those animals that were euthanized too early because Saturday was counted as a business day for the required holding period, the exclusion is also correct as a matter of law.

2) *However, the Controller's recalculation of costs for care and maintenance (Finding 1), and necessary and prompt veterinary care (Finding 8) using an average number of reimbursable days is incorrect as a matter of law to the extent it results in an exclusion of "eligible animals" held for the duration required under Purifoy.*

The Parameters and Guidelines provide for a formula for reimbursement of care and maintenance that requires multiplying the cost per animal per day by the number of "eligible animals," and by "each reimbursable day." But the actual number of calendar days of the holding period is not a constant, as it depends on the day of impoundment. The Parameters and Guidelines state that for dogs and cats the reimbursable 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" (four business days for shelters that choose to make animals available for owner redemption on a weekend day or weekday evening). For "other

[185] *Auto Equity Sales, Inc. v. Superior Court (Hesenflow)* (1962) 57 Cal.2d. 450, 454.

[186] *American Airlines, Inc. v. County of San Mateo* (1996) 12 Cal.4th 1110, 1129.

[187] *McClung v. Employment Development Department* (2004) 34 Cal.4th 467, 473; *Carter v. California Department of Veteran Affairs* (2006) 38 Cal.4th 914, 922.

animals," the reimbursable holding period is four or six business days from the day after impoundment, because prior law did not define a specific holding period.[188]

Assuming a local agency, like the claimant, makes dogs and cats available for owner redemption on a weekend day or weekday evening and is thus subject to only the four business day holding period for dogs and cats, the increased holding period operates as follows (the 72 hour holding period for dogs and cats under prior law is shaded in each case, and the day of impoundment is indicated by "Imp"):

Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs
Imp	One	Two	Three	Four						
	Imp	One	Two	Three			Four			
		Imp	One	Two			Three	Four		
			Imp	One			Two	Three	Four	
				Imp			One	Two	Three	Four
					Imp		One	Two	Three	Four
						Imp	One	Two	Three	Four

The chart does not count Saturday as a business day, in accordance with *Purifoy*.[189] As it plainly appears, the *increased* holding period for dogs and cats ranges from two to four calendar days, depending on the day of the week that an animal is first impounded. An animal impounded on a Monday or Sunday would be subject to a two day increased holding period, while an animal impounded on a Thursday or a Friday would be subject to a four day increased holding period, because Saturday and Sunday cannot be counted.

For a local agency subject to the shortened four day holding period for "other animals," the number of "reimbursable days" is as follows:

Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri
Imp	One	Two	Three	Four							
	Imp	One	Two	Three			Four				
		Imp	One	Two			Three	Four			
			Imp	One			Two	Three	Four		
				Imp			One	Two	Three	Four	
					Imp		One	Two	Three	Four	
						Imp	One	Two	Three	Four	

Again, this chart does not count Saturday and Sunday as business days, consistently with *Purifoy*. If the animal is impounded on a Monday, the reimbursable increased holding period is four calendar days. If the animal is impounded on a Saturday, the reimbursable increased holding period is five calendar days. If the animal is impounded on a Tuesday, the reimbursable increased holding period is seven calendar days because Saturday and Sunday cannot be counted.

When recalculating the number of reimbursable days pursuant to *Purifoy*, the Controller calculated an *average* increased holding period for all dogs and cats of three days, and the average increased holding period for all other "eligible" animals of six days, and did not

[188] Exhibit A, IRC, page 114 (2002 Parameters and Guidelines, page 6).

[189] *Purifoy v. Howell* (2010) 183 Cal.App.4th 166.

determine the actual number of reimbursable days for each eligible animal based on the day of impoundment.[190]

However, even if the increased holding period averages three days for dogs and cats, or six days for other animals, the Parameters and Guidelines do not provide for reimbursement based on an average number of days. The Controller's recalculation may also result in the exclusion of animals that are euthanized during the Controller's defined "average" holding period, but the animals may have been held for the period required by law as set out in *Purifoy*. For example, as explained above, the Controller applied an increased holding period for dogs and cats of three days, after which the animal may be euthanized. However, if a stray or abandoned dog or cat is impounded on a Monday or Sunday, the actual increased holding period under the law is two calendar days, and not three days, and the dog or cat may be euthanized on day three (a day before the Controller's average and, thus, as "during the holding period" as defined by the Controller). Similarly, for "other animals," the Controller applied an increased holding period of six days. However, if a stray bird or rabbit is impounded on a Monday, the actual increased holding period under the law is four calendar days, and not six days, and the bird or rabbit may be euthanized on day five (a day before the Controller's average and, thus, "during the holding period" as defined by the Controller). Similarly for "other animals," an animal impounded on a Saturday has an increased holding period of five days under *Purifoy* and may be euthanized on day six, a Friday consistent with the mandated program.

Under these circumstances, the Controller's recalculation and use of the average number of reimbursable days is incorrect as a matter of law to the extent it results in an exclusion of "eligible animals" held for the duration required by law.

c) The Controller's exclusion of animals that died <u>after</u> the increased holding period is consistent with the Parameters and Guidelines and is correct as a matter of law.

The Commission finds that the Controller's exclusion of animals that died after the increased holding period is consistent with the Parameters and Guidelines and is correct as a matter of law. The Parameters and Guidelines provide for reimbursement for dogs and cats, and other animals, that died during the increased holding period or were ultimately euthanized after the increased holding period.[191] Reimbursement is limited to: stray or abandoned dogs and cats and other animals are subject to reimbursement because their owners are not known, and cannot have fees levied against them; animals that are not adopted during the holding period, but are "ultimately euthanized" when the holding period expires, are subject to reimbursement on the theory that there is no new owner or redeemed owner from whom fees could be exacted; both of these situations were contemplated in the Test Claim Statement of Decision; and animals that die

[190] Exhibit A, IRC, page 482 ("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 for cats they determined to be feral in FY2006-07 and forward. We averaged the holding period claimed for FY 2006-07 and forward to fit the schedule. Refer to Schedule 2 for detail.") (Final Audit Report, page 17). The aforementioned Schedule 2 can be found at Exhibit A, pages 472-474 (Final Audit Report, pages 7-9).

[191] Exhibit A, IRC, pages 114, 116 (2002 Parameters and Guidelines, pages 6, 8).

during the increased holding period.[192] And with respect to animals that die during the increased holding period, this issue arose during the consideration of Parameters and Guidelines, when the County of Fresno filed comments requesting reimbursement for the care and maintenance of stray or abandoned animals that die while being held pending adoption or euthanasia. As discussed above, the County requested reimbursement for animals that "die while being held pending adoption or euthanization [sic]."[193]

The Commission approved the request, clarifying that increased costs for the care and maintenance of animals that die during the increased holding period are eligible for reimbursement as follows:

> [S]taff has inserted language in Sections IV (B) (1), (2), (3), (4), and (9) of the proposed Parameters and Guidelines clarifying that increased costs for the care and maintenance of animals that die during the increased holding period, and for providing "necessary and prompt veterinary care" to animals that die during the holding period are eligible for reimbursement.[194]

The Parameters and Guidelines, however, do not authorize reimbursement for animals that continue to be held by the local agency for adoption longer than the holding period and die *thereafter*. The Parameters and Guidelines are binding, and no requests to amend the Parameters and Guidelines have been filed. Thus, the Controller's interpretation is consistent with the plain language of the Parameters and Guidelines. Based on the foregoing, the Commission finds that this reduction of eligible animals on these grounds is correct as a matter of law.

d) Any reduction of costs relating to the Controller's exclusion of "other animals" "legally allowed as personal property" and thus subject to the protection of the mandated activities is incorrect as a matter of law and is arbitrary, capricious, and entirely lacking in evidentiary support.

As indicated in the Final Audit Report, the Controller excluded 543 "eligible other animals" during the audit period. These exclusions are due to the reasons described above, and may also be due to the exclusion of animals that were considered "wild." Included with the Controller's comments on the IRC is a chart showing the raw data of eligible other animals held by the claimant for fiscal year 2008-2009, with an auditor note of "wild?" next to the lines for a rabbit, a dove, and ducks.[195] It is unclear from the record if the Controller chose to exclude these animals on the basis that they were considered "wild." However, as described below, the Commission finds that to the extent the Controller's excluded eligible animals that are legally allowed as personal property, the exclusion is incorrect as matter of law and is arbitrary, capricious, or entirely lacking in evidentiary support.

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[192] Exhibit B, Controller's Late Comments on the IRC, pages 56-57, 67-68 (Test Claim Statement of Decision, pages 19-20, 30-31) (emphasis added)).

[193] Exhibit X, Staff Analysis and Proposed Parameters and Guidelines, Hearing Item 4, February 28, 2002, page 6.

[194] Exhibit X, Staff Analysis and Proposed Parameters and Guidelines, Hearing Item 4, February 28, 2002, page 7-8.

[195] Exhibit B, Controller's Late Comments on the IRC, page 136.

The Parameters and Guidelines track the statutory language in Food and Agriculture Code section 31753 and authorize reimbursement during the required holding period for the care and maintenance of "other animals" to include "impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises *legally allowed as personal property*."[196] Food and Agriculture Code section 31753 provides, in pertinent part:

> Any rabbit, guinea pig, hamster, pot-bellied pig, bird, lizard, snake, turtle, or tortoise legally allowed as personal property impounded in a public or private shelter shall be held for the same period of time, under the same requirements of care, and with the same opportunities for redemption and adoption by new owners or nonprofit…animal rescue or adoption organizations as cats and dogs.[197]

The Commission finds that the phrase "legally allowed as personal property" applies to all the animals listed in the statute. Under the rules of statutory construction, where a list of things is followed by a qualifying word or phrase, such as "legally allowed as personal property," it is presumed that "qualifying words, phrases and clauses are to be applied to the words or phrases immediately preceding and are not to be construed as extending to or including others more remote."[198] In that case, the phrase "legally allowed as personal property would apply only to its "last antecedent," which in Section 31753 is "tortoises." However, there is an exception, which applies in this case, that "[w]hen several words are followed by a clause which is applicable as much to the first and other words as to the last, the natural construction of the language demands that the clause be applicable to all."[199] Under that construction, "legally allowed as personal property" applies to the entire list, including "…bird, lizard, snake, turtle, or tortoise…" This latter construction is consistent with Section 1(c)(3) of the test claim statute (Statutes 1998, chapter 752), which states that the intent of the act includes extending public shelter responsibilities from dogs and cats to "other legal pets."[200] In addition, several of the code sections reenacted or amended by Statutes 1998, chapter 752, state that it is the policy of the state of California "that *no adoptable animal* should be euthanized if it can be adopted into a suitable home."[201]

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[196] Exhibit A, IRC, page 116 (2002 Parameters and Guidelines, page 8); Exhibit B, Controller's Late Comments on the IRC, page 72 (Test Claim Statement of Decision, page 35) (emphasis added).

[197] Food and Agriculture Code section 31753 (Statutes 1998, chapter 752) (emphasis added).

[198] *Lickter v. Lickter* (2010) 189 Cal.App.4th 712, 726 [quoting *White v. County of Sacramento* (1982) 31 Cal.3d 676, 680; *Board of Port Commrs. v. Williams* (1937) 9 Cal.2d 381, 389.].

[199] *Lickter v. Lickter* (2010) 189 Cal.App.4th 712, 726 [citing *People v. Corey* (1978) 21 Cal.3d 738, 742; (quoting *Wholesale T. Dealers v. National etc. Co.* (1938) 11 Cal.2d 634, 659).].

[200] Statutes 1998, chapter 752, section 1.

[201] See, e.g., Civil Code section 1834.4; Food and Agriculture Code section 17005; Penal Code section 599d (as added or amended, Stats. 1998, ch. 752) (emphasis added).

All property must be real or personal in nature,[202] and animals, to the extent they are legally allowed to be property, fall into the latter category.[203] Even many types of wild animals may be legally allowed as personal property in certain circumstances.[204] And whether a particular animal is "legally allowed as personal property" can be a complex issue of law and fact. The purpose of the test claim statute is to carry out the state policy that "*no adoptable animal* should be euthanized if it can be adopted into a suitable home" and "*no treatable animal* should be euthanized."[205] With this purpose in mind, the proper inquiry is whether the animal is "legally allowed as personal property" or, more simply put, legally allowed to be owned.

The test claim statute mandates the claimant to hold rabbits. And rabbits may be classified as livestock,[206] pets,[207] or wild animals[208] depending on the breed and the owner. Additionally, the test claim statute expressly requires local agencies to hold stray or abandoned "birds…legally allowed as personal property" pending adoption or redemption. The statute does not distinguish between types of birds required to be held, some of which may be pets, [209] or wild animals,[210] depending on the breed and owner. However, to the extent the Controller excluded "wild animals," there are no findings or evidence in the record whether that exclusion included rabbits or birds that are legally allowed as pets. Therefore, to the extent the Controller excluded rabbits and birds without analysis and notice to the claimant of the animals excluded, that exclusion is facially inconsistent with the law and the Parameters and Guidelines, is incorrect as a matter of law, and is arbitrary, capricious, and entirely lacking in evidentiary support.

Therefore, to the extent a reduction of costs for care and maintenance and necessary and prompt veterinary care was made as a result of the exclusion of animals legally allowed as personal

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[202] Civil Code section 657.

[203] See Civil Code sections 658-660, 662 (further defining real property); see also Civil Code section 663 (stating that all property which is not real is defined as personal).

[204] See, e.g., Civil Code section 656 and California Code of Regulations, title 14, section 671.

[205] Civil Code section 1834.4, Penal Code section 559d, Agricultural Code section 17005, emphasis added.

[206] "Livestock" is undefined in California law, but rabbits are listed as "specialty livestock" by the United States Department of Agriculture, See https://www.nal.usda.gov/afsic/specialty-livestock as accessed on November 3, 2016.

[207] See California Penal Code section 5971(c)(1) ("Pet animals" means "dogs, cats, monkeys and other primates, *rabbits*, birds, guinea pigs, hamsters, mice, snakes, iguanas, turtles, and any other species of animal sold or retained for the purpose of being kept as a household pet.") (emphasis added).

[208] See, e.g., Code of Federal Regulations, title 50, part 17, section 17.11 (listing the riparian brush rabbit as an endangered species).

[209] See California Penal Code section 597l(c)(1): "'Pet animals' means dogs, cats, monkeys and other primates, *rabbits*, birds, guinea pigs, hamsters, mice, snakes, iguanas, turtles, and any other species of animal sold or retained for the purpose of being kept as a household pet." (Emphasis added.)

[210] Code of Federal Regulations, title 50, section 21.13.

property is incorrect as a matter of law and arbitrary, capricious, and entirely lacking in evidentiary support.

2. Except as Determined in Section C.1. of this Decision, the Controller's Remaining Findings for Care and Maintenance Costs (Finding 1) are Correct as a Matter of Law and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

The actual cost method outlined in the Parameters and Guidelines for calculating the costs for care and maintenance require the claimant to 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 and materials costs. The formula also requires the calculation of the yearly census of animals, or the total number of days that all animals are housed in the shelter. The Controller made the following findings on these components:

- Salary and benefit costs. During the audit, the claimant provided actual salary and benefit costs for the audit period for three positions (animal care technicians, senior animal care technicians, and lead animal care technicians) that provide care and maintenance to the animals housed at the shelter. However, only a percentage of shelter staff time is devoted to care and maintenance. The claimant estimated that 89 percent of the animal care technician's and senior animal care technician's time and 60 percent of the lead animal care technician's time was devoted to care and maintenance. The Controller determined that the estimated percentages appeared reasonable based on the job descriptions provided.[211] Thus, the Controller multiplied the actual salary and benefit amounts provided by the claimant by the percentage of time spent on mandated care and maintenance activities, resulting in allowable salaries and benefits of $952,445.[212]

- Material and supply costs claimed in the amount of $7,690,644 were overstated by the claimant. The Controller, allowing $288,726 in materials and supplies, determined that the claimant included total costs incurred to operate the shelter (such as shelter, kennel, veterinary, and administrative divisional expenses) instead of claiming costs specifically incurred for care for and maintain the animals. The Controller determined the allowable costs by reviewing the claimant's account #140 (special activities supplies for shelter operations). The claimant indicated that account #140 is specifically for the expenses related to the care and maintenance of animals and includes costs for animal food, cat litter, light bulbs, and cleaning supplies, and does not include expenses that are not eligible for reimbursement (such as euthanasia medication, microchip expenses, and medical supplies).[213]

- The claimant estimated the yearly census by assuming that the animals were held an average of five days in fiscal years 2001-2002 and 2002-2003, an average of seven days in fiscal years 2006-2007 and 2007-2008, and an average of six days in fiscal year 2008-2009. The Controller reviewed the claimant's Paw Trax software system, which detailed the actual total annual census of animals housed in the claimant's animal shelter in fiscal

[211] Exhibit B, Controller's Late Comments on the IRC, pages 15, 110-120.

[212] Exhibit A, IRC, page 479 (Final Audit Report, page 14).

[213] Exhibit A, IRC, page 480 (Final Audit Report, page 15); Exhibit B, Controller's Late Comments on the IRC, pages 15, 120-125.

years 2006-2007 through 2008-2009. Since the information was not available for fiscal years 2001-2002 and 2002-2003, the Controller used an average of the information from fiscal years 2006-2007 through 2008-2009 for those earlier years. The Controller's recalculation resulted in an increase of yearly census numbers.[214]

The claimant does not directly address these adjustments to the total annual costs of care and maintenance.

The Commission finds that the Controller's recalculations are consistent with the Parameters and Guidelines and are based on the claimant's records. While the Parameters and Guidelines use inclusive language to describe costs for this component ("total cost of care and maintenance includes labor, materials, supplies…") the care and maintenance costs cannot be interpreted beyond the reasonable scope of the approved activity, which is to provide care and maintenance during the increased holding period for impounded stray or abandoned animals that die during the increased holding period or are ultimately euthanized. General expenses of the animal shelter are beyond the scope of the mandated activity, and therefore reduction on this basis is correct as a matter of law. Moreover, the claimant agreed with the Controller that only a portion of salaries and benefits for the animal care technician and senior animal care technician should be reimbursable, and the claimant proposed the proportional reimbursable share for these classifications, which the Controller accepted. The Controller's reduction on this basis is therefore not arbitrary, capricious, or entirely lacking in evidentiary support.

The Controller found that the claimant estimated the yearly census of animals, which does not comply with the Parameters and Guidelines. The Parameters and Guidelines require the claimant to identify the actual yearly census of animals. The Controller determined that number based on the claimant's Paw Trax software system, which detailed the actual total annual census of animals housed in the claimant's animal shelter in fiscal years 2006-2007 through 2008-2009. However, based on the formula in the Parameters and Guidelines for determining the costs for care and maintenance during the increased holding period, in which total annual costs are *divided* by the yearly animal census to arrive at a cost per animal per day, which is in turn multiplied by the remaining factors of eligible animals and reimbursable days, the adjustments made to the yearly animal census data did not in fact result in any reduction. Because total annual costs are *divided* by the yearly animal census, any decrease in the animal census data would result in a corresponding increase in the cost per animal per day, which would then be multiplied by the remaining factors. Thus, the adjustment to the yearly animal census factor is in the claimant's favor.

Accordingly, except as determined in Section C.1 of this Decision, the remaining calculations for care and maintenance in Finding 1 are correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

3. The Controller's Reductions in Finding 2 Relating to Unallowable Employee Hours for Making Animals Available for Adoption or Owner Redemption are Correct as a Matter of Law and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

[214] Exhibit A, IRC, pages 480-481 (Final Audit Report, pages 15-16); Exhibit B, Controller's Late Comments on the IRC, pages 15, 126.

The Parameters and Guidelines provide that an agency desiring to apply the shortened holding period is eligible for reimbursement for making animals available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or, for local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, for establishing a procedure for owners to reclaim their animals by appointment.[215] For dogs and cats, reimbursement for this activity begins July 1, 1999. For "other animals" specified in Food and Agriculture Code section 31753, reimbursement for this activity begins January 1, 1999.[216]

The reimbursement claims included $654,322 in costs for the audit period for this component, by adding together expenditures of the shelter division and kennel division and a portion of the expenditures of the administration division and veterinary division. The claimant then 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 for owner redemption.[217]

The Controller determined that this calculation was not correct and included costs beyond the scope of the mandated activity. The Controller states that the mandate is limited to keeping the shelter open for purposes of owner redemption. "We believe that other animal services such as animal control officer duties, euthanasia, spay and neutering procedures, implanting microchips, licensing, processing animal adoptions, and certain other animal services do not become temporarily reimbursable activities just because the animal shelter is open for extra hours to make animals available for owner redemption. These activities are not reimbursable under any cost component of the mandated program at any time."[218]

The Controller recalculated costs based on documentation provided by the claimant identifying the hours of operation for its animal shelter, and the hours the claimant made animals available for owner redemption. On Saturdays, the claimant's shelter was open from 8:00 a.m. to 5:00 p.m. However, the shelter made the animals available for owner redemption only from 10:00 a.m. to 5:00 p.m., for a total of seven hours per week. Based on information provided by the claimant, the Controller determined the employee classifications and the number of employees on duty specifically to make animals available for owner redemption. The Controller did not include other employees on duty that performed reimbursable activities relating to the other cost components of care and maintenance, lost and found lists, maintaining non-medical records, and necessary and prompt veterinary care. The Controller applied the allowable hours by each employee's productive hourly and benefit rates and determined that $187,344 was allowable for salary and benefits.[219]

The Controller is correct that the reason to remain open on a Saturday, pursuant to the test claim statutes and the Commission's Decision, is to promote owner redemption. Indeed, the express

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[215] Exhibit A, IRC, page 118 (2002 Parameters and Guidelines, page 10), and pages 265-266 (2006 Parameters and Guidelines, pages 13-14).

[216] Exhibit A, IRC, page 118 (2002 Parameters and Guidelines, page 10).

[217] Exhibit A, IRC, page 501 (Final Audit Report, page 36).

[218] Exhibit B, Controller's Late Comments on the IRC, page 26.

[219] Exhibit A, IRC, pages 502-503 (Final Audit Report, pages 37-38).

language of the reimbursable component at issue in Finding 2 is "Making the animal available for owner redemption…"[220] Therefore, the Controller's attempt to limit reimbursement on Saturdays to those employees that are necessary to make animals available for owner redemption, and to reduce all other costs beyond the scope of this mandated activity, is consistent with the Parameters and Guidelines and the purpose of the test claim statute. Thus, the adjustments are correct as a matter of law. In addition, there is no evidence in the record to support a finding that the Controller's recalculation of costs, based on documentation provided by the claimant, was arbitrary or capricious.

Based on the foregoing, the Controller's reductions in Finding 2 relating to unallowable costs to make the animal available for owner redemption is correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

4. Except as Determined in Section C.1, There Is No Evidence that the Controller's Recalculation of Costs Based on a Time Study Conducted by the Claimant During the Audit for Lost and Found Lists (Finding 3), Maintaining Non-Medical Records (Finding 4), and Necessary and Prompt Veterinary Care, is Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

As indicated in the background, the claimant did not individually claim costs for lost and found lists, maintaining non-medical records, and providing necessary and prompt veterinary care, but included those costs in its overall calculation for care and maintenance. The Controller isolated those reimbursable costs in Findings 3 through 5, in part, by allowing the claimant to conduct a time study during the audit for the time spent performing the activities. In addition, for necessary and prompt veterinary care, the Controller allowed reimbursement for material and supply costs based on the actual cost of vaccines administered to each eligible animal.

Although the claimant requests that all costs reduced be reinstated, the claimant has not provided any argument or evidence in the record to support a finding that the Controller's recalculation of these costs based on the time studies conducted and the actual costs for vaccines, was arbitrary, capricious, or entirely lacking in evidentiary support.

Therefore, except as determined in Section C.1. of this Decision regarding Finding 5, there is no evidence that the Controller's recalculation of costs for lost and found lists (Finding 3), maintaining non-medical records (Finding 4), and necessary and prompt veterinary care (Finding 5), is arbitrary, capricious, or entirely lacking in evidentiary support.

5. The Controller's Reduction of Indirect Costs (Finding 6) Is Correct as a Matter of Law and Is Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

The Parameters and Guidelines amended in 2006 state that "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." The original 2002 set of Parameters and Guidelines contained similar language. Both sets of Parameters and Guidelines

[220] Exhibit A, IRC, page 118 (2002 Parameters and Guidelines, page 10), and pages 265-266 (2006 Parameters and Guidelines, pages 13-14).

further provide claimants with the option of using 10 percent 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.[221]

In Finding 6 of the Final Audit Report, the Controller states that, while the claimant did not properly claim indirect costs of $2,458,387, the Controller ultimately allowed $336,205 in such costs, based on an indirect cost rate proposal (ICRP) of 76.38 percent, using allowable salaries and benefits from all the divisions within the claimant's organization.[222]

The Controller states that 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. According to the Controller, the claimant calculated indirect costs by assuming that all costs incurred by the animal shelter, kennel, and veterinary divisions were direct mandate-related costs, and that all costs incurred within the animal control and license/canvassing divisions were direct non-mandate related costs. Using the two totals, the claimant determined the percentage of direct mandate-related costs and multiplied this percentage by the amount of costs incurred with the administration division. The Controller asserts that this method of calculating indirect costs is not consistent with the Parameters and Guidelines. The Controller also asserts that the claimant's assumption that all costs incurred within the animal shelter, kennel, and veterinary divisions were direct mandate-related costs, and that all costs incurred within the animal control and license/canvassing divisions were direct non-mandate related costs, is also incorrect. Thus, the Controller rejected the claimant's method of determining indirect costs.

During the audit, the Controller worked with the claimant to obtain necessary information for the development of an indirect cost rate proposal. The Controller included the following costs in the proposal, which the Controller states is consistent with OMB A-87:

- All costs included with the claimant's administrative support division.
- All utility expenditures in the shelter division recorded within accounts 550 through 579.
- All office supplies expenditures recorded within account 130 in the animal shelter and veterinary divisions.
- All small tools and implements expenditures recorded within account 290 in the animal shelter and veterinary divisions.
- All building rental costs recorded within account 361 in the animal shelter division.
- All building and computer maintenance costs incurred within accounts 360 and 410 in the animal shelter division.
- All staff development costs incurred within account 480, and costs incurred within the administrative support division.

[221] Exhibit A, pages 122-123 (2002 Parameters and Guidelines, pages 14-15); Exhibit A, pages 269-270 (2006 Parameters and Guidelines, pages 18-19).

[222] Exhibit A, IRC, page 516 (Final Audit Report, page 51).

- Ninety-nine percent of the salary and benefit costs for the front office supervisory position in the animal shelter.

The Controller further states that the other line item costs for services and supplies within divisions other than administrative support that are not mentioned above were direct costs to operate the claimant's core business to provide animal control services to its contracting partners.

Since the indirect cost rates were based on direct salaries and benefits, the Controller calculated direct salaries and benefits by adding up all salary and benefit costs incurred within all divisions, other than the administrative support division and the front office supervisory position in the animal shelter division. Although the claimant requested that the Controller include other supervisory and support positions within the animal shelter as partially indirect, the Controller asserts that claimant did not provide any actual cost data or documentation to base such a determination.[223] The claimant now seeks in its IRC to have indirect costs recalculated and increased to include wages of animal care takers whose wages are not treated as direct costs, the wages of shelter clerical support staff, and all office equipment and uniforms.[224] In addition, the claimant "now wishes to revise the indirect cost rates based on costs incurred only within its Animal Shelter Division rather than use rates based on the Authority as a whole."[225] The claimant argues that "since 99% of the allowable costs are incurred in the Shelter Department, it is appropriate to calculate a rate specific to that department," rather than to calculate an agency-wide indirect cost rate proposal that dilutes costs.[226]

The Controller responds to the claimant's argument, that indirect cost rates should be based only on the costs incurred by the animal shelter division, as follows:

> In its IRC response, the Authority is suggesting that its indirect cost rates be prepared using only the expenditures within the Animal Shelter Division. The Authority provided a sample of what such a calculation would look like for FY 2008-09, which results in an indirect cost rate of 150.83% for that year instead of the 76.38% indirect cost rate that was allowable during the audit. However, we believe that the Authority's request is flawed.
>
> Establishing indirect cost rates based only the Animal Shelter Division is an incorrect methodology. What the Authority is proposing is the development of a departmental rate that applies only to this Division. That would be appropriate if the Animal Shelter Division was the only department within the Authority in which mandated costs were incurred. For example, animal shelters that are operated by cities and counties function as a department within the context of the respective government as a whole. The main purpose of the respective government is to provide services to its citizens, of which animal control services is only a part. Therefore, these shelters operate as separate departments within those governments and are accounted for within their own budget units. Rather

[223] Exhibit B, Controller's Late Comments on the IRC, pages 33-34.

[224] Exhibit C, Claimant's Late Rebuttal Comments, pages 1-4.

[225] Exhibit B, Controller's Late Comments on the IRC, page 32.

[226] Exhibit C, Claimant's Late Rebuttal Comments, page 3.

than prepare an indirect cost rate based on the entire government as a whole, it is more correct to prepare indirect cost rates based only on costs incurred within the animal shelter department.

In contrast, the Southeast Area Animal Control Authority has six Divisions. All six Divisions of the Authority work towards a common purpose, which is to provide animal control services for its participating cities. Allowable mandated costs were incurred within multiple Divisions of the Authority. The indirect cost rates that are identified as allowable in the audit report are based on the Authority as a whole. It would not be appropriate to prepare and allocate an indirect cost rate based on one Division to allowable salaries and benefits costs incurred within other Divisions, which is what the Authority is proposing.[227]

The Controller further asserts that the claimant's proposal is incorrect as follows:

There is another flaw in the Authority's request. The Authority appears to believe that any mandate-related activities that an employee performs are direct costs, while time spent on activities that are not reimbursable are indirect costs. That is not consistent with the provisions of OMB A-87. Many of the activities performed by the employee classifications identified in the Authority's example for FY 2008-09 perform functions that are directly related to the Authority's common purpose of providing animal shelter services to the public. As identified in the parameters and guidelines section V.B-Indirect Costs, "Indirect costs are those that have 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." For example, the Authority identifies Dispatchers and Clerks as being partially or entirely indirect. However, these employee classifications perform functions unique to their particular Divisions, not the Authority as a whole. The Authority has an entire Division (Administrative Services – Division 2510) that provides the common purpose activities as defined in the parameters and guidelines.[228]

The Commission finds that the Controller's reduction of indirect costs is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support. The claimant's original calculation of indirect costs does not comply with the Parameters and Guidelines, which provides that if a claimant seeks a reimbursement of indirect costs that is more than 10 percent of the total of direct costs, the claimant may submit an Indirect Cost Rate Proposal (ICRP) created in conformity with federal Office of Management and Budget Circular A-87. There are no provisions in the Parameters and Guidelines that provides a special reimbursement formula be applied to this claimant.

Moreover, the Controller's audit decisions and recalculation of indirect costs, so long as it is correct as a matter of law, is entitled to deference:

When reviewing the exercise of discretion, "[t]he scope of review is limited out of deference to the agency's authority and presumed expertise: 'The court may not

[227] Exhibit B, Controller's Late Comments on the IRC, pages 34-35.

[228] Exhibit B, Controller's Late Comments on the IRC, pages 34-35.

reweigh the evidence or substitute its judgment for that of the agency. [Citation.]' " ... "In general ... the inquiry is limited to whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support. . . ." [Citations.] When making that inquiry, the " ' "court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute." [Citation.]' "[229]

The Commission finds that the Controller considered all the facts and documents maintained by the claimant in support of its reimbursement claims, and considered the claimant's arguments and new proposals for calculating indirect costs. The Commission further finds that there is no evidence that the Controller's recalculation of indirect costs is arbitrary or capricious.

Accordingly, the Controller's reduction of indirect costs is correct as a matter of law and is not arbitrary, capricious, or entirely lacking in evidentiary support.

V. Conclusion

Based on the foregoing analysis, the Commission partially approves this IRC, and requests, pursuant to Government Code section 17551(d) and section 1185.9 of the Commission's regulations, that the Controller reinstate costs that relate to the following incorrect reductions to the extent the claimant can provide documentation to support the validity of the costs incurred. Section VI. of the Parameters and Guidelines require claimants to provide source documents that show the evidence of the validity of such costs and their relationship to the mandate. The supporting documentation must be kept on file by the agency during the audit period required by Government Code section 17558.5. In this respect, claimants are required by Food and Agriculture Code section 32003 to maintain records on animals that are taken up, euthanized, or impounded. Such records shall identify the date the animal was taken up, euthanized, or impounded; the circumstances surrounding these events; and the names of the personnel performing these activities.[230]

- Any reduction of costs relating to the Controller's exclusion of specified "birds" and "other animals" "legally allowed as personal property" and thus subject to the protection of the mandated activities.
- Any reduction of costs relating to the exclusion of animals deemed treatable upon arrival at the shelter and later euthanized during the increased holding period because they became non-rehabilitatable.

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[229] *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

[230] The record in this case shows that the claimant started maintaining records using the Pax Trax system in fiscal years 2006-2007 and 2008-2009, and that no records were available for the earlier fiscal years of 2001-2002 and 2002-2003. Based on the legal findings of the Commission relating to animals that were incorrectly excluded by the Controller, the Controller on remand and under its audit authority, may continue to average the numbers of "eligible animals" for those earlier fiscal years based on the data from fiscal years 2006-2007 and 2008-2009.

- Any reduction of costs relating to the Controller's recalculation of costs following the *Purifoy* decision and its use of an average number of reimbursable days, to the extent the recalculation resulted in an exclusion of "eligible animals" correctly held under the law.

The Commission further finds that all other reductions made by the Controller are correct as a matter of law and are not arbitrary, capricious, or entirely lacking in evidentiary support.

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 November 7, 2016, I served the:

> **Draft Proposed Decision, Schedule for Comments, and Notice of Hearing**
> *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; As Added or Amended by Statutes 1998, Chapter 752 (SB 1785)
> Fiscal Years: 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009
> Southeast Area Animal Control Authority, 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 November 7, 2016 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: 9/27/16

Claim Number: 14-9811-I-03

Matter: Animal Adoption

Claimant: Southeast 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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Exhibit F

RECEIVED
December 05, 2016
Commission on
State Mandates

BETTY T. YEE
California State Controller

December 2, 2016

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

Re: **Draft Proposed Decision**
Incorrect Reduction Claim
Animal Adoption, 14-9811-I-03
Civil Code Section 1834 and 1846;
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003
Statutes of 1998, Chapter 752; Statutes of 2004, Chapter 313
Fiscal Years: 2001-2002, 2002-2003, 2006-2007, 2007-2008, and 2008-2009
Southeast Area Animal Control Authority, Claimant

Dear Ms. Halsey:

The State Controller's Office (SCO) is transmitting our response to the Commission's Draft Proposed Decision dated November 7, 2016, for the above IRC.

The Commission partially approved the IRC and recommended that the SCO reinstate a portion of the costs to the extent the claimant can provide documentation to support the validity of the costs incurred. The SCO would like to provide its comments in relation to the issues addressed in the Draft Proposed Decision.

If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,

JIM L. SPANO, Chief
Mandated Cost Audits Bureau
Division of Audits
State Controller's Office

JLS/am

17664

RESPONSE BY THE STATE CONTROLLER'S OFFICE TO THE DRAFT PROPOSED DECISION DATED NOVEMBER 7, 2016 RELATED TO AN INCORRECT REDUCTION CLAIM BY THE SOUTHEST AREA ANIMAL CONTROL AUTHORITY

Animal Adoption Program

Table of Contents

Description	Page
State Controller's Office (SCO) Response to Draft Proposed Decision	
SCO Declaration	Tab 1
SCO Comments	Tab 2
Fiscal Year (FY) 2006-07 Comparison of the Number of Animals Impounded	Tab 3
FY 2007-08 Comparison of the Number of Animals Impounded	Tab 4
FY 2008-09 Comparison of the Number of Animals Impounded	Tab 5
FY 2008-09 Listing of Eligible Other Animals	Tab 6

Tab 1

OFFICE OF THE STATE CONTROLLER
Division of Audits
3301 C Street, Suite 725
Sacramento, CA 95816
Telephone No.: (916) 324-8907

BEFORE THE

COMMISSION ON STATE MANDATES

STATE OF CALIFORNIA

INCORRECT REDUCTION CLAIM (IRC) ON: *Animal Adoption Program* Civil Code Sections 1834 and 1846 and Food and Agriculture Code sections 31108, 31752, 31752.5, 31753, 32001, and 32003 Statutes of 1998, Chapter 752; Statutes of 2004, Chapter 313 SOUTHEAST AREA ANIMAL CONTROL AUTHORITY, Claimant	No.: IRC 14-9811-I-03 AFFIDAVIT OF BUREAU CHIEF

I, Jim L. Spano, make the following declarations:

1) I am an employee of the State Controller's Office (SCO) and am over the age of 18 years.

2) I am currently employed as a bureau chief, and have been so since April 21, 2000. Before that, I was employed as an audit manager for two years and three months.

3) I am a California Certified Public Accountant.

4) I reviewed the work performed by the SCO auditor.

5) Any attached copies of records are true copies of records, as provided by the South East Area Animal Control Authority, or retained at our place of business.

6) The records include supporting documentation, explanatory letters, or other documents relating to the above-entitled IRC.

I do declare that the above declarations and information contained in Tabs 3 through 6 are made under penalty of perjury and are true and correct to the best of my knowledge, and that such knowledge is based on personal observation, information, or belief.

Date: December 2, 2016

OFFICE OF THE STATE CONTROLLER

By: _____

Jim L. Spano, Chief
Mandated Cost Audits Bureau
Division of Audits
State Controller's Office

Tab 2

RESPONSE BY THE STATE CONTROLLER'S OFFICE
TO THE COMMMISSION DRAFT PROPOSED DECISION
DATED NOVEMBER 7, 2016
RELATED TO AN INCORRECT REDUCTION CLAIM BY
THE SOUTHEAST AREA ANIMAL CONTROL AUTHORITY

Animal Adoption Program

Commission's Analysis

In its Draft Proposed Decision (DPD), dated November 7, 2016, the Commission partially approved the IRC and requested that the SCO reinstate costs related to the following incorrect reductions to the extent the claimant can provide documentation to support the validity of the costs incurred. The Commission identified three categories of incorrect reductions:

1. The exclusion of animals deemed treatable upon arrival at the shelter and later euthanized during the increased holding period because they became non-rehabilitatable.

2. Exclusion of "eligible animals" held for the required duration under *Purifoy*, based on the Controller's recalculation of costs using an *average* number of days.

3. *To the extent excluded*, "wild animals" legally allowed as personal property and thus subject to the protection of the mandated activities.

The Commission further found that all other reductions made by the SCO were correct.

SCO's Comments

The SCO maintains that the reductions in costs identified above were consistent with the intent of the mandated program and the reimbursable criteria. The SCO would like to offer comments relating to each one of the reductions.

1. Exclusion of animals deemed treatable upon arrival at the shelter and later euthanized during the increase holding period because they became non-rehabilitatable

The Commission found that the SCO's interpretation of the plain language of the parameters and guidelines was incorrect. The SCO relied on the phrase "animals that died during the increased holding period or are ultimately euthanized" as a judgement criteria to determine eligible animals for reimbursement. The Commission stated that this phrase was "vague and ambiguous" and needed further interpretation.

We audited to the language in the parameters and guidelines

The SCO used the language in the parameters and guidelines as its primary judgement criteria. The SCO conducts its audits to the plain language of the criteria in order to avoid any bias. The Animal Adoption program's parameters and guidelines contain detailed descriptions of the reimbursable activities, including specific calculation steps, formulas, and animal population exclusions. The SCO used the criteria set forth by the Commission without exercising subjective interpretations, especially as the criteria was written with such specificity and detail. The SCO had no reason to treat the phrase "die during the increased holding period or are ultimately

euthanized" as vague and in need of interpretation, when all other phrases, descriptions of activities, exclusions, and formulas contained specific language and appeared to be intentional. Specifically, the use of the word "or" indicated the distinct separation between the words "die" and "ultimately euthanized" as two unique categories.

The claimants PaxTrax database contains limited information

Moreover, the phrase "die during the increased holding period or are ultimately euthanized" was also consistent with the type of details captured in the claimant's Paw Trax database for all animal records. The animal records contained brief explanation categories if the animal was euthanized for medical reasons, behavioral reasons, time and space constraints, etc. The data did not provide further detail as to the health status of the animal from arrival to its demise. However, the DPD described a hypothetical scenario of an animal that arrived sick being deemed treatable, then non-rehabilitatable, and ultimately euthanized within the increased holding period as a result of its health changing. This scenario is simply impossible to track with the data being captured. The vast majority of animals that were euthanized within the first few days after impoundment were recorded as either irremediably suffering or having medical issues. If the animal record showed an animal being euthanized for medical reasons on day three, the shelter staff made a humane decision to relieve that animal's suffering. Shelters across the State will delay euthanizing animals prematurely, as required by this mandate. This was evident from reviewing the animal records and statistics during the course of the audits for the Animal Adoption program. However, it is impossible to determine whether the animals euthanized for medical reasons would fit in the hypothetical scenario described in the DPD.

The recorded reasons for disposition of the animals are brief descriptions from the drop-down menu per the design of the claimant's Paw Trax system and its fields. The animals that were euthanized in the first few days after coming into the shelter predominately suffered from serious medical conditions and, therefore, were not considered treatable or adoptable. The exclusion of these animals was not due to bias on the part of the SCO and was consistent with the plain language in the parameters and guidelines, lacking any other judgement criteria.

For those animals euthanized during the increased holding period, the level of detail necessary to review each individual animal's health status and progression of their disease prior to euthanasia simply is not available from the animal data statistics maintained in the claimant's Paw Trax database.

Hypothetically, the shelters' veterinarian could have records with such specific analysis as whether the animal was initially considered treatable and then changed to non-rehabilitatable. However, this task would be most-time consuming, without the potential of leading to any material results. We believe that such an exercise would be impractical and would include subjective bias.

2. Exclusion of "eligible animals" held for the required duration under *Purifoy*, based on the Controller's recalculation of costs using an *average* number of days

In the DPD, the Commission states:

> The Controller's recalculation and use of the average number of reimbursable days is incorrect as a matter of law to the extent it results in the exclusion of "eligible animals" held for the duration required by law.

We disagree. The SCO maintains that using an *average* increased holding period days in the computation of allowable costs was not detrimental to the claimant, as it is the only reasonable and practical methodology to approximate actual costs. Further, the claimant clearly agreed with the SCO, as the claimed information also used the *average* increased holding period days to compute claimed costs.

Sorting large volumes of animal data is practically impossible

The Commission suggests that the SCO evaluate each animal's intake information to determine the *actual* increased holding period of each animal. However, this suggestion assumes that an infinite amount of detail exists in each animal record and also assumes a practical ease in performing such calculations. In reality, doing so would be practically impossible.

The claimant's animal data averaged between 18,000 and 25,000 line items per fiscal year. The animal census data contains each animal's date of impoundment and the date of outcome. The Controller computed each animal's total number of holding period days, but used an average number of reimbursable days to determine the allowable population of animals and to compute allowable costs.

In order to compute the *actual* increased holding period days for every animal on an individual basis, we would need to know what day of the week the animal was impounded. The auditor would then need to evaluate, based on the calendar of the specific week and year, the actual number of days in the increased holding period. Once the animal's eligibility was established, the auditor would need to compute each animal's allowable costs using the applicable number of reimbursable days. This task would be impractical and most likely would not produce results materially different from using an *average* calculation.

Impossible to calculate increased holding period for dogs and cats

The increased holding period days for dogs and cats is computed as the difference between the 72-hour holding period under prior law and four business days following the day of impoundment. In order to properly compute the *actual* increased holding period days for dogs and cats, one would need to know not only the day of the week the animal came in, but also the exact hour.

Animals are impounded or dropped off at the shelter 24 hours a day, regardless of the shelter's operating schedule. The exact hour of animal impoundment is not recorded. Therefore, computing an accurate increased holding period for dogs and cats is impossible in the absence of a recorded time of day that the animal was impounded. Further, one would need to make assumptions as to whether animals were impounded in the morning, afternoon, or evening, which would change the computation of the *actual* increased holding period. Making such assumptions would inherently bring an element of approximation to the computation and would defeat the purpose of attempting to compute an *actual* increased holding period for these animals.

The increased holding period average calculated by the SCO is favorable to the claimant

The Commission suggested that using an *average* reimbursable days potentially excludes a marginal amount of "eligible animals." We concur. However, we believe that it is equally possible that the use of this *average* also included an equal number of non-eligible animals as

well. The use of a mathematical average assumes some outliers. But in this case, it provides the most reasonable and cost-effective way to analyze unusually large quantities of animal data. In fact, the large size of the animal population (as previously noted) makes the use of an average value statistically more accurate and decreases the probability of error.

- Dogs and Cats – Average increased holding period is three days

  For demonstration purposes, the SCO wishes to present an analysis that we used during the audit to determine the *average* increased holding period for dogs and cats, which is consistent with the methodology used by the Commission in the DPD. This methodology is unbiased and mathematically sound.

  The SCO methodology used to calculate the increased holding period for dogs and cats is as follows:

Increased Holding Period for Dogs and Cats												
Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thur	Increased Holding Period	
Imp	1	2	3	4							2 days	✗
	Imp	1	2	3			4				4 days	✔
		Imp	1	2			3	4			4 days	✔
			Imp	1			2	3	4		4 days	✔
				Imp			1	2	3	4	4 days	✔
					Imp		1	2	3	4	3 days	
						Imp	1	2	3	4	2 days	✗

Average used by SCO = 3 days

Legend:

✗ Impounds on Monday and Sundays may be disadvantageous to the claimant

✔ Impounds on Tuesday through Friday may be advantageous to the claimant

The Commission notes that using this *average* may potentially exclude eligible animals from the population of eligible animals, as with a Sunday or Monday impound, for example. However, the SCO maintains that the scenarios of including potentially ineligible animals are far more frequent, as with a Tuesday through Friday impound, making the use of a 3-day average a fair and reasonable methodology. To demonstrate this, we ran a query for the first week of fiscal year (FY) 2006-07, FY 2007-08, and FY 2008-09, and found that the number of dogs and cats impounded Tuesday through Friday far exceeded the number of dogs and cats impounded Sunday and Monday, as noted on the following table:

Day of the Week	Dates	Total Number of Dogs/Cats Impounded	Reference
FY 2006-07			
Sunday and Monday	July 2-3, 2006	108	Tab 3
Tuesday through Friday	July 4-7, 2006	242	Tab 3
FY 2007-08			
Sunday and Monday	July 1-2, 2007	110	Tab 4
Tuesday through Friday	July 3-6, 2007	237	Tab 4
FY 2008-09			
Sunday and Monday	July 6-7, 2008	115	Tab 5
Tuesday through Friday	July 8-11, 2008	343	Tab 5

As such, we have demonstrated the SCO's use of an *average* increased holding period is advantageous to the claimant.

- Other Animals – Average increased holding period is 6 days

Again, the SCO wishes to present an analysis that we used during the audit to determine the *average* increased holding period for other animals, which is consistent with the methodology used by the Commission in the DPD. Again, this methodology is unbiased and mathematically sound.

The SCO methodology used to calculate the increased holding period for other animals is as follows:

Increased Holding Period for Other Animals												
Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thur	Increased Holding Period	
Imp	1	2	3	4							5 days	✗
	Imp	1	2	3			4				7 days	✔
		Imp	1	2			3	4			7 days	✔
			Imp	1			2	3	4		7 days	✔
				Imp			1	2	3	4	7 days	✔
					Imp		1	2	3	4	6 days	
						Imp	1	2	3	4	5 days	✗
											Average used by SCO = 6 days	

Legend:

✗ Impounds on Monday and Sundays may be disadvantageous to the claimant

✔ Impounds on Tuesday through Friday may be advantageous to the claimant

In the DPD, we find that the Commission incorrectly counted the increased holding period for other animals. For example, the Commission states that "if the animal is impounded on a Saturday, the reimbursable increased holding period is five calendar days." We disagree. As the "required" holding period is four business days following the day of impound, we find that the claimant must hold the animal for a total of six calendar days (Saturday, Sunday, Monday, Tuesday, Wednesday, and Thursday).

The Commission notes that using an *average* may potentially exclude eligible animals from the population of eligible animals, as with a Sunday or Monday, for example. However, the SCO maintains that the scenarios of including potentially ineligible animals are far more frequent, as with a Tuesday through Friday impound, making the use of a 6-day average a fair and reasonable methodology. To demonstrate this, we ran a query for the first week of FY 2006-07, FY 2007-08, and FY 2008-09 and found that the number of other animals impounded Tuesday through Friday far exceeded the number of other animals impounded Sunday and Monday, as noted on the following table:

Day of the Week	Dates	Total Number of Other Animals Impounded	Reference
FY 2006-07			
Sunday and Monday	July 2-3, 2006	1	Tab 3
Tuesday through Friday	July 4-7, 2006	15	Tab 3
FY 2007-08			
Sunday and Monday	July 1-2, 2007	8	Tab 4
Tuesday through Friday	July 3-6, 2007	17	Tab 4
FY 2008-09			
Sunday and Monday	July 6-7, 2008	5	Tab 5
Tuesday through Friday	July 8-11, 2008	36	Tab 5

As such, we have demonstrated the SCO's use of an *average* increased holding period is advantageous to the claimant.

Animal data for FY 2001-02 and FY 2002-03 was not provided to the SCO by the Authority

The parameters and guidelines allow reimbursement for actual costs that are traceable and supported by source documentation; however, the Authority did not provide any animal data for FY 2001-02 and FY 2002-03. Therefore, in the absence of contemporaneous documentation, the SCO computed an average of FY 2006-07, FY 2007-08, and FY 2008-09 and applied the average to FY 2001-02 and FY 2002-03.

As such, the SCO was more than fair in allowing reimbursement for "eligible animals" beyond what the Authority was able to provide documentation to support.

3. ***To the extent excluded*, "wild animals" legally allowed as personal property and thus, subject to the protection of the mandated activities**

In the DPD, the Commission states:

> Included with the Controller's comments on the IRC is a chart showing the raw data of eligible other animals held by the claimant for FY 2008-09, with the auditor note of "wild?" next to the lines for rabbit, a dove, and ducks. It is unclear from the record if the Controller chose to exclude these animals on the basis that they were considered "wild."

For clarification purposes, this table identifies the animals found to be *eligible,* as noted in the upper-right-hand corner where the auditor identified 100 "Eligible Other" animals. These eligible animals included the duck, rabbit, and dove noted as "Wild?" (see Tab 6 for the full accounting of the 100 eligible animals). Therefore, the Commission's conclusion that the Controller excluded these animals is inaccurate.

Minor transposition error in Final Audit Report

We should note that while the Final Audit Report (page 489 of the claimants Incorrect Reduction Claim) identifies 103 eligible other animal for the Care and Maintenance cost component for FY 2008-09, our audit work papers support only the 100 eligible other animals identified in Tab 6. This minor error occurred because we transposed the 103 allowable eligible other animals identified for FY 2006-07 to FY 2008-09.

All rabbits and birds legally allowed as personal property were identified as eligible

In the DPD, the Commission states:

> Therefore, to the extent that the Controller excluded rabbits and birds without analysis and notice to the claimant of the animals excluded, that exclusion is facially inconsistent with the law of the Parameters and Guidelines, is incorrect as a matter of law, and is arbitrary, capricious, and entirely lacking in evidentiary support.

The SCO can assure the Commission that all rabbits and birds legally allowed as personal property were determined to be eligible and were not excluded from the animal population. In addition, all work papers supporting the audit adjustments were provided to the claimant during audit fieldwork.

Animal data for FY 2001-02 and FY 2002-03 was not provided to the SCO by the Authority

The parameters and guidelines allow reimbursement for actual costs that are traceable and supported by source documentation; however, the Authority did not provide any animal data for FY 2001-02 and FY 2002-03. Therefore, in the absence of contemporaneous documentation, the SCO computed an average of FY 2006-07, FY 2007-08, and FY 2008-09 and applied the average to FY 2001-02 and FY 2002-03.

As such, the SCO was more than fair in allowing reimbursement for "other animals legally allowed as personal property" beyond what the Authority was able to provide documentation to support.

Tab 3

FY 2006-07
Comparison of the
No. of Animals Impounded
Sunday & Monday vs.
Tuesday through Friday

Days of the Week	Dates	Number of Animals	Reference
Dogs & Cats:			
Sunday and Monday	July 2-3, 2006	108	pages 2-3
		vs.	
Tuesday through Friday	July 4-7, 2006	242	pages 4-7
Other Animals:			
Sunday and Monday	July 2-3, 2006	1	page 8
		vs.	
Tuesday through Friday	July 4-7, 2006	15	page 9

DOGS AND CATS

Sunday and Monday Impound = 108 Total Impounded

7-2-2006 and 7-3-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00116	Dog	Pekingese	7/2/2006	S	D	7/12/2006
07-00118	Dog	Pitbull Mix	7/2/2006	SS	ET	7/13/2006
07-00120	Cat	Domestic Short Hair	7/2/2006	FS	EY	7/2/2006
07-00121	Cat	Domestic Short Hair	7/2/2006	FS	EY	7/2/2006
07-00122	Cat	Domestic Short Hair	7/2/2006	FS	EY	7/2/2006
07-00123	Dog	Terrier Mix	7/2/2006	S	ET	7/12/2006
07-00124	Cat	Domestic Short Hair	7/2/2006	FS	EF	7/12/2006
07-00125	Cat	Domestic Short Hair	7/2/2006	FS	EF	7/12/2006
07-00126	Cat	Domestic Short Hair	7/2/2006	FS	EF	7/12/2006
07-00127	Cat	Domestic Short Hair	7/2/2006	FS	DIS	7/12/2006
07-00128	Cat	Domestic Short Hair	7/2/2006	FS	DIS	7/12/2006
07-00129	Cat	Domestic Short Hair	7/2/2006	FS	DIS	7/12/2006
07-00131	Dog	Pitbull Mix	7/2/2006	S	CBO	7/8/2006
07-00132	Dog	Pitbull Mix	7/2/2006	S	CBO	7/8/2006
07-00133	Cat	Domestic Medium Hair	7/2/2006	FS	EF	7/12/2006
07-00134	Cat	Siamese Mix	7/2/2006	FS	EF	7/12/2006
07-00135	Cat	Domestic Short Hair	7/2/2006	S	EY	7/2/2006
07-00136	Cat	Domestic Short Hair	7/2/2006	S	EY	7/2/2006
07-00137	Cat	Domestic Short Hair	7/2/2006	S	EY	7/2/2006
07-00143	Dog	Z-Do Not Use - Shiba	7/2/2006	S	CBO	7/5/2006
07-00150	Dog	Boxer	7/2/2006	S	CBO	7/3/2006
07-00151	Dog	Boxer	7/2/2006	S	CBO	7/3/2006
07-00153	Cat	Siamese Mix	7/2/2006	S	CBO	7/5/2006
07-00156	Cat	Domestic Short Hair	7/2/2006	S	EY	7/2/2006
07-00157	Cat	Domestic Short Hair	7/2/2006	S	EY	7/2/2006
07-00159	Dog	Z-Do Not Use - Pitbull Lab Mix	7/2/2006	S	ET	7/14/2006
07-00160	Cat	Domestic Medium Hair	7/2/2006	FS	EF	7/12/2006
07-00162	Dog	Lab Mix	7/2/2006	S	ET	7/12/2006
07-00163	Cat	Domestic Short Hair	7/2/2006	FS	EF	7/12/2006
07-00165	Dog	German Shepherd	7/2/2006	S	ET	7/12/2006
07-00166	Dog	Terrier Mix	7/2/2006	SS	ADOPT	7/29/2006
07-00167	Dog	Z-Do Not Use - German Shepard Mix	7/2/2006	S	ET	7/12/2006
07-00170	Cat	Domestic Short Hair	7/2/2006	SS	ES	7/2/2006
07-00176	Dog	Corgi Mix	7/2/2006	SS	ET	7/13/2006
07-00177	Dog	Chow Mix	7/2/2006	SB	ET	7/13/2006
07-00180	Dog	Z-Do Not Use - Australian Shepard Mix	7/2/2006	S	ET	7/12/2006
07-00181	Dog	Chihuahua Mix	7/2/2006	S	CBO	7/5/2006
07-00184	Dog	Pug Mix	7/3/2006	S	ADOPT	8/16/2006
07-00185	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00186	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00187	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00188	Cat	Domestic Short Hair	7/3/2006	SS	EY	7/3/2006
07-00189	Cat	Domestic Short Hair	7/3/2006	SS	EY	7/3/2006
07-00190	Dog	Z-Do Not Use - German Shepard Mix	7/3/2006	S	ET	7/12/2006
07-00194	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00195	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00196	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00197	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00198	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00199	Dog	Z-Do Not Use - German Shepard Mix	7/3/2006	S	CBO	7/11/2006
07-00200	Dog	Pomeranian Mix	7/3/2006	S	ET	7/12/2006
07-00203	Dog	Z-Do Not Use - Lab Shep Mix	7/3/2006	S	ET	7/12/2006
07-00204	Dog	Cocker Spaniel Mix	7/3/2006	S	CBO	7/5/2006
07-00211	Cat	Domestic Medium Hair	7/3/2006	S	EY	7/3/2006
07-00212	Cat	Domestic Medium Hair	7/3/2006	S	EY	7/3/2006
07-00213	Cat	Domestic Short Hair	7/3/2006	S	ET	7/12/2006
07-00214	Cat	Domestic Short Hair	7/3/2006	S	ADOPT	8/19/2006
07-00215	Cat	Domestic Short Hair	7/3/2006	S	ES	7/8/2006
07-00216	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00217	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00218	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00219	Cat	Domestic Short Hair	7/3/2006	S	EF	7/12/2006

DOGS AND CATS

Sunday and Monday Impound = 108 Total Impounded

7-2-2006 and 7-3-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00220	Dog	Vizsla	7/3/2006	S	ET	8/11/2006
07-00222	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00223	Dog	Z-Do Not Use - German Shepard Mix	7/3/2006	IS	ET	7/14/2006
07-00224	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00225	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00226	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00229	Dog	Terrier	7/3/2006	S	ADOPT	7/8/2006
07-00230	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00231	Dog	Pitbull	7/3/2006	S	CBO	7/6/2006
07-00232	Dog	Pitbull	7/3/2006	S	CBO	7/6/2006
07-00233	Dog	Basenji Mix	7/3/2006	S	ET	7/12/2006
07-00234	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00235	Cat	Domestic Medium Hair	7/3/2006	S	EY	7/3/2006
07-00236	Cat	Domestic Short Hair	7/3/2006	SS	EY	7/3/2006
07-00237	Cat	Domestic Short Hair	7/3/2006	SS	EY	7/3/2006
07-00238	Cat	Domestic Short Hair	7/3/2006	SS	EY	7/3/2006
07-00239	Cat	Domestic Short Hair	7/3/2006	S	ET	7/12/2006
07-00240	Cat	Domestic Short Hair	7/3/2006	S	EY	7/12/2006
07-00241	Cat	Domestic Short Hair	7/3/2006	S	EY	7/12/2006
07-00242	Cat	Domestic Short Hair	7/3/2006	S	EY	7/12/2006
07-00243	Cat	Domestic Short Hair	7/3/2006	S	EY	7/12/2006
07-00250	Cat	Domestic Short Hair	7/3/2006	IS	EI	7/3/2006
07-00251	Cat	Domestic Short Hair	7/3/2006	FS	EF	7/12/2006
07-00252	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00253	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00254	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00255	Cat	Domestic Short Hair	7/3/2006	S	EY	7/3/2006
07-00256	Cat	Domestic Short Hair	7/3/2006	FS	EY	7/3/2006
07-00257	Cat	Domestic Short Hair	7/3/2006	FS	EY	7/3/2006
07-00258	Cat	Domestic Short Hair	7/3/2006	FS	EY	7/3/2006
07-00259	Dog	Dachshund Mix	7/3/2006	S	ET	7/12/2006
07-00260	Cat	Domestic Short Hair	7/3/2006	SS	ES	7/3/2006
07-00261	Cat	Domestic Short Hair	7/3/2006	SS	EY	7/3/2006
07-00262	Cat	Domestic Short Hair	7/3/2006	FS	EY	7/3/2006
07-00263	Dog	Lab Mix	7/3/2006	S	ADOPT	7/8/2006
07-00264	Cat	Domestic Short Hair	7/3/2006	IS	EI	7/3/2006
07-00265	Dog	Shih Tzu Mix	7/3/2006	S	ADOPT	7/9/2006
07-00266	Dog	Z-Do Not Use - German Shepard Mix	7/3/2006	S	ADOPT	7/29/2006
07-00267	Dog	Pitbull Mix	7/3/2006	S	ET	7/13/2006
07-00268	Dog	Pitbull	7/3/2006	SS	ET	7/13/2006
07-00269	Dog	Chow Mix	7/3/2006	S	ET	7/12/2006
07-00274	Cat	Domestic Short Hair	7/3/2006	SS	ET	7/13/2006
07-00275	Dog	Chow Mix	7/3/2006	S	ET	7/12/2006
07-00276	Dog	Pitbull Mix	7/3/2006	SS	ET	7/13/2006
07-00277	Dog	West Highland White Terrier	7/3/2006	SS	CBO	7/7/2006
07-00278	Dog	Chihuahua Mix	7/3/2006	SS	CBO	7/7/2006

COUNT = 108

DOGS AND CATS

Tuesday through Friday Impound = 242 Total Impounded

7-4-2006 through 7-7-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00279	Dog	Terrier Mix	7/4/2006	S	ADOPT	7/12/2006
07-00280	Cat	Domestic Short Hair	7/4/2006	FS	EF	7/12/2006
07-00281	Cat	Domestic Short Hair	7/4/2006	S	ET	7/12/2006
07-00283	Cat	Domestic Short Hair	7/4/2006	S	EY	7/4/2006
07-00288	Dog	German Shepherd	7/4/2006	S	CBO	7/5/2006
07-00292	Dog	German Shepherd	7/4/2006	S	ES	7/20/2006
07-00293	Cat	Domestic Short Hair	7/4/2006	S	EY	7/4/2006
07-00294	Dog	Pitbull	7/4/2006	S	CBO	7/6/2006
07-00297	Cat	Domestic Short Hair	7/4/2006	S	EY	7/4/2006
07-00298	Cat	Domestic Short Hair	7/4/2006	S	EY	7/4/2006
07-00299	Cat	Domestic Short Hair	7/4/2006	S	EY	7/4/2006
07-00301	Dog	Pitbull Mix	7/4/2006	SS	ES	7/4/2006
07-00302	Dog	Z-Do Not Use - Lab Shep Mix	7/4/2006	S	ET	7/12/2006
07-00304	Dog	Shih Tzu Mix	7/4/2006	S	ADOPT	7/8/2006
07-00306	Cat	Domestic Short Hair	7/5/2006	IS	EI	7/5/2006
07-00307	Dog	Chow Mix	7/5/2006	S	CBO	7/5/2006
07-00308	Dog	Lab Mix	7/5/2006	S	CBO	7/5/2006
07-00311	Dog	Husky	7/5/2006	S	CBO	7/7/2006
07-00312	Dog	Keeshond	7/5/2006	S	D	8/8/2008
07-00313	Cat	Domestic Short Hair	7/5/2006	SS	EY	7/5/2006
07-00314	Dog	Z-Do Not Use - German Shepard Mix	7/5/2006	S	ET	7/13/2006
07-00315	Cat	Domestic Short Hair	7/5/2006	FS	EY	7/5/2006
07-00316	Dog	Chihuahua Mix	7/5/2006	S	ADOPT	7/13/2006
07-00318	Cat	Domestic Short Hair	7/5/2006	IS	EI	7/5/2006
07-00319	Cat	Domestic Short Hair	7/5/2006	IS	EI	7/5/2006
07-00320	Cat	Domestic Short Hair	7/5/2006	SS	ES	7/5/2006
07-00321	Cat	Domestic Short Hair	7/5/2006	SB	DIS	7/13/2006
07-00322	Cat	Domestic Short Hair	7/5/2006	S	ET	7/12/2006
07-00323	Cat	Domestic Short Hair	7/5/2006	S	ET	7/12/2006
07-00324	Cat	Domestic Short Hair	7/5/2006	S	ET	7/13/2006
07-00325	Cat	Domestic Short Hair	7/5/2006	S	ET	7/12/2006
07-00326	Cat	Domestic Short Hair	7/5/2006	S	ADOPT	7/11/2006
07-00327	Cat	Domestic Short Hair	7/5/2006	S	ADOPT	7/11/2006
07-00329	Dog	Pitbull Mix	7/5/2006	S	ET	7/12/2006
07-00332	Cat	Domestic Short Hair	7/5/2006	S	ET	7/12/2006
07-00335	Dog	German Shepherd	7/5/2006	S	ET	7/12/2006
07-00336	Dog	Pitbull	7/5/2006	SAFE	ADOPT	8/5/2006
07-00337	Dog	Collie Mix	7/5/2006	S	ET	7/12/2006
07-00339	Cat	Domestic Short Hair	7/5/2006	FS	EF	7/12/2006
07-00341	Cat	Domestic Short Hair	7/5/2006	S	EY	7/5/2006
07-00342	Cat	Domestic Short Hair	7/5/2006	S	EY	7/5/2006
07-00343	Cat	Domestic Short Hair	7/5/2006	S	EY	7/5/2006
07-00344	Cat	Domestic Short Hair	7/5/2006	S	EY	7/5/2006
07-00345	Cat	Domestic Short Hair	7/5/2006	S	EY	7/5/2006
07-00347	Dog	Pitbull Mix	7/5/2006	S	ET	7/12/2006
07-00348	Cat	Domestic Short Hair	7/5/2006	SS	EY	7/5/2006
07-00349	Cat	Domestic Short Hair	7/5/2006	SS	EY	7/5/2006
07-00350	Cat	Domestic Short Hair	7/5/2006	SS	EY	7/5/2006
07-00351	Cat	Domestic Short Hair	7/5/2006	SS	EY	7/5/2006
07-00358	Cat	Domestic Short Hair	7/5/2006	SS	ET	7/13/2006
07-00359	Cat	Domestic Short Hair	7/5/2006	S	ET	7/12/2006
07-00360	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00361	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00362	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00363	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00364	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00365	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00366	Dog	German Shepherd	7/5/2006	S	ET	7/12/2006
07-00367	Cat	Domestic Short Hair	7/5/2006	R	ADOPT	7/7/2006
07-00368	Dog	Z-Do Not Use - Minature Pinscher Mix	7/5/2006	S	ADOPT	7/26/2006
07-00369	Dog	Shih Tzu Mix	7/5/2006	S	CBO	7/7/2006
07-00370	Dog	Shih Tzu	7/5/2006	S	CBO	7/6/2006

DOGS AND CATS

Tuesday through Friday Impound = 242 Total Impounded

7-4-2006 through 7-7-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00372	Cat	Domestic Short Hair	7/5/2006	FS	EY	7/5/2006
07-00373	Cat	Domestic Short Hair	7/5/2006	FS	EY	7/5/2006
07-00374	Cat	Domestic Short Hair	7/5/2006	FS	EY	7/5/2006
07-00375	Dog	Pitbull Mix	7/5/2006	S	CBO	7/7/2006
07-00377	Dog	Poodle	7/5/2006	SS	ET	7/27/2006
07-00380	Cat	Domestic Short Hair	7/5/2006	FS	EF	7/12/2006
07-00381	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00382	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00383	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00384	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00385	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00386	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00387	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00388	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00389	Dog	Terrier Mix	7/5/2006	S	ADOPT	7/13/2006
07-00390	Dog	Dachshund Mix	7/5/2006	S	CBO	7/8/2006
07-00391	Cat	Domestic Short Hair	7/5/2006	S	ET	7/12/2006
07-00392	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00393	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00394	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00395	Cat	Domestic Short Hair	7/5/2006	S	EY	7/12/2006
07-00396	Cat	Domestic Short Hair	7/5/2006	S	EY	7/5/2006
07-00397	Dog	Chow Mix	7/5/2006	S	ET	7/12/2006
07-00398	Cat	Domestic Short Hair	7/5/2006	FS	EY	7/5/2006
07-00399	Dog	Jack Russell Terrier Mix	7/5/2006	S	ADOPT	7/15/2006
07-00400	Dog	Dachshund Mix	7/5/2006	S	ADOPT	7/14/2006
07-00401	Dog	Pitbull	7/5/2006	S	ET	7/12/2006
07-00408	Dog	Pitbull	7/6/2006	IS	ET	7/13/2006
07-00410	Dog	Cockapoo	7/6/2006	S	ADOPT	7/12/2006
07-00411	Dog	Spaniel Mix	7/6/2006	S	ADOPT	7/12/2006
07-00412	Dog	Chihuahua	7/6/2006	S	ET	7/17/2006
07-00413	Cat	Domestic Short Hair	7/6/2006	S	ADOPT	7/12/2006
07-00414	Dog	Poodle	7/6/2006	S	CBO	7/6/2006
07-00416	Dog	Terrier	7/6/2006	S	10-5	8/2/2006
07-00417	Cat	Domestic Short Hair	7/6/2006	S	ET	7/13/2006
07-00418	Cat	Domestic Short Hair	7/6/2006	FS	EF	7/13/2006
07-00419	Dog	Golden Retriever	7/6/2006	R	ADOPT	7/12/2006
07-00421	Dog	Pitbull	7/6/2006	S	ET	7/13/2006
07-00423	Dog	Pitbull Mix	7/6/2006	S	ADOPT	7/25/2006
07-00424	Cat	Domestic Short Hair	7/6/2006	S	EF	7/13/2006
07-00426	Dog	Great Dane	7/6/2006	S	CBO	7/7/2006
07-00427	Dog	Pitbull Mix	7/6/2006	S	ET	7/13/2006
07-00429	Cat	Domestic Short Hair	7/6/2006	S	ET	7/13/2006
07-00430	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00431	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00432	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00433	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00434	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00435	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00436	Dog	Lab Mix	7/6/2006	S	ET	7/13/2006
07-00437	Dog	Lab Mix	7/6/2006	S	ET	7/13/2006
07-00438	Dog	Pitbull	7/6/2006	S	ET	7/13/2006
07-00440	Cat	Domestic Short Hair	7/6/2006	FS	EF	7/13/2006
07-00441	Cat	Domestic Short Hair	7/6/2006	FS	EF	7/13/2006
07-00442	Cat	Domestic Medium Hair	7/6/2006	FS	EF	7/13/2006
07-00446	Dog	Cocker Spaniel Mix	7/6/2006	S	ADOPT	8/3/2006
07-00449	Cat	Domestic Medium Hair	7/6/2006	S	ET	7/13/2006
07-00450	Dog	Pitbull Mix	7/6/2006	S	CBO	7/7/2006
07-00452	Cat	Domestic Short Hair	7/6/2006	S	EY	7/6/2006
07-00455	Cat	Domestic Short Hair	7/6/2006	FS	EF	7/13/2006
07-00456	Cat	Siamese Mix	7/6/2006	S	ET	7/13/2006
07-00457	Dog	Beagle Mix	7/6/2006	S	CBO	7/6/2006

DOGS AND CATS

Tuesday through Friday Impound = 242 Total Impounded

7-4-2006 through 7-7-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00463	Dog	Pitbull	7/6/2006	SS	ES	7/6/2006
07-00464	Cat	Domestic Short Hair	7/6/2006	FS	EY	7/6/2006
07-00465	Cat	Domestic Short Hair	7/6/2006	FS	EY	7/6/2006
07-00466	Cat	Domestic Short Hair	7/6/2006	SS	EY	7/6/2006
07-00467	Cat	Domestic Short Hair	7/6/2006	SS	EY	7/6/2006
07-00468	Cat	Domestic Short Hair	7/6/2006	SS	EY	7/6/2006
07-00469	Cat	Domestic Short Hair	7/6/2006	SS	ET	7/13/2006
07-00470	Cat	Domestic Short Hair	7/6/2006	S	EY	7/6/2006
07-00471	Cat	Domestic Medium Hair	7/6/2006	S	ET	7/14/2006
07-00472	Cat	Domestic Medium Hair	7/6/2006	S	ET	7/14/2006
07-00473	Cat	Domestic Short Hair	7/6/2006	SS	ET	7/13/2006
07-00474	Cat	Domestic Short Hair	7/6/2006	SS	ET	7/13/2006
07-00478	Dog	Dachshund Miniature Long Haired	7/6/2006	S	ET	7/13/2006
07-00479	Dog	Chihuahua Mix	7/6/2006	S	ADOPT	7/14/2006
07-00480	Dog	Pitbull Mix	7/6/2006	S	ET	7/13/2006
07-00481	Dog	Z-Do Not Use - German Shepard Mix	7/6/2006	S	CBO	7/13/2006
07-00482	Dog	Boxer	7/6/2006	S	D	7/9/2006
07-00483	Cat	Domestic Short Hair	7/6/2006	SS	EY	7/6/2006
07-00484	Cat	Domestic Short Hair	7/6/2006	SS	EY	7/6/2006
07-00485	Dog	German Shepherd Mix	7/6/2006	S	ET	7/13/2006
07-00486	Dog	Lab Mix	7/6/2006	S	ET	7/13/2006
07-00487	Cat	Domestic Short Hair	7/6/2006	S	ET	7/13/2006
07-00488	Dog	Lab Mix	7/6/2006	SAFE	ET	9/30/2006
07-00489	Cat	Domestic Short Hair	7/6/2006	S	ET	7/13/2006
07-00490	Cat	Domestic Short Hair	7/6/2006	S	EY	7/6/2006
07-00491	Dog	Hound Mix	7/6/2006	S	ADOPT	7/12/2006
07-00492	Cat	Domestic Short Hair	7/6/2006	FS	EY	7/6/2006
07-00495	Cat	Domestic Short Hair	7/6/2006	S	ET	7/13/2006
07-00496	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00497	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00498	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00499	Cat	Domestic Short Hair	7/6/2006	S	EY	7/13/2006
07-00500	Dog	Terrier Mix	7/6/2006	S	ADOPT	7/20/2006
07-00504	Dog	Pomeranian Mix	7/6/2006	S	ET	7/15/2006
07-00507	Cat	Domestic Short Hair	7/6/2006	SS	DIS	7/12/2006
07-00509	Dog	Pitbull Mix	7/6/2006	S	ET	7/13/2006
07-00511	Cat	Domestic Medium Hair	7/7/2006	R	ET	7/14/2006
07-00512	Cat	Domestic Short Hair	7/7/2006	FS	EY	7/7/2006
07-00514	Cat	Domestic Short Hair	7/7/2006	IS	EY	7/7/2006
07-00515	Cat	Domestic Short Hair	7/7/2006	S	CBO	7/12/2006
07-00516	Cat	Domestic Medium Hair	7/7/2006	FS	EF	7/14/2006
07-00517	Dog	Chihuahua Mix	7/7/2006	S	ET	7/14/2006
07-00518	Cat	Domestic Short Hair	7/7/2006	SS	ES	7/7/2006
07-00519	Dog	Terrier Mix	7/7/2006	S	ADOPT	7/21/2006
07-00520	Cat	Domestic Short Hair	7/7/2006	SS	ET	7/14/2006
07-00521	Cat	Domestic Short Hair	7/7/2006	S	CBO	7/10/2006
07-00522	Cat	Domestic Short Hair	7/7/2006	S	ET	7/14/2006
07-00523	Cat	Domestic Short Hair	7/7/2006	S	ET	7/14/2006
07-00524	Cat	Domestic Short Hair	7/7/2006	S	ET	7/14/2006
07-00525	Cat	Domestic Short Hair	7/7/2006	S	ET	7/14/2006
07-00526	Cat	Domestic Short Hair	7/7/2006	S	ET	7/15/2006
07-00527	Cat	Domestic Short Hair	7/7/2006	S	ADOPT	7/13/2006
07-00528	Cat	Domestic Short Hair	7/7/2006	S	ET	7/15/2006
07-00529	Cat	Domestic Medium Hair	7/7/2006	FS	EF	7/14/2006
07-00530	Dog	Collie Mix	7/7/2006	SS	ET	7/14/2006
07-00533	Dog	Poodle	7/7/2006	S	ADOPT	8/4/2006
07-00534	Cat	Domestic Long Hair	7/7/2006	S	ADOPT	7/25/2006
07-00535	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00536	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00537	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00538	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00539	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006

DOGS AND CATS

Tuesday through Friday Impound = 242 Total Impounded

7-4-2006 through 7-7-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00540	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00541	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00542	Dog	Pomeranian	7/7/2006	S	ADOPT	7/21/2006
07-00543	Dog	Cocker Spaniel Mix	7/7/2006	SS	ADOPT	7/13/2006
07-00545	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00547	Dog	Chihuahua Mix	7/7/2006	S	CBO	7/7/2006
07-00548	Cat	Domestic Short Hair	7/7/2006	S	EY	7/7/2006
07-00551	Dog	Z-Do Not Use - German Shepard Mix	7/7/2006	S	ADOPT	7/13/2006
07-00553	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00554	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00555	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00556	Cat	Domestic Short Hair	7/7/2006	FS	EY	7/7/2006
07-00557	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00558	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00560	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00561	Cat	Domestic Short Hair	7/7/2006	FS	EY	7/7/2006
07-00562	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00563	Cat	Domestic Short Hair	7/7/2006	S	EY	7/7/2006
07-00564	Cat	Domestic Short Hair	7/7/2006	S	EY	7/7/2006
07-00565	Cat	Domestic Short Hair	7/7/2006	S	EY	7/7/2006
07-00566	Cat	Domestic Short Hair	7/7/2006	S	EY	7/7/2006
07-00568	Dog	Z-Do Not Use - German Shepard Mix	7/7/2006	S	ET	7/14/2006
07-00569	Dog	Terrier Mix	7/7/2006	S	ET	7/15/2006
07-00570	Dog	Terrier Mix	7/7/2006	S	ET	7/14/2006
07-00573	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00574	Cat	Domestic Long Hair	7/7/2006	SS	EY	7/7/2006
07-00575	Dog	Z-Do Not Use - German Shepard Mix	7/7/2006	S	ADOPT	7/22/2006
07-00576	Dog	Pitbull Mix	7/7/2006	SS	ET	7/13/2006
07-00577	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00578	Dog	Dachshund Mix	7/7/2006	SS	CBO	7/13/2006
07-00581	Cat	Domestic Short Hair	7/7/2006	S	EY	7/7/2006
07-00583	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00585	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00586	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00587	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00588	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00589	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00590	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00591	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00592	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00593	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00594	Cat	Domestic Short Hair	7/7/2006	SS	EY	7/7/2006
07-00595	Dog	Golden Retriever Mix	7/7/2006	S	ADOPT	7/13/2006
07-00596	Dog	Chow Mix	7/7/2006	SAFE	CBO	7/12/2006
07-00597	Dog	Pitbull Mix	7/7/2006	S	ET	7/14/2006
07-00599	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00600	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00601	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00602	Cat	Domestic Short Hair	7/7/2006	FS	EY	7/7/2006
07-00603	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00604	Dog	Husky Mix	7/7/2006	IS	CBO	7/8/2006
07-00605	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00606	Cat	Domestic Short Hair	7/7/2006	S	EY	7/7/2006
07-00607	Dog	Chihuahua Mix	7/7/2006	S	ADOPT	7/19/2006
07-00608	Cat	Domestic Short Hair	7/7/2006	FS	EF	7/14/2006
07-00609	Cat	Domestic Short Hair	7/7/2006	SS	ES	7/7/2006

COUNT = 242

OTHER ANIMALS

Sunday and Monday Impound = 1 Total Impounded

7-2-2006 and 7-3-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00210	Other	Crow	7/3/2006	IS	EI	7/3/2006

COUNT = 1

OTHER ANIMALS

Tuesday through Friday Impound = 15 Total Impounded

7-4-2006 through 7-7-2006

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
07-00282	Other	Bird	7/4/2006	IS	EI	7/4/2006
07-00300	Other	Opossum	7/4/2006	IS	EI	7/4/2006
07-00346	Other	Hawk	7/5/2006	IS	ADOPT	7/7/2006
07-00354	Other	Opossum	7/5/2006	S	EY	7/5/2006
07-00355	Other	Opossum	7/5/2006	S	EY	7/5/2006
07-00356	Other	Opossum	7/5/2006	S	EY	7/5/2006
07-00420	Other	Rabbit	7/6/2006	S	ADOPT	7/12/2006
07-00444	Other	Dove	7/6/2006	IS	EY	7/6/2006
07-00448	Other	Pigeon	7/6/2006	IS	EI	7/6/2006
07-00454	Other	Rabbit	7/6/2006	R	ADOPT	7/11/2006
07-00458	Other	Rabbit	7/6/2006	R	ADOPT	7/11/2006
07-00459	Other	Rabbit	7/6/2006	R	ADOPT	7/11/2006
07-00513	Other	Opossum	7/7/2006	S	RTW	7/7/2006
07-00531	Other	Bird	7/7/2006	S	EY	7/7/2006
07-00559	Other	Opossum	7/7/2006	S	RTW	7/7/2006

COUNT = 15

JULY 2006

JUNE 2006						
			1	2	3	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

AUGUST 2006						
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3 First Quarter	4 Independence Day Flag Raising Ceremony **Independence Day**	5	6 Sun Cinema Series	7	8
9	10	11 Full Moon	12	13	14	15 Kids First Film Club
16	17 Last Quarter	18	19	20	21	22
23 30	24 31	25 New Moon	26	27	28	29

24 10

Tab 4

FY 2007-08
Comparison of the
No. of Animals Impounded
Sunday & Monday vs.
Tuesday through Friday

Days of the Week	Dates	Number of Animals	Reference
<u>Dogs & Cats:</u>			
Sunday and Monday	July 1-2, 2007	110	pages 2-3
		vs.	
Tuesday through Friday	July 3-6, 2007	237	pages 4-8
<u>Other Animals:</u>			
Sunday and Monday	July 1-2, 2007	8	page 9
		vs.	
Tuesday through Friday	July 3-6, 2007	17	page 10

DOGS & CATS

Monday and Sunday Impound = 110 Total Impounded

7-1-2007 and 7-2-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00001	Dog	Labrador Retriever	7/1/2007	SAFE	CBO	7/11/2007
08-00002	Dog	Lab Mix	7/1/2007	SAFE	CBO	7/14/2007
08-00003	Dog	Chihuahua	7/1/2007	IS	ET	7/8/2007
08-00004	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00005	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00006	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00008	Dog	Chihuahua	7/1/2007	SAFE	ET	8/9/2007
08-00009	Dog	Pitbull	7/1/2007	S	ADOPT	7/11/2007
08-00014	Cat	Domestic Long Hair	7/1/2007	FS	ET	7/8/2007
08-00015	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00016	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00017	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00018	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00019	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00020	Cat	Domestic Medium Hair	7/1/2007	SAFE	CBO	7/3/2007
08-00021	Cat	Domestic Medium Hair	7/1/2007	SAFE	CBO	7/3/2007
08-00022	Cat	Domestic Medium Hair	7/1/2007	SAFE	CBO	7/3/2007
08-00023	Dog	German Shepherd Mix	7/1/2007	S	ADOPT	7/7/2007
08-00024	Cat	Domestic Short Hair	7/1/2007	FS	EFS	7/5/2007
08-00025	Dog	Lab Mix	7/1/2007	S	ADOPT	8/1/2007
08-00026	Dog	Poodle Mix	7/1/2007	IS	EI	7/1/2007
08-00028	Cat	Domestic Medium Hair	7/1/2007	SS	ET	7/8/2007
08-00029	Cat	Domestic Medium Hair	7/1/2007	SS	ET	7/8/2007
08-00030	Cat	Domestic Short Hair	7/1/2007	SS	ET	7/8/2007
08-00031	Cat	Domestic Short Hair	7/1/2007	SS	ET	7/8/2007
08-00033	Cat	Domestic Short Hair	7/1/2007	FS	ES	7/8/2007
08-00037	Cat	Domestic Short Hair	7/1/2007	S	EY	7/1/2007
08-00038	Dog	Labrador Retriever	7/1/2007	S	ADOPT	7/6/2007
08-00041	Dog	Pitbull	7/1/2007	IS	ET	7/8/2007
08-00042	Cat	Domestic Short Hair	7/1/2007	IS	EI	7/1/2007
08-00044	Dog	Border Collie Mix	7/1/2007	S	ET	7/8/2007
08-00045	Dog	Spaniel Mix	7/2/2007	IS	ET	7/8/2007
08-00047	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00048	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00049	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00050	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00051	Cat	Domestic Medium Hair	7/2/2007	S	ET	7/14/2007
08-00052	Cat	Domestic Short Hair	7/2/2007	S	ET	7/14/2007
08-00053	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00054	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00055	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00056	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00057	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00058	Dog	Terrier Mix	7/2/2007	S	CBO	7/3/2007
08-00061	Cat	Domestic Short Hair	7/2/2007	FS	ES	7/6/2007
08-00062	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00063	Cat	Domestic Medium Hair	7/2/2007	FS	EF	7/8/2007
08-00064	Dog	Pitbull	7/2/2007	S	ET	7/8/2007
08-00065	Dog	Poodle Mix	7/2/2007	S	ADOPT	7/19/2007
08-00066	Cat	Domestic Short Hair	7/2/2007	SS	EY	7/2/2007
08-00068	Dog	Husky Mix	7/2/2007	S	ES	7/7/2007
08-00069	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00070	Dog	Pitbull	7/2/2007	S	ADOPT	7/10/2007
08-00071	Dog	Pitbull	7/2/2007	SS	ET	7/11/2007
08-00072	Dog	Pitbull	7/2/2007	S	CBO	7/3/2007
08-00073	Dog	Pitbull	7/2/2007	S	CBO	7/3/2007

DOGS & CATS

Monday and Sunday Impound = 110 Total Impounded

7-1-2007 and 7-2-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00074	Dog	Pitbull	7/2/2007	S	CBO	7/3/2007
08-00075	Cat	Domestic Short Hair	7/2/2007	FS	ET	7/8/2007
08-00076	Cat	Domestic Short Hair	7/2/2007	FS	EF	7/8/2007
08-00078	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00079	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00080	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00081	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00083	Dog	Chihuahua Mix	7/2/2007	S	ADOPT	7/14/2007
08-00090	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00091	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00092	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00093	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00094	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00095	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00096	Cat	Domestic Short Hair	7/2/2007	FS	EF	7/8/2007
08-00099	Dog	Dachshund Mix	7/2/2007	S	CBO	7/3/2007
08-00100	Dog	Basset Hound	7/2/2007	S	ADOPT	7/20/2007
08-00101	Cat	Domestic Medium Hair	7/2/2007	S	EY	7/2/2007
08-00102	Dog	Chihuahua	7/2/2007	R	ADOPT	7/13/2007
08-00103	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00104	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00105	Cat	Domestic Short Hair	7/2/2007	S	ET	7/8/2007
08-00109	Cat	Domestic Short Hair	7/2/2007	FS	ES	7/5/2007
08-00113	Dog	Husky Mix	7/2/2007	S	ADOPT	7/24/2007
08-00116	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00117	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00118	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00119	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00120	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00121	Dog	Beagle Mix	7/2/2007	S	ADOPT	7/7/2007
08-00122	Cat	Domestic Short Hair	7/2/2007	S	ES	7/5/2007
08-00125	Cat	Domestic Short Hair	7/2/2007	FS	EF	7/8/2007
08-00127	Dog	Chihuahua Mix	7/2/2007	S	ADOPT	7/10/2007
08-00129	Cat	Domestic Short Hair	7/2/2007	S	EY	7/2/2007
08-00130	Dog	Border Collie Mix	7/2/2007	S	ET	7/8/2007
08-00133	Cat	Domestic Medium Hair	7/2/2007	SS	ET	7/8/2007
08-00137	Dog	Pitbull Mix	7/2/2007	SS	ES	7/7/2007
08-00139	Dog	Dachshund Mix	7/2/2007	S	DIS	7/17/2007
08-00140	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00141	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00142	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00143	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00145	Cat	Domestic Short Hair	7/2/2007	FS	ES	7/5/2007
08-00146	Cat	Domestic Short Hair	7/2/2007	SS	EY	7/2/2007
08-00148	Dog	Cocker Spaniel Mix	7/2/2007	IS	ET	7/16/2007
08-00150	Dog	Pitbull Mix	7/2/2007	SS	ET	7/12/2007
08-00151	Dog	Jack Russell Terrier	7/2/2007	S	CBO	7/12/2007
08-00152	Dog	Pekingese	7/2/2007	S	CBO	7/5/2007
08-00153	Dog	Pekingese	7/2/2007	S	CBO	7/5/2007
08-00154	Dog	Hound Mix	7/2/2007	SAFE	ET	8/3/2007
08-00155	Dog	Terrier Mix	7/2/2007	SAFE	ET	8/3/2007
08-00156	Dog	Terrier	7/2/2007	IS	EI	7/2/2007
08-00157	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007
08-00158	Cat	Domestic Short Hair	7/2/2007	FS	EY	7/2/2007

COUNT = 28

DOGS & CATS

Tuesday through Friday Impound = 237 Total Impounded

7-3-2007 through 7-6-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00159	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/10/2007
08-00163	Cat	Domestic Short Hair	7/3/2007	FS	ES	7/5/2007
08-00164	Cat	Domestic Medium Hair	7/3/2007	FS	ES	7/5/2007
08-00170	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00171	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00172	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/5/2007
08-00173	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00174	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/7/2007
08-00175	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/10/2007
08-00176	Cat	Domestic Short Hair	7/3/2007	R	ESC	7/10/2007
08-00177	Cat	Domestic Short Hair	7/3/2007	R	ET	7/11/2007
08-00179	Cat	Domestic Short Hair	7/3/2007	FS	EF	7/11/2007
08-00180	Dog	Pomeranian	7/3/2007	S	CBO	7/3/2007
08-00181	Dog	Dachshund Mix	7/3/2007	S	ET	7/11/2007
08-00182	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00183	Dog	Corgi Mix	7/3/2007	SB	ET	8/3/2007
08-00184	Dog	Pitbull	7/3/2007	S	ET	7/21/2007
08-00185	Cat	Domestic Short Hair	7/3/2007	S	ES	7/3/2007
08-00186	Cat	Domestic Short Hair	7/3/2007	S	ES	7/3/2007
08-00189	Dog	Pekingese Mix	7/3/2007	IS	ADOPT	7/28/2007
08-00190	Dog	Cocker Spaniel	7/3/2007	S	ET	7/11/2007
08-00191	Dog	Cocker Spaniel	7/3/2007	S	ET	7/11/2007
08-00192	Cat	Domestic Medium Hair	7/3/2007	IS	EI	7/3/2007
08-00193	Cat	Domestic Medium Hair	7/3/2007	S	ET	7/11/2007
08-00194	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/10/2007
08-00198	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00201	Cat	Domestic Long Hair	7/3/2007	S	EY	7/3/2007
08-00202	Cat	Domestic Long Hair	7/3/2007	SS	ES	7/3/2007
08-00203	Cat	Domestic Short Hair	7/3/2007	SS	EY	7/3/2007
08-00204	Dog	Beagle Mix	7/3/2007	S	ADOPT	7/24/2007
08-00205	Dog	Irish Wolfhound	7/3/2007	SAFE	ADOPT	8/11/2007
08-00206	Dog	Chihuahua Mix	7/3/2007	S	ET	7/14/2007
08-00207	Dog	Chihuahua Mix	7/3/2007	S	ADOPT	7/11/2007
08-00208	Dog	Pitbull Mix	7/3/2007	SS	ET	7/11/2007
08-00209	Cat	Domestic Short Hair	7/3/2007	FS	EY	7/3/2007
08-00210	Dog	Labrador Retriever	7/3/2007	R	ADOPT	7/6/2007
08-00211	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00213	Dog	Chihuahua Mix	7/3/2007	S	ET	7/12/2007
08-00214	Cat	Domestic Medium Hair	7/3/2007	FS	EF	7/15/2007
08-00216	Cat	Domestic Medium Hair	7/3/2007	S	ET	7/11/2007
08-00217	Cat	Domestic Medium Hair	7/3/2007	S	ET	7/11/2007
08-00218	Cat	Domestic Medium Hair	7/3/2007	S	ET	7/11/2007
08-00220	Cat	Domestic Short Hair	7/3/2007	S	EY	7/3/2007
08-00221	Cat	Domestic Short Hair	7/3/2007	S	EY	7/3/2007
08-00222	Cat	Domestic Short Hair	7/3/2007	S	EY	7/3/2007
08-00223	Cat	Domestic Short Hair	7/3/2007	S	EY	7/3/2007
08-00224	Cat	Domestic Short Hair	7/3/2007	S	EY	7/3/2007
08-00225	Cat	Domestic Short Hair	7/3/2007	S	EY	7/3/2007
08-00226	Cat	Domestic Short Hair	7/3/2007	S	EY	7/3/2007
08-00227	Dog	Chihuahua Mix	7/3/2007	IS	ADOPT	7/19/2007
08-00229	Dog	Boxer	7/3/2007	IS	ADOPT	7/17/2007
08-00230	Cat	Domestic Short Hair	7/3/2007	SS	ES	7/3/2007
08-00231	Cat	Domestic Short Hair	7/3/2007	SS	EY	7/3/2007
08-00232	Cat	Domestic Short Hair	7/3/2007	SS	ES	7/3/2007
08-00233	Dog	Chihuahua	7/3/2007	S	ADOPT	7/10/2007
08-00234	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/10/2007

DOGS & CATS

Tuesday through Friday Impound = 237 Total Impounded

7-3-2007 through 7-6-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00235	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/10/2007
08-00239	Cat	Domestic Short Hair	7/3/2007	S	ADOPT	7/10/2007
08-00240	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00241	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00242	Cat	Siamese Mix	7/3/2007	S	ET	7/11/2007
08-00248	Cat	Domestic Short Hair	7/3/2007	S	ET	7/11/2007
08-00249	Dog	Australian Shepherd mix	7/3/2007	S	ET	7/12/2007
08-00251	Dog	German Shepherd Mix	7/3/2007	S	ET	7/11/2007
08-00252	Dog	Poodle	7/3/2007	S	ADOPT	7/25/2007
08-00253	Cat	Domestic Short Hair	7/3/2007	S	ET	7/13/2007
08-00254	Dog	Flat Coated Retriever	7/3/2007	S	ET	7/14/2007
08-00255	Cat	Domestic Long Hair	7/3/2007	S	ADOPT	7/26/2007
08-00256	Dog	Beagle	7/3/2007	S	CBO	7/5/2007
08-00258	Dog	Boxer	7/3/2007	S	CBO	7/5/2007
08-00259	Cat	Siamese	7/4/2007	IS	EI	7/4/2007
08-00261	Dog	Poodle Mix	7/4/2007	S	ADOPT	7/25/2007
08-00262	Dog	Chihuahua	7/4/2007	S	ADOPT	7/11/2007
08-00267	Dog	Pekingese	7/4/2007	S	CBO	7/4/2007
08-00268	Dog	German Shepherd	7/4/2007	S	ET	8/3/2007
08-00269	Cat	Domestic Short Hair	7/4/2007	FS	ET	7/11/2007
08-00271	Cat	Domestic Short Hair	7/4/2007	FS	EY	7/4/2007
08-00272	Cat	Domestic Long Hair	7/4/2007	IS	EI	7/4/2007
08-00275	Dog	Husky Mix	7/4/2007	S	CBO	7/5/2007
08-00277	Cat	Domestic Short Hair	7/4/2007	S	EY	7/4/2007
08-00278	Dog	Pomeranian Mix	7/4/2007	S	CBO	7/6/2007
08-00279	Dog	Chihuahua Mix	7/4/2007	S	ADOPT	7/10/2007
08-00280	Dog	Chihuahua Mix	7/4/2007	S	ADOPT	7/10/2007
08-00281	Dog	Chihuahua Mix	7/4/2007	S	ADOPT	7/10/2007
08-00282	Dog	Chihuahua Mix	7/4/2007	S	ADOPT	7/10/2007
08-00283	Dog	Chihuahua Mix	7/4/2007	S	ADOPT	7/13/2007
08-00284	Dog	Chihuahua Mix	7/4/2007	S	ADOPT	7/10/2007
08-00287	Cat	Domestic Medium Hair	7/4/2007	SS	ES	7/6/2007
08-00288	Dog	Chihuahua Mix	7/4/2007	S	ADOPT	8/14/2007
08-00289	Dog	German Shepherd	7/4/2007	S	ET	7/13/2007
08-00290	Dog	German Shepherd Mix	7/4/2007	S	CBO	7/5/2007
08-00291	Dog	Golden Retriever Mix	7/4/2007	S	ADOPT	7/14/2007
08-00293	Dog	German Shepherd	7/4/2007	IS	ET	7/13/2007
08-00294	Dog	Maltese	7/4/2007	SS	CBO	7/5/2007
08-00296	Cat	Domestic Short Hair	7/4/2007	S	EY	7/4/2007
08-00297	Dog	Pomeranian	7/4/2007	IS	ET	7/12/2007
08-00298	Dog	Pitbull	7/4/2007	S	ET	7/14/2007
08-00300	Dog	Lab Mix	7/4/2007	S	EY	7/4/2007
08-00301	Cat	Domestic Short Hair	7/4/2007	S	EY	7/4/2007
08-00302	Cat	Domestic Short Hair	7/4/2007	S	EY	7/4/2007
08-00303	Dog	Corgi Mix	7/4/2007	IS	CBO	7/6/2007
08-00304	Dog	German Shepherd Mix	7/4/2007	S	ET	7/12/2007
08-00305	Dog	Boxer	7/4/2007	IS	ET	7/13/2007
08-00306	Dog	Terrier Mix	7/4/2007	IS	ET	7/13/2007
08-00307	Dog	Dachshund	7/5/2007	RB	EOR	7/19/2007
08-00310	Dog	Labrador Retriever	7/5/2007	R	ADOPT	7/7/2007
08-00314	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00315	Dog	Siberian Husky	7/5/2007	R	ADOPT	7/7/2007
08-00316	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00318	Cat	Domestic Short Hair	7/5/2007	S	CBO	7/7/2007
08-00320	Dog	Chihuahua Mix	7/5/2007	S	CBO	7/6/2007
08-00321	Dog	Spaniel Mix	7/5/2007	S	CBO	7/6/2007

DOGS & CATS

Tuesday through Friday Impound = 237 Total Impounded

7-3-2007 through 7-6-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00323	Dog	Miniature Pinscher	7/5/2007	S	CBO	7/5/2007
08-00324	Dog	Chihuahua	7/5/2007	S	ET	7/19/2007
08-00325	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00326	Dog	Chow Chow	7/5/2007	S	ADOPT	7/11/2007
08-00327	Cat	Domestic Short Hair	7/5/2007	S	ET	7/13/2007
08-00328	Cat	Domestic Short Hair	7/5/2007	S	ET	7/13/2007
08-00329	Cat	Domestic Short Hair	7/5/2007	S	ET	7/13/2007
08-00330	Cat	Siamese	7/5/2007	SS	ES	7/11/2007
08-00331	Dog	German Shepherd	7/5/2007	S	CBO	7/6/2007
08-00332	Dog	Chihuahua Mix	7/5/2007	S	ET	7/13/2007
08-00333	Dog	Jindo Mix	7/5/2007	S	ET	7/13/2007
08-00335	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00338	Cat	Domestic Medium Hair	7/5/2007	FS	ET	7/11/2007
08-00344	Dog	Shiba Inu Mix	7/5/2007	S	CBO	7/12/2007
08-00345	Dog	Rottweiler Mix	7/5/2007	S	CBO	7/11/2007
08-00347	Dog	Boxer Mix	7/5/2007	S	ET	7/13/2007
08-00348	Dog	Boxer Mix	7/5/2007	S	ADOPT	7/21/2007
08-00349	Dog	Pitbull Mix	7/5/2007	S	ET	7/13/2007
08-00350	Dog	Miniature Pinscher Mix	7/5/2007	S	ET	7/13/2007
08-00351	Dog	Brittany	7/5/2007	S	TRANSFERRED	7/17/2007
08-00352	Dog	German Shepherd Mix	7/5/2007	IS	ET	7/13/2007
08-00353	Dog	German Shepherd Mix	7/5/2007	S	CBO	7/6/2007
08-00355	Dog	Spaniel Mix	7/5/2007	S	CBO	7/6/2007
08-00357	Cat	Domestic Short Hair	7/5/2007	FS	EY	7/5/2007
08-00358	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00359	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00360	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00366	Dog	Chow Mix	7/5/2007	S	ET	7/21/2007
08-00367	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00368	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00369	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00370	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00371	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00372	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00373	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00374	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00375	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00376	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00378	Cat	Domestic Short Hair	7/5/2007	S	ET	7/13/2007
08-00379	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00380	Cat	Domestic Short Hair	7/5/2007	S	EY	7/5/2007
08-00381	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00382	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00383	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00384	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00385	Cat	Domestic Short Hair	7/5/2007	FS	ET	7/11/2007
08-00386	Dog	Chihuahua	7/5/2007	IS	ET	7/14/2007
08-00389	Dog	Italian Greyhound	7/5/2007	S	ET	7/15/2007
08-00393	Dog	Shih Tzu	7/5/2007	S	CBO	7/11/2007
08-00394	Dog	Poodle	7/5/2007	S	ET	7/13/2007
08-00395	Cat	Domestic Short Hair	7/5/2007	S	DISC	10/22/2008
08-00401	Dog	Lab Mix	7/5/2007	S	ET	7/13/2007
08-00405	Cat	Domestic Short Hair	7/5/2007	S	ADOPT	9/18/2007
08-00406	Dog	Lab Mix	7/5/2007	S	ET	7/13/2007
08-00407	Dog	German Shepherd Mix	7/5/2007	S	ET	7/15/2007
08-00408	Cat	Domestic Short Hair	7/5/2007	IS	EI	7/5/2007

DOGS & CATS

Tuesday through Friday Impound = 237 Total Impounded

7-3-2007 through 7-6-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00409	Dog	Pitbull	7/6/2007	IS	ET	7/19/2007
08-00410	Dog	Labrador Retriever	7/6/2007	S	ADOPT	7/20/2007
08-00411	Cat	Domestic Short Hair	7/6/2007	FS	EY	7/6/2007
08-00412	Cat	Domestic Short Hair	7/6/2007	FS	EY	7/6/2007
08-00414	Dog	Pitbull Mix	7/6/2007	S	ET	7/14/2007
08-00416	Cat	Domestic Short Hair	7/6/2007	IS	EI	7/6/2007
08-00422	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00423	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00425	Dog	German Shepherd Mix	7/6/2007	R	EOR	7/13/2007
08-00426	Dog	German Shepherd Mix	7/6/2007	R	EOR	7/13/2007
08-00427	Dog	German Shepherd	7/6/2007	S	CBO	7/10/2007
08-00429	Cat	Domestic Short Hair	7/6/2007	FS	ET	7/12/2007
08-00430	Cat	Domestic Short Hair	7/6/2007	FS	ET	7/12/2007
08-00431	Cat	Domestic Short Hair	7/6/2007	FS	ET	7/12/2007
08-00433	Cat	Domestic Short Hair	7/6/2007	FS	ET	7/12/2007
08-00437	Cat	Domestic Medium Hair	7/6/2007	FS	ES	7/12/2007
08-00438	Dog	Labrador Retriever	7/6/2007	S	ET	7/13/2007
08-00439	Dog	Schnauzer Mix	7/6/2007	S	ADOPT	7/12/2007
08-00440	Dog	Labrador Retriever	7/6/2007	R	ADOPT	9/8/2007
08-00441	Dog	Miniature Pinscher Mix	7/6/2007	S	ADOPT	7/16/2007
08-00442	Dog	Pitbull Mix	7/6/2007	IS	EI	7/12/2007
08-00444	Cat	Siamese	7/6/2007	FS	ET	7/12/2007
08-00445	Dog	Lab Mix	7/6/2007	S	ET	7/13/2007
08-00446	Dog	Lab Mix	7/6/2007	S	ET	7/13/2007
08-00447	Dog	Chihuahua Mix	7/6/2007	S	ADOPT	7/14/2007
08-00448	Dog	Chihuahua Mix	7/6/2007	S	ET	7/14/2007
08-00450	Dog	Labrador Retriever	7/6/2007	S	CBO	7/12/2007
08-00457	Cat	Domestic Short Hair	7/6/2007	SS	EY	7/6/2007
08-00458	Cat	Domestic Short Hair	7/6/2007	SS	EY	7/6/2007
08-00460	Cat	Domestic Short Hair	7/6/2007	S	ADOPT	7/12/2007
08-00461	Dog	Poodle Mix	7/6/2007	S	CBO	7/14/2007
08-00462	Dog	Corgi Mix	7/6/2007	S	CBO	7/7/2007
08-00463	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00465	Cat	Domestic Short Hair	7/6/2007	FS	EF	7/12/2007
08-00466	Dog	Jack Russell Terrier	7/6/2007	S	ES	7/25/2007
08-00467	Dog	Terrier Mix	7/6/2007	S	ES	7/12/2007
08-00468	Cat	Domestic Short Hair	7/6/2007	FS	ET	7/12/2007
08-00469	Cat	Domestic Short Hair	7/6/2007	IS	EY	7/6/2007
08-00470	Dog	Chihuahua Mix	7/6/2007	S	ET	7/13/2007
08-00471	Cat	Domestic Short Hair	7/6/2007	S	EF	7/12/2007
08-00472	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00480	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00482	Cat	Domestic Short Hair	7/6/2007	S	ET	7/13/2007
08-00483	Dog	Spaniel Mix	7/6/2007	S	ADOPT	7/19/2007
08-00484	Dog	Yorkshire Terrier	7/6/2007	S	ADOPT	7/17/2007
08-00485	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00486	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00492	Cat	Domestic Short Hair	7/6/2007	SB	ET	7/20/2007
08-00494	Dog	Pitbull Mix	7/6/2007	SB	CBO	8/2/2007
08-00496	Cat	Domestic Short Hair	7/6/2007	IS	EI	7/6/2007
08-00497	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00498	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00499	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00500	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00501	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00502	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007

DOGS & CATS

Tuesday through Friday Impound = 237 Total Impounded

7-3-2007 through 7-6-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00503	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00504	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00505	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00506	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00507	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00510	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00511	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00512	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00513	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00514	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00515	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00516	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007
08-00517	Cat	Domestic Short Hair	7/6/2007	S	EY	7/6/2007

COUNT = 237

OTHER ANIMALS

Sunday and Monday Impound = 8 Total Animals

7-1-2007 and 7-2-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00010	Other	Peacock	7/1/2007	S	ADOPT	7/9/2007
08-00035	Other	Bat	7/1/2007	SAFE	ES	7/1/2007
08-00043	Other	Bird	7/1/2007	IS	EI	7/1/2007
08-00046	Other	Parakeet	7/2/2007	S	ADOPT	7/6/2007
08-00108	Other	Pigeon	7/2/2007	IS	EI	7/2/2007
08-00110	Other	Pigeon	7/2/2007	IS	EI	7/2/2007
08-00144	Other	Bird	7/2/2007	IS	EI	7/2/2007
08-00147	Other	Pigeon	7/2/2007	IS	EI	7/2/2007

COUNT = 8

OTHER ANIMALS

Tuesday through Friday Impound = 17 Total Impounded

7-3-2007 through 7-6-2007

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
08-00160	Other	Bird	7/3/2007	S	RTW	7/3/2007
08-00166	Other	Snake	7/3/2007	S	RTW	7/3/2007
08-00199	Other	Pigeon	7/3/2007	IS	EI	7/3/2007
08-00228	Other	Bird	7/3/2007	IS	EY	7/3/2007
08-00236	Other	Pigeon	7/3/2007	IS	DIED	7/4/2007
08-00243	Other	Bird	7/3/2007	SS	EY	7/3/2007
08-00313	Other	Pigeon	7/5/2007	S	ES	7/5/2007
08-00317	Other	Opossum	7/5/2007	S	RTW	7/5/2007
08-00387	Other	Opossum	7/5/2007	S	EY	7/5/2007
08-00413	Other	Turtle	7/6/2007	S	ADOPT	7/13/2007
08-00418	Other	Opossum	7/6/2007	S	EY	7/6/2007
08-00419	Other	Opossum	7/6/2007	S	EY	7/6/2007
08-00420	Other	Opossum	7/6/2007	S	EY	7/6/2007
08-00421	Other	Opossum	7/6/2007	S	EY	7/6/2007
08-00428	Other	Opossum	7/6/2007	S	RTW	7/6/2007
08-00435	Other	Turtle	7/6/2007	S	ADOPT	7/12/2007
08-00491	Other	Duck	7/6/2007	IS	TRANSFERRED	7/7/2007

COUNT = 17

July 2007

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Tab 5

FY 2008-09
Comparison of the
No. of Animals Impounded
Sunday & Monday vs.
Tuesday through Friday

Days of the Week	Dates	Number of Animals	Reference
<u>Dogs & Cats:</u>			
Sunday and Monday	July 6-7, 2008	115	pages 2-3
		vs.	
Tuesday through Friday	July 8-11, 2008	343	pages 4-9
<u>Other Animals:</u>			
Sunday and Monday	July 6-7, 2008	5	page 10
		vs.	
Tuesday through Friday	July 8-11, 2008	36	page 11

DOGS & CATS

Monday and Sunday Impound = 115 Total Animals Impounded

7-6-2008 and 7-7-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-00543	Cat	Domestic Short Hair	7/6/2008	S	EY	7/6/2008
09-00544	Cat	Domestic Short Hair	7/6/2008	S	EY	7/6/2008
09-00551	Dog	Cocker Spaniel	7/6/2008	SS	ES	7/12/2008
09-00552	Dog	Shih Tzu	7/6/2008	S	ET	7/13/2008
09-00554	Dog	Poodle Mix	7/6/2008	SAFE	CBO	7/7/2008
09-00555	Dog	Lab Mix	7/6/2008	IS	EI	7/11/2008
09-00557	Dog	Pitbull	7/6/2008	IS	ET	7/17/2008
09-00558	Cat	Domestic Short Hair	7/6/2008	FS	ET	7/11/2008
09-00562	Cat	Domestic Short Hair	7/6/2008	SS	EY	7/6/2008
09-00564	Cat	Domestic Short Hair	7/6/2008	SS	ES	7/6/2008
09-00566	Cat	Domestic Short Hair	7/6/2008	SS	EY	7/6/2008
09-00573	Cat	Domestic Short Hair	7/6/2008	SS	EY	7/6/2008
09-00574	Cat	Domestic Short Hair	7/6/2008	SS	EY	7/6/2008
09-00575	Cat	Domestic Short Hair	7/6/2008	SS	EY	7/6/2008
09-00576	Cat	Domestic Short Hair	7/6/2008	SS	EY	7/6/2008
09-00577	Cat	Domestic Short Hair	7/6/2008	FS	ET	7/11/2008
09-00579	Dog	Chihuahua	7/6/2008	S	ET	7/13/2008
09-00580	Dog	German Shepherd Mix	7/6/2008	S	ET	7/17/2008
09-00582	Dog	Chihuahua	7/6/2008	S	ET	7/13/2008
09-00583	Dog	Lab Mix	7/6/2008	IS	ET	7/17/2008
09-00585	Cat	Domestic Short Hair	7/6/2008	FS	EY	7/6/2008
09-00594	Cat	Domestic Short Hair	7/6/2008	S	EY	7/6/2008
09-00595	Dog	Pitbull	7/6/2008	S	ADOPT	7/11/2008
09-00596	Cat	Domestic Short Hair	7/6/2008	S	ES	7/15/2008
09-00597	Cat	Domestic Short Hair	7/6/2008	S	ES	7/15/2008
09-00598	Cat	Domestic Short Hair	7/6/2008	FS	ET	7/11/2008
09-00599	Dog	Shih Tzu	7/6/2008	S	CBO	7/8/2008
09-00601	Cat	Domestic Short Hair	7/6/2008	IS	EI	7/6/2008
09-00604	Dog	Terrier Mix	7/6/2008	S	CBO	7/8/2008
09-00605	Dog	Hound Mix	7/6/2008	S	CBO	7/8/2008
09-00606	Dog	Terrier Mix	7/6/2008	SAFE	CBO	7/22/2008
09-00608	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00609	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00610	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00611	Cat	Domestic Short Hair	7/7/2008	FS	EF	7/12/2008
09-00613	Dog	Chihuahua Mix	7/7/2008	S	ES	7/17/2008
09-00615	Cat	Domestic Short Hair	7/7/2008	IS	EY	7/7/2008
09-00616	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00617	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00618	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00620	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/11/2008
09-00621	Cat	Domestic Short Hair	7/7/2008	FS	EF	7/12/2008
09-00622	Cat	Domestic Short Hair	7/7/2008	FS	EF	7/12/2008
09-00623	Cat	Domestic Short Hair	7/7/2008	FS	EF	7/12/2008
09-00625	Cat	Domestic Short Hair	7/7/2008	S	ES	7/18/2008
09-00626	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/11/2008
09-00627	Dog	Chihuahua Mix	7/7/2008	S	ES	7/17/2008
09-00628	Dog	Cocker Spaniel	7/7/2008	R	ADOPT	7/9/2008
09-00629	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00630	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00631	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00632	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00633	Cat	Domestic Short Hair	7/7/2008	S	ES	7/16/2008
09-00634	Dog	Terrier Mix	7/7/2008	S	CBO	7/9/2008
09-00636	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/11/2008
09-00638	Dog	Pitbull	7/7/2008	S	ADOPT	7/15/2008
09-00641	Cat	Domestic Medium Hair	7/7/2008	IS	EI	7/7/2008
09-00642	Dog	Chihuahua Mix	7/7/2008	S	ET	7/17/2008
09-00645	Dog	Poodle Mix	7/7/2008	S	ADOPT	7/12/2008
09-00647	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00648	Dog	Pitbull	7/7/2008	S	ET	7/13/2008
09-00649	Cat	Domestic Short Hair	7/7/2008	S	ES	7/15/2008
09-00651	Dog	Pitbull	7/7/2008	S	ET	7/13/2008
09-00652	Cat	Domestic Short Hair	7/7/2008	S	ES	7/13/2008
09-00653	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/12/2008

DOGS & CATS

Monday and Sunday Impound = 115 Total Animals Impounded

7-6-2008 and 7-7-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-00656	Dog	Chihuahua Mix	7/7/2008	S	CBO	7/9/2008
09-00657	Dog	Pitbull	7/7/2008	S	ET	7/16/2008
09-00659	Dog	Chihuahua	7/7/2008	S	CBO	7/18/2008
09-00660	Dog	Pitbull	7/7/2008	S	ES	7/19/2008
09-00663	Cat	Domestic Short Hair	7/7/2008	FS	ES	7/24/2008
09-00664	Dog	Shih Tzu Mix	7/7/2008	S	ADOPT	7/11/2008
09-00665	Cat	Domestic Short Hair	7/7/2008	SS	EY	7/7/2008
09-00666	Dog	Poodle Mix	7/7/2008	UNK	ADOPT	7/11/2008
09-00669	Cat	Domestic Short Hair	7/7/2008	FS	EF	7/12/2008
09-00671	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00673	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00674	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00675	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00676	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00678	Dog	Chihuahua Mix	7/7/2008	S	ADOPT	7/15/2008
09-00679	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00680	Cat	Domestic Short Hair	7/7/2008	S	DIS	7/9/2008
09-00681	Dog	Pitbull	7/7/2008	S	ET	7/13/2008
09-00682	Dog	Pitbull	7/7/2008	S	ET	7/13/2008
09-00683	Cat	Domestic Short Hair	7/7/2008	S	ES	7/15/2008
09-00684	Cat	Domestic Short Hair	7/7/2008	S	ES	7/15/2008
09-00685	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/12/2008
09-00686	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/8/2008
09-00687	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/10/2008
09-00688	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/11/2008
09-00689	Cat	Domestic Short Hair	7/7/2008	S	ADOPT	7/10/2008
09-00690	Cat	Domestic Short Hair	7/7/2008	S	ET	7/20/2008
09-00691	Cat	Domestic Short Hair	7/7/2008	S		
09-00692	Cat	Domestic Short Hair	7/7/2008	S	RED	7/7/2008
09-00693	Dog	Jindo	7/7/2008	IS	ET	7/13/2008
09-00694	Dog	Pitbull Mix	7/7/2008	S	ADOPT	7/11/2008
09-00695	Dog	Pitbull Mix	7/7/2008	IS	ET	7/13/2008
09-00696	Dog	Pomeranian Mix	7/7/2008	S	ADOPT	7/11/2008
09-00697	Dog	German Shepherd Mix	7/7/2008	S	ET	7/24/2008
09-00698	Cat	Domestic Short Hair	7/7/2008	S	ES	7/7/2008
09-00699	Dog	Rottweiler Mix	7/7/2008	RB	ET	7/24/2008
09-00700	Cat	Domestic Short Hair	7/7/2008	S	EF	7/12/2008
09-00703	Dog	Lab Mix	7/7/2008	S	ADOPT	7/11/2008
09-00705	Dog	Lab Mix	7/7/2008	S	ADOPT	7/11/2008
09-00706	Dog	Dachshund	7/7/2008	SB	ET	7/23/2008
09-00708	Cat	Domestic Short Hair	7/7/2008	FS	EF	7/12/2008
09-00710	Dog	German Shepherd Mix	7/7/2008	S	ET	7/17/2008
09-00711	Cat	Domestic Short Hair	7/7/2008	FS	EF	7/18/2008
09-00714	Dog	Papillon Mix	7/7/2008	S	ADOPT	7/17/2008
09-00715	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00716	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00720	Dog	Maltese Mix	7/7/2008	S	ADOPT	7/11/2008
09-00721	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00722	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008
09-00723	Cat	Domestic Short Hair	7/7/2008	S	EY	7/7/2008

IMPOUND COUNT (Sunday, 7-6-2008 and Monday, 7-7-2008) = 115

DOGS & CATS

Tuesday through Friday Impound = 343 Total Animals Impounded

7-8-2008 through 7-11-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-00728	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00729	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00730	Cat	Domestic Short Hair	7/8/2008	FS	ESC	7/11/2008
09-00731	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00732	Cat	Domestic Medium Hair	7/8/2008	SS	ES	7/8/2008
09-00733	Cat	Domestic Short Hair	7/8/2008	SS	ES	7/8/2008
09-00734	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00735	Dog	Lab Mix	7/8/2008	S	ES	7/17/2008
09-00736	Dog	Pitbull	7/8/2008	S	ET	7/17/2008
09-00737	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00738	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00739	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00740	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00741	Cat	Domestic Short Hair	7/8/2008	FS	DIS	7/13/2008
09-00742	Cat	Domestic Short Hair	7/8/2008	FS	DIS	7/13/2008
09-00743	Cat	Domestic Short Hair	7/8/2008	FS	ET	7/13/2008
09-00744	Dog	Spaniel Mix	7/8/2008	S	ET	7/17/2008
09-00745	Dog	Chihuahua	7/8/2008	SS	ET	7/16/2008
09-00746	Dog	Chihuahua	7/8/2008	SS	ET	7/16/2008
09-00747	Dog	Terrier Mix	7/8/2008	SS	ES	8/6/2008
09-00748	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00749	Cat	Scottish Fold Mix	7/8/2008	FS	DISC	10/22/2008
09-00750	Cat	Domestic Short Hair	7/8/2008	S	ADOPT	7/12/2008
09-00751	Cat	Domestic Short Hair	7/8/2008	S	ADOPT	7/15/2008
09-00752	Cat	Domestic Short Hair	7/8/2008	SS	EY	7/8/2008
09-00754	Dog	Pitbull Mix	7/8/2008	S	CBO	7/9/2008
09-00755	Dog	Terrier Mix	7/8/2008	S	CBO	7/9/2008
09-00756	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00757	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00758	Dog	Poodle Mix	7/8/2008	S	ADOPT	7/15/2008
09-00759	Dog	Lhasa Apso Mix	7/8/2008	S	ADOPT	7/12/2008
09-00761	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00762	Cat	Domestic Short Hair	7/8/2008	SS	EY	7/8/2008
09-00763	Dog	Beagle Mix	7/8/2008	S	ADOPT	7/12/2008
09-00765	Dog	German Shepherd Mix	7/8/2008	S	ADOPT	10/4/2008
09-00766	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00767	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00768	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00769	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00770	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00771	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00772	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00773	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00774	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/24/2008
09-00775	Dog	Shih Tzu Mix	7/8/2008	S	CBO	7/9/2008
09-00778	Dog	Lab Mix	7/8/2008	S	ET	8/6/2008
09-00782	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00783	Dog	Chihuahua Mix	7/8/2008	R	CBO	7/9/2008
09-00784	Cat	Domestic Short Hair	7/8/2008	R	ADOPT	7/17/2008
09-00785	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00787	Dog	Boxer Mix	7/8/2008	S	ADOPT	7/12/2008
09-00788	Cat	Domestic Short Hair	7/8/2008	SS	EY	7/8/2008
09-00789	Cat	Domestic Short Hair	7/8/2008	FSB	EY	7/8/2008
09-00790	Cat	Domestic Short Hair	7/8/2008	FSB	EY	7/8/2008
09-00791	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00792	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00793	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00794	Dog	Pitbull	7/8/2008	S	ET	7/16/2008
09-00798	Cat	Domestic Short Hair	7/8/2008	S	ES	7/16/2008
09-00801	Cat	Domestic Short Hair	7/8/2008	S	ES	7/16/2008
09-00802	Cat	Domestic Short Hair	7/8/2008	S	ES	7/18/2008
09-00803	Dog	Dachshund	7/8/2008	S	ADOPT	7/12/2008
09-00805	Dog	Pitbull Mix	7/8/2008	S	ET	7/17/2008
09-00806	Dog	Chihuahua	7/8/2008	S	ET	7/13/2008
09-00807	Dog	Poodle	7/8/2008	S	ET	7/16/2008

DOGS & CATS

Tuesday through Friday Impound = 343 Total Animals Impounded

7-8-2008 through 7-11-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-00808	Dog	Akita Mix	7/8/2008	S	CBO	7/9/2008
09-00809	Cat	Domestic Short Hair	7/8/2008	S	ES	7/18/2008
09-00810	Cat	Domestic Short Hair	7/8/2008	S	ES	7/16/2008
09-00811	Cat	Domestic Short Hair	7/8/2008	S	ES	7/16/2008
09-00812	Cat	Domestic Short Hair	7/8/2008	S	ES	7/16/2008
09-00813	Dog	Jindo Mix	7/8/2008	S	ET	7/17/2008
09-00814	Dog	Husky	7/8/2008	S	CBO	7/9/2008
09-00819	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00823	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00824	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00825	Cat	Domestic Short Hair	7/8/2008	S	ES	7/16/2008
09-00826	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00827	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00828	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00829	Dog	Miniature Pinscher	7/8/2008	IS	ADOPT	7/12/2008
09-00830	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00831	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00832	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00833	Dog	German Shepherd	7/8/2008	IS	ADOPT	7/18/2008
09-00835	Dog	Cockapoo	7/8/2008	S	ADOPT	7/12/2008
09-00837	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00838	Dog	Terrier Mix	7/8/2008	S	ADOPT	8/26/2008
09-00839	Cat	Domestic Short Hair	7/8/2008	SS	EY	7/8/2008
09-00841	Cat	Domestic Short Hair	7/8/2008	S	ADOPT	7/12/2008
09-00842	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00843	Dog	Beagle	7/8/2008	S	ADOPT	7/12/2008
09-00844	Dog	Terrier Mix	7/8/2008	S	CBO	7/12/2008
09-00845	Dog	Terrier Mix	7/8/2008	IS	ADOPT	7/24/2008
09-00846	Dog	Chihuahua	7/8/2008	S	ET	7/13/2008
09-00849	Cat	Domestic Short Hair	7/8/2008	FS	EF	7/13/2008
09-00850	Dog	Pitbull	7/8/2008	IS	ET	7/17/2008
09-00853	Cat	Domestic Medium Hair	7/8/2008	S	ADOPT	7/12/2008
09-00854	Cat	Domestic Short Hair	7/8/2008	FS	EY	7/8/2008
09-00856	Cat	Domestic Short Hair	7/8/2008	FS	EY	7/8/2008
09-00857	Dog	Pitbull	7/8/2008	S	ET	7/17/2008
09-00858	Cat	Domestic Short Hair	7/8/2008	FS	EY	7/8/2008
09-00859	Cat	Domestic Short Hair	7/8/2008	FS	EY	7/8/2008
09-00860	Cat	Domestic Short Hair	7/8/2008	FS	EY	7/8/2008
09-00861	Cat	Domestic Short Hair	7/8/2008	FS	EY	7/8/2008
09-00862	Cat	Domestic Short Hair	7/8/2008	SS	ES	7/8/2008
09-00863	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00864	Cat	Domestic Short Hair	7/8/2008	S	EY	7/8/2008
09-00867	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/16/2008
09-00868	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00869	Cat	Domestic Short Hair	7/9/2008	S	ADOPT	7/15/2008
09-00871	Dog	Dalmatian Mix	7/9/2008	S	ET	7/26/2008
09-00872	Dog	Pitbull	7/9/2008	SAFE	CBO	7/11/2008
09-00873	Dog	Pitbull	7/9/2008	SAFE	CBO	7/11/2008
09-00874	Dog	Pitbull	7/9/2008	SAFE	CBO	7/11/2008
09-00875	Dog	Pitbull	7/9/2008	SAFE	CBO	7/11/2008
09-00876	Cat	Domestic Medium Hair	7/9/2008	S	EY	7/9/2008
09-00878	Dog	Terrier	7/9/2008	OR	ADOPT	7/10/2008
09-00879	Dog	Cocker Spaniel	7/9/2008	R	ET	7/17/2008
09-00882	Cat	Domestic Short Hair	7/9/2008	S	EF	7/15/2008
09-00883	Cat	Domestic Short Hair	7/9/2008	S	CBO	7/15/2008
09-00884	Dog	Chihuahua	7/9/2008	S	ET	7/17/2008
09-00885	Dog	Poodle Mix	7/9/2008	S	ADOPT	7/15/2008
09-00886	Cat	Domestic Short Hair	7/9/2008	FS	ES	7/9/2008
09-00888	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00891	Cat	Domestic Short Hair	7/9/2008	S	EY	7/9/2008
09-00892	Cat	Domestic Short Hair	7/9/2008	S	EY	7/5/2008
09-00893	Cat	Domestic Short Hair	7/9/2008	S	EY	7/9/2008
09-00894	Cat	Domestic Short Hair	7/9/2008	S	EY	7/9/2008
09-00898	Dog	Yorkshire Terrier	7/9/2008	S	CBO	7/15/2008
09-00899	Dog	Chihuahua Mix	7/9/2008	S	CBO	7/15/2008

DOGS & CATS

Tuesday through Friday Impound = 343 Total Animals Impounded

7-8-2008 through 7-11-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-00901	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00902	Dog	Poodle Mix	7/9/2008	S	ADOPT	7/15/2008
09-00903	Dog	Chow Chow	7/9/2008	S	ET	7/16/2008
09-00905	Dog	German Shepherd Mix	7/9/2008	S	ES	7/19/2008
09-00906	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/16/2008
09-00907	Dog	Chihuahua	7/9/2008	S	ADOPT	7/19/2008
09-00908	Cat	Domestic Long Hair	7/9/2008	FS	EY	7/9/2008
09-00910	Dog	Pitbull Mix	7/9/2008	S	ET	7/16/2008
09-00911	Dog	German Pointer, short haired	7/9/2008	S	ET	7/16/2008
09-00913	Dog	Cocker Spaniel	7/9/2008	R	ADOPT	7/17/2008
09-00916	Cat	Domestic Medium Hair	7/9/2008	FS	EF	7/15/2008
09-00919	Dog	Lab Mix	7/9/2008	S	CBO	7/10/2008
09-00924	Dog	Chihuahua	7/9/2008	S	CBO	7/12/2008
09-00932	Dog	German Shepherd Mix	7/9/2008	S	ET	7/24/2008
09-00933	Dog	Cocker Spaniel	7/9/2008	S	ET	7/17/2008
09-00934	Dog	Mastiff	7/9/2008	R	ADOPT	7/18/2008
09-00935	Dog	Pitbull Mix	7/9/2008	S	ET	7/16/2008
09-00936	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00938	Dog	Lab Mix	7/9/2008	S	ET	8/17/2008
09-00939	Dog	Shar Pei Mix	7/9/2008	IS	ADOPT	7/29/2008
09-00940	Cat	Domestic Short Hair	7/9/2008	S	EY	7/9/2008
09-00941	Dog	Standard Poodle	7/9/2008	S	ADOPT	7/15/2008
09-00942	Cat	Domestic Short Hair	7/9/2008	S	EY	7/9/2008
09-00944	Dog	Boxer Mix	7/9/2008	SS	DIED	7/11/2008
09-00945	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00946	Cat	Domestic Medium Hair	7/9/2008	SS	EY	7/9/2008
09-00947	Cat	Domestic Medium Hair	7/9/2008	SS	EY	7/9/2008
09-00948	Cat	Domestic Medium Hair	7/9/2008	SS	EY	7/9/2008
09-00949	Cat	Domestic Medium Hair	7/9/2008	SS	EY	7/9/2008
09-00950	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00951	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00952	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00953	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00954	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00955	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00956	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00957	Cat	Domestic Short Hair	7/9/2008	FS	EY	7/9/2008
09-00958	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00960	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/16/2008
09-00962	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00964	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00965	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00966	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00967	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00968	Cat	Domestic Short Hair	7/9/2008	SS	EY	7/9/2008
09-00971	Dog	Lab Mix	7/9/2008	S	CBO	7/12/2008
09-00972	Dog	German Shepherd	7/9/2008	S	ADOPT	7/18/2008
09-00973	Dog	Dachshund	7/9/2008	S	ADOPT	7/18/2008
09-00974	Dog	Chihuahua	7/9/2008	S	ET	7/17/2008
09-00976	Dog	Chihuahua Mix	7/9/2008	S	ES	7/24/2008
09-00977	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00978	Cat	Domestic Short Hair	7/9/2008	FS	EF	7/15/2008
09-00979	Dog	Terrier Mix	7/9/2008	S	ADOPT	7/15/2008
09-00980	Dog	Rottweiler	7/9/2008	S	ET	7/17/2008
09-00991	Cat	Domestic Short Hair	7/9/2008	SS	ADOPT	8/20/2008
09-00993	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-00994	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-00995	Dog	Cocker Spaniel	7/10/2008	S	CBO	7/11/2008
09-00996	Cat	Domestic Short Hair	7/10/2008	FS	EY	7/11/2008
09-00997	Cat	Domestic Short Hair	7/10/2008	FS	EY	7/11/2008
09-00998	Dog	Lab Mix	7/10/2008	S	CBO	7/11/2008
09-00999	Dog	Lab Mix	7/10/2008	S	CBO	7/11/2008
09-01000	Cat	Domestic Short Hair	7/10/2008	S	ET	7/20/2008
09-01001	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01002	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008

DOGS & CATS

Tuesday through Friday Impound = 343 Total Animals Impounded

7-8-2008 through 7-11-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-01003	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01004	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01005	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01006	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01007	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01009	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01010	Cat	Domestic Short Hair	7/10/2008	SS	EY	7/11/2008
09-01011	Cat	Domestic Short Hair	7/10/2008	SS	EY	7/11/2008
09-01012	Cat	Domestic Short Hair	7/10/2008	SS	EY	7/11/2008
09-01013	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01014	Dog	Lab Mix	7/10/2008	S	ADOPT	7/23/2008
09-01015	Cat	Domestic Long Hair	7/10/2008	S	EY	7/11/2008
09-01016	Cat	Domestic Long Hair	7/10/2008	S	EY	7/11/2008
09-01017	Cat	Domestic Long Hair	7/10/2008	S	EY	7/11/2008
09-01018	Cat	Domestic Long Hair	7/10/2008	S	EY	7/11/2008
09-01019	Cat	Domestic Long Hair	7/10/2008	S	EY	7/11/2008
09-01020	Cat	Domestic Long Hair	7/10/2008	S	EY	7/11/2008
09-01021	Cat	Domestic Long Hair	7/10/2008	S	EY	7/11/2008
09-01022	Cat	Domestic Short Hair	7/10/2008	S	ADOPT	7/16/2008
09-01023	Cat	Domestic Long Hair	7/10/2008	S	ADOPT	7/19/2008
09-01024	Cat	Domestic Long Hair	7/10/2008	S	ET	7/24/2008
09-01025	Dog	Chihuahua	7/10/2008	S	ET	7/17/2008
09-01026	Cat	Domestic Long Hair	7/10/2008	SS	EY	7/10/2008
09-01027	Dog	Spaniel Mix	7/10/2008	S	ADOPT	7/19/2008
09-01032	Cat	Domestic Short Hair	7/10/2008	S	EY	7/10/2008
09-01033	Dog	German Shepherd Mix	7/10/2008	S	ET	7/24/2008
09-01034	Dog	Terrier	7/10/2008	S	ET	7/17/2008
09-01036	Dog	Terrier	7/10/2008	S	ET	7/24/2008
09-01038	Cat	Domestic Short Hair	7/10/2008	FS	EY	7/10/2008
09-01040	Dog	Chihuahua	7/10/2008	S	ET	7/17/2008
09-01041	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01042	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01043	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01044	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01046	Cat	Domestic Short Hair	7/10/2008	SS	EY	7/10/2008
09-01047	Cat	Domestic Short Hair	7/10/2008	SS	ES	7/10/2008
09-01048	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01050	Dog	Chihuahua	7/10/2008	S	ADOPT	7/19/2008
09-01051	Dog	Chihuahua Mix	7/10/2008	S	ES	7/24/2008
09-01052	Dog	Chihuahua Mix	7/10/2008	S	ADOPT	7/17/2008
09-01054	Dog	Lab Mix	7/10/2008	S	ES	7/24/2008
09-01058	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01059	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01060	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01061	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01062	Cat	Domestic Short Hair	7/10/2008	S	EY	7/11/2008
09-01064	Cat	Domestic Short Hair	7/10/2008	S	EY	7/10/2008
09-01065	Cat	Domestic Short Hair	7/10/2008	S	EY	7/10/2008
09-01066	Cat	Domestic Short Hair	7/10/2008	S	EY	7/10/2008
09-01067	Cat	Domestic Short Hair	7/10/2008	S	EY	7/10/2008
09-01068	Dog	Lab Mix	7/10/2008	OR	ET	7/26/2008
09-01070	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01071	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01072	Dog	Pug Mix	7/10/2008	S	ADOPT	7/18/2008
09-01074	Dog	Jindo Mix	7/10/2008	SS	ES	7/10/2008
09-01076	Dog	German Shepherd Mix	7/10/2008	S	ET	8/6/2008
09-01077	Dog	German Shepherd Mix	7/10/2008	S	ET	7/17/2008
09-01081	Cat	Domestic Short Hair	7/10/2008	IS	EI	7/10/2008
09-01084	Dog	Pitbull	7/10/2008	S	CBO	7/12/2008
09-01085	Cat	Domestic Medium Hair	7/10/2008	S	EY	7/10/2008
09-01086	Dog	Husky Mix	7/10/2008	S	CBO	7/11/2008
09-01091	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01094	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01095	Cat	Domestic Short Hair	7/10/2008	FS	EF	7/16/2008
09-01097	Dog	Retriever Mix	7/10/2008	S	ET	7/24/2008

DOGS & CATS

Tuesday through Friday Impound = 343 Total Animals Impounded

7-8-2008 through 7-11-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-01098	Dog	Pitbull	7/10/2008	S	ADOPT	7/16/2008
09-01102	Dog	Chihuahua Mix	7/11/2008	S	ET	7/24/2008
09-01103	Dog	American Bulldog Mix	7/11/2008	IS	CBO	7/12/2008
09-01104	Cat	Domestic Short Hair	7/11/2008	S	EY	7/11/2008
09-01105	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01106	Cat	Domestic Short Hair	7/11/2008	FS	EY	7/11/2008
09-01107	Cat	Domestic Short Hair	7/11/2008	FS	EY	7/11/2008
09-01108	Cat	Domestic Short Hair	7/11/2008	FS	EY	7/11/2008
09-01109	Cat	Domestic Short Hair	7/11/2008	FS	EY	7/11/2008
09-01110	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/11/2008
09-01111	Cat	Domestic Short Hair	7/11/2008	R	ES	7/25/2008
09-01113	Dog	Chow Mix	7/11/2008	S	ADOPT	7/17/2008
09-01114	Cat	Domestic Short Hair	7/11/2008	FS	EY	7/11/2008
09-01115	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/11/2008
09-01116	Dog	Labrador Retriever	7/11/2008	IS	ADOPT	7/25/2008
09-01117	Dog	Maltese Mix	7/11/2008	S	ADOPT	7/11/2008
09-01118	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/11/2008
09-01119	Dog	Husky	7/11/2008	S	CBO	7/22/2008
09-01120	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/11/2008
09-01121	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/11/2008
09-01122	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/11/2008
09-01124	Cat	Domestic Long Hair	7/11/2008	SS	EY	7/11/2008
09-01125	Cat	Domestic Short Hair	7/11/2008	FS	EY	7/11/2008
09-01126	Cat	Domestic Short Hair	7/11/2008	SS	DIED	7/30/2008
09-01128	Cat	Domestic Short Hair	7/11/2008	SS	ESC	7/11/2008
09-01129	Cat	Domestic Short Hair	7/11/2008	SS	ADOPT	10/3/2008
09-01130	Cat	Domestic Short Hair	7/11/2008	SS	ADOPT	10/3/2008
09-01131	Cat	Domestic Short Hair	7/11/2008	SS	ADOPT	10/3/2008
09-01132	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/11/2008
09-01133	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01134	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01135	Cat	Domestic Short Hair	7/11/2008	FS	EY	7/11/2008
09-01136	Dog	Chihuahua Mix	7/11/2008	S	ET	7/24/2008
09-01137	Dog	Chihuahua Mix	7/11/2008	S	ET	7/24/2008
09-01138	Dog	Chihuahua Mix	7/11/2008	S	ADOPT	7/26/2008
09-01139	Dog	Pitbull	7/11/2008	S	ET	7/18/2008
09-01140	Dog	Terrier Mix	7/11/2008	S	ES	7/24/2008
09-01141	Dog	Miniature Pinscher Mix	7/11/2008	R	ET	7/24/2008
09-01143	Dog	Shih Tzu Mix	7/11/2008	S	ADOPT	7/17/2008
09-01144	Dog	Chihuahua	7/11/2008	S	ADOPT	7/22/2008
09-01145	Dog	Chihuahua Mix	7/11/2008	S	ET	7/24/2008
09-01146	Cat	Domestic Medium Hair	7/11/2008	FS	EF	7/17/2008
09-01150	Cat	Domestic Medium Hair	7/11/2008	FS	EF	7/17/2008
09-01153	Dog	Cocker Spaniel	7/11/2008	S	ADOPT	8/15/2008
09-01156	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01160	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01161	Cat	Domestic Short Hair	7/11/2008	S	ES	7/18/2008
09-01163	Cat	Domestic Short Hair	7/11/2008	S	EF	7/17/2008
09-01164	Cat	Domestic Medium Hair	7/11/2008	S	ADOPT	7/23/2008
09-01165	Cat	Domestic Short Hair	7/11/2008	S	EI	7/11/2008
09-01167	Dog	Terrier Mix	7/11/2008	S	ADOPT	7/17/2008
09-01168	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01170	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01172	Dog	Lab Mix	7/11/2008	S	ADOPT	7/17/2008
09-01174	Dog	German Shepherd	7/11/2008	S	CBO	7/22/2008
09-01175	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01177	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01178	Dog	Beagle	7/11/2008	S	ADOPT	7/22/2008
09-01179	Dog	Lab Mix	7/11/2008	S	ET	7/26/2008
09-01182	Dog	German Shepherd	7/11/2008	S	CBO	7/12/2008
09-01185	Dog	Lab Mix	7/11/2008	S	ET	7/18/2008
09-01186	Dog	Labrador Retriever	7/11/2008	S	ADOPT	8/29/2008
09-01188	Dog	Chihuahua Mix	7/11/2008	S	ET	7/18/2008
09-01189	Dog	Miniature Pinscher	7/11/2008	S	ET	7/18/2008
09-01190	Dog	Chihuahua Mix	7/11/2008	S	ET	7/18/2008

DOGS & CATS

Tuesday through Friday Impound = 343 Total Animals Impounded

7-8-2008 through 7-11-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-01191	Cat	Domestic Short Hair	7/11/2008	S	ES	8/2/2008
09-01192	Cat	Domestic Medium Hair	7/11/2008	IS	EI	7/11/2008
09-01193	Dog	German Shepherd	7/11/2008	S	CBO	7/18/2008
09-01194	Dog	Lab Mix	7/11/2008	R	ADOPT	7/26/2008
09-01195	Dog	Corgi Mix	7/11/2008	S	CBO	7/15/2008
09-01196	Dog	Lab Mix	7/11/2008	S	ADOPT	7/17/2008
09-01199	Cat	Domestic Short Hair	7/11/2008	SS	EY	7/15/2008
09-01200	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01201	Dog	Lab Mix	7/11/2008	SAFE	DIS	7/24/2008
09-01202	Dog	Pitbull Mix	7/11/2008	S	ET	7/24/2008
09-01204	Dog	Chihuahua	7/11/2008	IS	ADOPT	8/16/2008
09-01205	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01207	Cat	Domestic Short Hair	7/11/2008	FS	ES	7/16/2008
09-01208	Cat	Domestic Short Hair	7/11/2008	S	ES	7/18/2008
09-01209	Cat	Domestic Short Hair	7/11/2008	S	ES	7/18/2008
09-01210	Cat	Domestic Short Hair	7/11/2008	S	ES	7/16/2008
09-01212	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008
09-01224	Cat	Domestic Short Hair	7/11/2008	FS	EF	7/17/2008

IMPOUND COUNT
(Tuesday, 7-8-2008 through
Friday, 7-11-2008) = 343

OTHER ANIMALS

Sunday and Monday Impound = 5 Total Animals Impounded

7-6-2008 and 7-7-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-00541	Other	Squirrel	7/6/2008	IS	ES	7/6/2008
09-00619	Other	Bird	7/7/2008	S	EY	7/7/2008
09-00635	Other	Rabbit	7/7/2008	S	ADOPT	4/29/2009
09-00655	Other	Chicken	7/7/2008	S	ADOPT	7/11/2008
09-00719	Other	Pigeon	7/7/2008	IS	EI	7/7/2008

IMPOUND COUNT (Sunday, 7-6-2008 and Monday, 7-7-2008) = 5

OTHER ANIMALS

Tuesday through Friday Impound = 36 Total Animals Impounded

7-8-2008 through 7-11-2008

SoftSlip	Species	Breed	ImpoundDate	ImpoundCode	Action	ActionDate
09-00753	Other	Bird	7/8/2008	SS	EY	7/8/2008
09-00836	Other	Crow	7/8/2008	IS	ET	7/13/2008
09-00880	Other	Crow	7/9/2008	IS	EI	7/9/2008
09-00881	Other	Opossum	7/9/2008	S	RTW	7/9/2008
09-00918	Other	Rabbit	7/9/2008	S	ADOPT	7/17/2008
09-00937	Other	Dove	7/9/2008	IS	RTW	7/10/2008
09-00970	Other	Crow	7/9/2008	IS	EI	7/9/2008
09-00981	Other	Bird	7/9/2008	IS	EY	7/9/2008
09-00982	Other	Pigeon	7/9/2008	IS	EI	7/9/2008
09-00983	Other	Duck	7/9/2008	S	RED	7/14/2008
09-00984	Other	Duck	7/9/2008	S	RED	7/14/2008
09-00985	Other	Duck	7/9/2008	S	RED	7/14/2008
09-00986	Other	Duck	7/9/2008	S	RED	7/14/2008
09-00987	Other	Duck	7/9/2008	S	RED	7/14/2008
09-00988	Other	Duck	7/9/2008	S	RED	7/14/2008
09-00990	Other	Opossum	7/9/2008	IS	EI	7/9/2008
09-01008	Other	Opossum	7/10/2008	S	DIS	7/10/2008
09-01035	Other	Crow	7/10/2008	IS	ADOPT	7/11/2008
09-01039	Other	Turtle	7/10/2008	IS	ADOPT	12/31/2008
09-01049	Other	Pigeon	7/10/2008	IS	EI	7/10/2008
09-01053	Other	Opossum	7/10/2008	S	RTW	7/10/2008
09-01055	Other	Pig	7/10/2008	R	ADOPT	9/5/2008
09-01073	Other	Crow	7/10/2008	IS	EI	7/10/2008
09-01101	Other	Opossum	7/11/2008	S	RTW	7/11/2008
09-01112	Other	Pigeon	7/11/2008	SS	EY	7/11/2008
09-01123	Other	Opossum	7/11/2008	S	RTW	7/13/2008
09-01197	Other	Guinea Pig	7/11/2008	S	EI	7/11/2008
09-01215	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01216	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01217	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01218	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01219	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01220	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01221	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01222	Other	Duck	7/11/2008	S	RED	7/14/2008
09-01433	Other	Duck	7/8/2008	R	RED	8/29/2008

IMPOUND COUNT
(Tuesday, 7-8-2008 through
Friday, 7-11-2008) = 36

JULY 2008

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

July Holidays
Independence Day - 4

Tab 6

FY 2008-09

Southeast Animal Control Agency
Legislatively Mandated Animal Adoption Program
FY 2008-09
Audit ID # S11-MCC-006
Raw Data - Eligible Other Animals

Care and maintenance for impounded Stray or abandoned Other Animlas
Eligible Other Animals are:
1. (Other Animals) that die during the increased holding period (Other Animals that die days 2, 3, 4, 5, and 6) or
2. (Other Animals) that are ultimately euthanized (after the holding period. Euthanized days 7, 8, 9, and beyond)

Eligible Other Claimed	Eligible Other
127	100

G.15.PS

G.6.4

	SoftSlip	Species	Breed	poundDateSh	How Animal Came into Shelter ImpoundCode	Final Disposition of Animal Action	ctionDateShor	Days Impoundec with NO TIME WHOLE DAYS	Auditor Notes
	(a)	(b)	(c^)	(d)	(e)	(f)	(g)	(h) = (g)- (d)+1	
1	09-32251	Other	Bird	6/23/2009	S	DIS	6/23/2009	1	Wild?
2	09-27275	Other	Pigeon	5/12/2009	IS	DIS	5/12/2009	1	
3	09-21997	Other	Pigeon	3/17/2009	S	DIS	3/17/2009	1	
4	09-27440	Other	Cockatiel	5/13/2009	S	DIED	5/14/2009	2	
5	09-27837	Other	Duck	5/16/2009	SS	DIED	5/17/2009	2	Wild?
6	09-12538	Other	Goose	10/29/2008	IS	DIED	10/30/2008	2	
7	09-29619	Other	Cockatiel	6/2/2009	IS	DIS	6/3/2009	2	
8	09-22252	Other	Duck	3/20/2009	IS	DIS	3/21/2009	2	Wild?
9	09-30117	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
10	09-30119	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
11	09-30120	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
12	09-30121	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
13	09-30122	Other	Duck	6/5/2009	S	DIS	6/6/2009	2	Wild?
14	09-06405	Other	Pigeon	8/27/2008	IS	DIS	8/28/2008	2	
15	09-15263	Other	Pigeon	12/4/2008	IS	DIS	12/5/2008	2	
16	09-27339	Other	Pigeon	5/12/2009	IS	DIS	5/13/2009	2	
17	09-29904	Other	Pigeon	6/3/2009	IS	DIS	6/4/2009	2	
18	09-31398	Other	Pigeon	6/15/2009	IS	DIS	6/16/2009	2	
19	09-30151	Other	Pigeon	6/5/2009	S	DIS	6/6/2009	2	
20	09-10919	Other	Rabbit	10/10/2008	S	DIS	10/11/2008	2	Wild?
21	09-15783	Other	Dove	12/12/2008	IS	DIED	12/14/2008	3	Wild?
22	09-07923	Other	Duck	9/11/2008	IS	DIED	9/13/2008	3	Wild?
23	09-10252	Other	Bird	10/4/2008	IS	DIS	10/6/2008	3	Wild?
24	09-16775	Other	Bird	12/29/2008	IS	DIS	12/31/2008	3	Wild?
25	09-28362	Other	Duck	5/21/2009	IS	DIS	5/23/2009	3	Wild?
26	09-28363	Other	Duck	5/21/2009	IS	DIS	5/23/2009	3	Wild?
27	09-28364	Other	Duck	5/21/2009	IS	DIS	5/23/2009	3	Wild?
28	09-13043	Other	Duck	11/3/2008	SS	DIS	11/5/2008	3	Wild?
29	09-13044	Other	Duck	11/3/2008	SS	DIS	11/5/2008	3	Wild?
30	09-13045	Other	Duck	11/3/2008	SS	DIS	11/5/2008	3	Wild?
31	09-09579	Other	Pigeon	9/27/2008	IS	DIS	9/29/2008	3	
32	09-17557	Other	Pigeon	1/10/2009	IS	DIS	1/12/2009	3	
33	09-28521	Other	Pigeon	5/22/2009	IS	DIS	5/24/2009	3	
34	09-01451	Other	Bird	7/14/2008	S	DIS	7/18/2008	5	Wild?
35	09-01453	Other	Bird	7/14/2008	S	DIS	7/18/2008	5	Wild?
36	09-13110	Other	Duck	11/4/2008	SS	DIS	11/8/2008	5	Wild?

FY 2008-09

37	09-30354	Other	Bird	6/7/2009	S	DIS	6/12/2009	6	Wild?
38	09-20344	Other	Rabbit	2/23/2009	IS	EI	2/28/2009	6	Wild?
39	09-09533	Other	Rabbit	9/27/2008	R	EI	10/2/2008	6	Wild?
40	09-01604	Other	Rooster	7/15/2008	S	ET	7/20/2008	6	Wild?
41	09-20375	Other	Rooster	2/23/2009	S	ET	3/1/2009	7	Wild?
42	09-17595	Other	Rooster	1/10/2009	S	ET	1/17/2009	8	Wild?
43	09-02556	Other	Pigeon	7/24/2008	S	ET	8/1/2008	9	
44	09-14383	Other	Rabbit	11/22/2008	FS	ET	11/30/2008	9	Wild?
45	09-22625	Other	Rabbit	3/25/2009	R	ET	4/2/2009	9	Wild?
46	09-12370	Other	Rabbit	10/27/2008	S	ET	11/4/2008	9	Wild?
47	09-12379	Other	Rabbit	10/27/2008	S	ET	11/4/2008	9	Wild?
48	09-16995	Other	Rooster	1/2/2009	S	ET	1/10/2009	9	Wild?
49	09-04713	Other	Rabbit	8/12/2008	S	ET	8/21/2008	10	Wild?
50	09-06712	Other	Rabbit	8/30/2008	S	ET	9/9/2008	11	Wild?
51	09-15007	Other	Rabbit	12/1/2008	S	ET	12/11/2008	11	Wild?
52	09-15874	Other	Rabbit	12/13/2008	S	ET	12/23/2008	11	Wild?
53	09-21045	Other	Rabbit	3/5/2009	SS	ET	3/15/2009	11	Wild?
54	09-04553	Other	Rooster	8/11/2008	R	ET	8/21/2008	11	Wild?
55	09-08386	Other	Pigeon	9/15/2008	IS	ES	9/27/2008	13	
56	09-13519	Other	Pigeon	11/9/2008	S	ES	11/21/2008	13	
57	09-12950	Other	Rabbit	11/3/2008	SS	ES	11/15/2008	13	Wild?
58	09-08392	Other	Bird	9/15/2008	SS	ET	9/27/2008	13	Wild?
59	09-06362	Other	Rabbit	8/27/2008	S	ET	9/9/2008	14	Wild?
60	09-12083	Other	Rabbit	10/23/2008	S	ET	11/5/2008	14	Wild?
61	09-20592	Other	Rabbit	2/26/2009	S	ET	3/11/2009	14	Wild?
62	09-20593	Other	Rabbit	2/26/2009	S	ET	3/11/2009	14	Wild?
63	09-09531	Other	Rabbit	9/27/2008	R	ET	10/11/2008	15	Wild?
64	09-20534	Other	Rabbit	2/25/2009	S	ET	3/11/2009	15	Wild?
65	09-22124	Other	Rabbit	3/18/2009	S	ET	4/2/2009	16	Wild?
66	09-10777	Other	Rooster	10/9/2008	S	ET	10/24/2008	16	Wild?
67	09-10779	Other	Rooster	10/9/2008	S	ET	10/24/2008	16	Wild?
68	09-04218	Other	Guinea Pig	8/8/2008	R	EI	8/24/2008	17	
69	09-07887	Other	Pigeon	9/10/2008	IS	ET	9/26/2008	17	
70	09-16387	Other	Rooster	12/22/2008	S	ET	1/7/2009	17	Wild?
71	09-13134	Other	Pigeon	11/4/2008	IS	ES	11/21/2008	18	
72	09-11684	Other	Rabbit	10/18/2008	S	ET	11/4/2008	18	Wild?
73	09-13183	Other	Hamster	11/5/2008	S	ET	11/24/2008	20	
74	09-05766	Other	Rabbit	8/21/2008	S	ET	9/9/2008	20	Wild?
75	09-04955	Other	Pigeon	8/14/2008	IS	EI	9/3/2008	21	
76	09-03492	Other	Rabbit	8/1/2008	S	ET	8/21/2008	21	Wild?
77	09-09238	Other	Rabbit	9/23/2008	S	ET	10/14/2008	22	Wild?
78	09-21667	Other	Rabbit	3/12/2009	S	ET	4/2/2009	22	Wild?
79	09-09020	Other	Rabbit	9/22/2008	IS	ET	10/14/2008	23	Wild?
80	09-20345	Other	Rabbit	2/23/2009	IS	EI	3/19/2009	25	Wild?
81	09-20916	Other	Rabbit	3/3/2009	S	ET	4/2/2009	31	Wild?
82	09-06940	Other	Rabbit	9/2/2008	S	ET	10/4/2008	33	Wild?
83	09-02092	Other	Rabbit	7/19/2008	S	ET	8/21/2008	34	Wild?
84	09-01688	Other	Rabbit	7/16/2008	S	ET	8/21/2008	37	Wild?
85	09-20380	Other	Rabbit	2/24/2009	S	ET	4/2/2009	38	Wild?
86	09-15930	Other	Rabbit	12/15/2008	R	ET	1/25/2009	42	Wild?
87	09-22194	Other	Rabbit	3/19/2009	S	ET	5/1/2009	44	Wild?
88	09-19954	Other	Rabbit	2/17/2009	S	ET	4/2/2009	45	Wild?
89	09-19955	Other	Rabbit	2/17/2009	S	ET	4/2/2009	45	Wild?
90	09-15753	Other	Rabbit	12/11/2008	S	ET	1/25/2009	46	Wild?

FY 2008-09

91	09-08499	Other	Rabbit	9/16/2008	S	ET	11/4/2008	50	Wild?
92	09-19722	Other	Rabbit	2/12/2009	S	ET	4/2/2009	50	Wild?
93	09-05764	Other	Rabbit	8/21/2008	S	ET	10/11/2008	52	Wild?
94	09-04717	Other	Rabbit	8/12/2008	S	ET	10/4/2008	54	Wild?
95	09-19122	Other	Rabbit	2/3/2009	R	ET	4/2/2009	59	Wild?
96	09-19463	Other	Rabbit	2/9/2009	S	EI	4/9/2009	60	Wild?
97	09-13563	Other	Rabbit	11/10/2008	S	EB	1/17/2009	69	Wild?
98	09-02097	Other	Rabbit	7/19/2008	S	ET	10/11/2008	85	Wild?
99	09-11094	Other	Rabbit	10/13/2008	S	ET	1/25/2009	105	Wild?
100	09-04716	Other	Rabbit	8/12/2008	S	ES	1/15/2009	157	Wild?

100 total other animals allowed

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

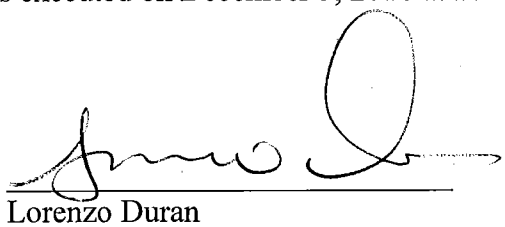
I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On December 5, 2016, I served the:

SCO Comments on the Draft Proposed Decision
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 December 5, 2016 at Sacramento, California.



Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 9/27/16

Claim Number: 14-9811-I-03

Matter: Animal Adoption

Claimant: Southeast 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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RECEIVED
December 06, 2016
Commission on State Mandates

LATE FILING

December 5, 2016

Ms. Heather Halsey
Executive Director
Commission on State Mandates
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Sacramento, CA 95814

Response to Commission Draft Proposed Statement of Decision
SEAACA, Animal Adoption IRC 14-9811-I-03

Dear Ms. Halsey,

Please accept our response to the Commission Staff Draft Proposed Statement of Decision. SEAACA requests clarification on the following issues.

ISSUE – Calculation of Care and Maintenance Costs.

SEAACA questions the CSM statement that "the Claimant did not comply with the "Actual Cost" method of computing Care and Maintenance costs and that the he Calculation of Care and Maintenance Costs stating that it did not comply with the "Acutal Cost " method of computing. The Claimant elected to use the "Actual Cost Method".

We used the Actual Expenditures of the SHELTER OPERATIONS division and divided it by the average daily census as required, to determine a cost per animal per day. (See pages 11-13 of IRC and Attachment 4 of Claimant's December 17th Response to SCO).

The State Claiming Instructions define "A direct cost is a cost that can be identified specifically with a particular program or activity." We believe that is what costs are detailed in the Kennel and Shelter Accounting Units and which were used to determine a cost per animal per day as detailed in the instructions. (see ICR, Attachment 4)

SCO states that some of the costs in the cost pool were direct for other programs such as "Holding Period" and "Lost and Found Lists". . We request a more detail analysis by COSM staff to determine appropriate cost.

Actual Salary and Benefits were included for:

- Animal Care Techs, & Senior/Lead Animal Care Techs: Animal Attendants = Direct
- Office Supervisor: Shelter supervisor = Indirect
- Clerks/Cashiers/Dispatchers : Clerical/ front counter duties = indirect

Actual expenditures of the department services and supplies were included for:

- Shelter Supplies
- Uniforms and Accessories- Employee boots and uniforms

- Shelter maintenance- Shelter
- Utilities: Electricity, Gas, Telephone, Water

As instructions specified, we added direct and indirect costs required to operate the shelter, then divided by the total annual census. The resulting cost per day using the SCO's calculated total annual census count was about double what the State allowed in its audit. It is possible that the SCO incorrectly calculated costs and denied SEAACA of actual costs incurred to comply with the mandate.

Prompt and Necessary Veterinary Care:

Local agencies are supposedly eligible for reimbursement of the following: "Necessary and Prompt Veterinary care" for stray and abandoned animals that die or are ultimately euthanized during the holding period specified. This includes:

1. An initial physical exam to determine if the animal is treatable/adoptable
2. A wellness vaccine
3. Veterinary care to stabilize and relieve the suffering of adoptable animal
4. Veterinary care to remedy any applicable disease, injury, or hereditary condition that adversely affects the health of treatable animals.

During the audit, the SCO allowed SEAACA to conduct a time study to determine time spent on items 1 and 2. Items 3 and 4 they said could not be claimed in this manner because treatments were not uniform and repetitive activities 1 and 2 were. SCO and CSM positions are that only actual documentation of these costs would be acceptable to prove costs for items 3 and 4.

In FY 2008-09, SEAACA cared for approximately 24,000 animals. Of this number, we found that over 17,000 were stray and ultimately euthanized. Claimants are only given 120 calendar days from release of claiming instructions, or 86 business days (680 hours) to prepare a claim for submission to the State. That would mean that if an agency dedicated two full time people for an entire year to research the veterinary records of each animal in order to be able to claim for their costs under the "actual cost" method specified, they would not be able to file for the claim on time due the number records.

As CSM is aware, the cost of preparing claims for State Reimbursement is not reimbursable but must be borne exclusively by the claimant.

SEAACA used the same method allowed for calculating "Care and Maintenance Costs"; to compute the Veterinary costs as there was no other viable alternative. This method is allowed under State Claiming Instructions to calculate a Unit Cost for Materials and Supplies where a unit cost for each item is calculated then multiplied by the number of reimbursable units. (see State Controller Local Agencies Mandated Cost Manual, Page 8 and 9 or IRC pages 144-145)

Commission staff objected to the claimant application of the "Actual Cost Method" to calculate eligible Prompt and Necessary Veterinary Costs, but what is being required is impossible to comply with. Based on our review of all the claims audited by the State, it appears NO agency was successfully able to claim for these costs or was reimbursed for these supposedly eligible activities.

Making rules that are impossible to comply with in order to obtain reimbursement violates the intent of the law and local agencies Constitutional right to obtain reimbursement for State Mandated programs.

1) The purpose of OMA A-87 (see page 3 of Federal Guidelines or Attachment 3, in Claimant's December 17 Response to SCO, page 48) "A. Purpose and Scope, The principles are designed to provide that Federal awards bear their fair share of costs recognized under these principles...State Claiming instructions allow the distribution of costs of a reasonable allocation basis. (see State Controller Local Agencies Mandated Cost Manual, Page 8 and 9 or IRC pages 144-145)

2) The State Claiming instructions and OMB A-87 address these issues and the guidelines direct how these types of situations should be handled.

The claimant's method was in compliance with these guidelines by using an Actual Cost approach to determine a fair allotment of the "Fair Share" of eligible costs based on a cost per unit. CSM and SCO must determine a reasonable method of allowing agencies to claim their "fair share" of eligible costs. If no reasonable method is available, the State is not acting in good faith to the Constitutional requirements.

SCO faced with a similar dilemma when calculating costs relied on a similar mathematical approach to computing costs. Page 8 of the Hayward SCO Response states: "The Commission suggests in its DPD that the SCO should evaluate each animal's intake information to determine the actual increased holding period of each animal." "In order to compute the actual increased holding period days for every animal on an individual bases, we would need to know on what day of the week the animal was impounded. In order to find this information, someone would have to manually open each animal records and check...This task would be impractical and most likely would not produce results materially different from using an average calculation...The use of a mathematical average assumes some outliers. But in this case, it provides the most reasonable and cost-effective way to analyze large qualities of animal data. In fact, we believe that the large size of the animal population makes the use of an average value more accurate and decreases the probability of error."

We agree with the SCO that use of mathematical formulas and averages is the only reasonable and fair approach to calculating some of the eligible reimbursable costs related to this mandate due to the large quantity of animal data. We request that the approach used by the claiming for calculating costs of activities 3 and 4 for Veterinary costs that the SCO and CSM suggest another alternate feasible method of fairly compensating local agencies for these reimbursable, State Mandated activities.

ISSUE – Exclusion of animals that were "ultimately euthanized" prior to the end of the mandated holding period

We question but understand the Commission believes that the Purifoy decision must be applied retroactively, however, we would like to request a more clear explanation as to why eligible care and

maintenance and prompt and necessary veterinary care for eligible animals that were euthanized prior to the expiration of the holding period are excluded from reimbursement.

It is our understanding that:

1) It is local agencies Constitutional right to obtain reimbursement for State Mandated programs. (Article XIII B, Section 6 of the California Constitution)

2) 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 cost...incurred as a result of statutes which mandate a new program or a higher level of service. (2002 General Claiming Instructions)

3) The local agency made a good faith effort to comply with the State Mandated program – specifically to provide additional days of care and maintenance as required by the Hayden Bill – (the Animal Adoption program) and to deny them those costs incurred is in direct contraction of Government Code Sections 17500 through 17617 which provide for the reimbursement of costs incurred by local agencies for costs mandated by the State.

   SCO acknowledges that "...many animal shelters were operating under the assumption that they could count Saturday as a business day to calculate the holding period of the animal." If the legislature passed a law that was unclear and required legal action and many years later clean up legislation (AB 222) to clarify the requirements of what constitute a "business day", then local agencies should not be punished for the deficiencies in legislative language incorrect interpretations which were universally shared and should be reimbursed for all costs that they incurred in good faith.

4) Commission staff agrees that the plain language of "The Parameters and Guidelines provide that local agencies are eligible to receive reimbursement for care and maintenance and prompt and necessary veterinary costs for those animals "that die during the increased holding period or are ultimately euthanized".

   The Commission Draft Decision states on page 13 of its Draft Proposed Decision that the word "Die" can include both death by natural causes and death by euthanasia." Therefore the word die can include euthanasia, and thus local agencies should be eligible to receive reimbursement for care and maintenance and prompt and necessary veterinary cost for those animals that die (including death by euthanasia) or are ultimately euthanized.

   SCO acknowledges that there was no clear definition of "Ultimately Euthanized" and there is no support in the SCO interpretation that this means "after the holding period". Webster Dictionary's definition of "Ultimately" is = "in the end" or "eventually".

   Since the plain language of the mandate documents state that care and maintenance is reimbursable for stray, ultimately euthanized animals. It does not state "Ultimately euthanized after completion of the entire holding period" as the SCO has interpreted.

Local agencies would not have had to provide even an extra day of service had it not been for the State Mandate requirements, so isn't proof of actual cost incurred not enough to obtain the reimbursement due to them?

Commission staff analysis on page 45 of the Draft Proposed Decision discuss their logic of allowing costs of providing for the care and maintenance of stray/euthanized animals that were euthanized prior to the entire holding period due to the change in the condition of the animal.

There was no discussion of animals that die during the increased holding period in the Test Claim Statement of Decision.

Not allowing partial credit or reimbursement for days of service provided in agency's attempt to comply with the mandate denies them of actual costs incurred while endeavoring to comply with the State Mandate is in violation of Constitutional right to obtain reimbursement for mandates imposed by the State.

Even if the agency provided one extra day of service, payment must be remitted to the local agency

Commission staff recommendation implies that strict and perfect compliance is necessary in order to obtain reimbursement. We believe that this was not the intent of Government Code Sections 17500 through 17617 which provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. If the agency made a good faith effort to comply with the mandate, incurred costs to comply, and can demonstrate that actual costs were incurred, that should be enough.

ISSUE – Exclusion of animals that were "ultimately euthanized" after the expiration of the mandated holding period

Commission Draft Decision states "Staff finds that the Controller's exclusion of animals that died after the increased holding period is consistent with Parameter and Guidelines and is correct as a matter of law. The Parameters and Guidelines do not authorize reimbursement for animals that continue to be held by the local agency for adoption longer than the holding period and die thereafter."

We request clarification. Agencies are not asking to be reimbursed for the additional days of holding they provided beyond the mandated period, only the two days required of them by law. Denying local agencies payment for the two extra holding days of eligible costs contradicts the intent of Government Code Sections 17500 through 17617 which provide for the reimbursement of costs incurred by local agencies for costs mandated by the State.

ISSUE – Commission Analysis of Indirect Costs (Finding 6).

None of the items brought up in our IRC pertaining to alleged incorrect SCO calculation of our ICRPs were allowed or even discussed for consideration in the Commission Draft Decision, though we have provided evidence that those costs were deemed Eligible Indirect Costs by the Federal OMB as well as the State Indirect Cost Guidelines. We attempted to have these issues address by the SCO during the course of the audit (see attached detailed correspondences) but only had partial success.

Commission states that they do not have to review the correctness or detailed issues and concerns raised by the local agency related to the correctness of the SCO's ICRP calculations. The Commission Draft Decision states "Moreover, the Controller's audit decisions and recalculations of indirect costs, so long as it is correct as a matter of law, is entitled to deference: When reviewing the exercise of discretion, the scope of review is limited out of deference to the agency's authority and presumed expertise." "In general....the inquiry is limited to whether the decision was arbitrary, capricious or entirely lacking in evidentiary support..."

We respectfully question this statement. "Government Cost section 17551 (d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district." Incorrect calculations lead to incorrect and reduced payments to local agencies. In addition, The Commission bears the highest level of responsibility to local agencies since they are the only recourse to obtaining a fair and complete review of their complaint against the SCO. Commission's Draft Decision states on page 4, "The Commission is vested with exclusive authority to adjudicate disputes ..." in these State Mandate areas.

By the Commission "deferring to the SCO" in their calculation of ICRP rate, it appears it is simply rubber stamping SCO actions and denying local agencies to a complete and fair review of their complaints that the SCO has incorrectly reduced their payments. Since much of the costs are determined by these detailed calculations, it appears the CSM is thereby granting SCO full impunity to self-regulate and denies local agencies a true review for correctness of their payments. These disallowances reduce our claim materially and we feel the CSM analysis did not delve into the details deeply enough and deny our agency the actual costs incurred as is required under the Government Code.

We would appreciate responses addressing each issue raised including:

> Why were costs determined to be eligible under Federal OMB-A87 ICRP guidelines (such as Uniforms and Office Equipment) not included by the SCO in the calculation of their ICRP / Overhead rates?
>
> Why Clerical Staff was omitted from the SCO ICRP rate even though it is an allowable cost under Federal OMB-A87 guideline and the their own instructions on proper filing an ICRP?
>
> Why almost half of all the Lead Animal Control Technician cost were omitted from inclusion of "Direct costs" of Care and Maintenance or in the "Indirect costs" when all their time (as shown in their job descriptions was all dedicated in some way to the care and maintenance of animals)?

SCO's calculation of an Agency Wide ICRP rate, rather than a rate for each division, is supported by CSM. We have no issue with use of an Agency wide rate, however we do have an issue with how the SCO computed that rate. These issues were raised during the course of the audit and we have attached some of the email correspondences between claimant and SCO to illustrate these discussions and the lack of resolution.

Many of the eligible indirect costs from the other divisions (such as Animal Control, Veterinary) were not included in the SCO's calculation. For example, no administrative or support staff were included into their calculation of the rate. Also, many costs that are deemed eligible by Federal and State guidelines were not included. These issues were raised during the course of the audit, but were not fully responded to. We request that these omissions be reviewed by the Commission and corrected to

ensure the correctness of the calculations so that claimant is reimbursed fulling for its actual costs incurred.

We would be happy to meet with staff to address each issue raised.

Sincerely,

Sally Hazzard
Executive Director of SEAACA

DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

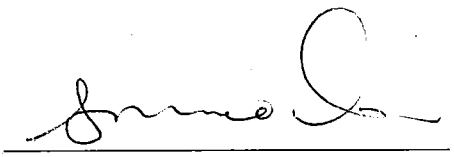
I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On December 6, 2016, I served the:

Claimant Late Comments on the Draft Proposed Decision
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 December 6, 2016 at Sacramento, California.



Lorenzo Duran
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COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 9/27/16

Claim Number: 14-9811-I-03

Matter: Animal Adoption

Claimant: Southeast 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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Hearing Date: August 23, 2001
F:/mandates/98TC11/PsGs/Aug01hrg

ITEM 8

STAFF'S PROPOSED 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

Executive Summary

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."

On January 25, 2001, 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).

Staff Analysis

On January 19, 2001, before the Commission adopted the Statement of Decision, the claimant submitted its Proposed Parameters and Guidelines. Over the next few months, the Commission received comments from several interested parties and persons, conducted a pre-hearing conference, and requested additional briefing from the parties. Staff reviewed the claimant's proposed and revised parameters and guidelines, as well as the other comments and briefs filed by interested parties and persons. A summary of the most pertinent issues raised by the parties, and staff's Proposed Parameters and Guidelines (beginning on page 15) are discussed below.

Period of Reimbursement

The claimant requests reimbursement from the *enactment* date of the test claim legislation. However, based on article IV, section 8 of the California Constitution and case law interpreting that provision, a statute has no force for any purpose until it becomes effective and operative. Thus, the period of reimbursement identified in staff's Proposed Parameters and Guidelines begins on the effective and operative dates of the test claim legislation, rather than the enactment date.

Reimbursable Activities

Staff's Proposed Parameters and Guidelines identifies the activities listed in the Commission's Statement of Decision, and proposes the inclusion of the activities and clarifying language described below:

- Policies and Procedures/Training: The claimant requests reimbursement for the one-time activities of developing policies and procedures, and training. Staff finds that these activities are reasonably necessary to carry out the mandate and has listed these activities as one-time activities.
- Procurement of medical, kennel, and computer equipment: The claimant requests reimbursement to procure medical, kennel, and computer equipment necessary to comply with the reimbursable activities. Staff finds that this activity is reasonably necessary to carry out the mandate and has listed this activity as a one-time activity, as proposed by the claimant.
- Development or procurement of computer software: The claimant requests reimbursement to develop or procure computer software "to meet the information processing requirements of the test claim legislation." Staff finds that developing

or procuring software to maintain non-medical records on impounded animals is reasonably necessary to carry out the mandate and has listed this activity as a one-time activity, as proposed by the claimant.

- Construction/Renovation of Facilities: The claimants, and several interested parties, request reimbursement for the construction of new facilities and/or remodeling and renovation of existing facilities to comply with the increased holding period for dogs, cats, and other specified animals. Staff finds facility construction, renovation, and/or remodeling is reasonably necessary to provide appropriate space 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 are ultimately euthanized because the test claim legislation expanded the list of animals local agencies are required hold and increased the holding period for dogs and cats. To ensure that the construction of new facilities, or the remodeling/renovation of existing facilities is directly related to this mandated program, staff included language in the Proposed Parameters and Guidelines requiring eligible claimants to submit documentation with their reimbursement claims evidencing that the governing board (in the case of new construction) or a delegated representative (in the case of a remodel/renovation job) made findings that the construction and/or renovation was required because of the increased holding periods, and was the most feasible solution.
- Care and Maintenance of Impounded Stray or Abandoned Animals that are Ultimately Euthanized: The claimant proposes the use of a unit cost for claiming reimbursement for this activity. Staff disagrees with the use of the unit cost because there is no evidence in the record to support the conclusion that the proposed unit cost is representative of agencies statewide. Staff agrees with the use of the actual cost method proposed by the claimant, and the time study language proposed by the State Controller's Office to claim reimbursement for this activity and, thus, the Proposed Parameters and Guidelines identifies these claiming methods.
- "Reasonable and Necessary Veterinary Care": The Proposed Parameters and Guidelines defines "necessary and prompt veterinary care" as all reasonable medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals "adoptable" during the increased holding periods specified in Statutes of 1998, chapter 752. 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".

Eligible claimants are *not* entitled to reimbursement for emergency treatment given to 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; or euthanasia.

Offsetting Savings and Other Reimbursements

The Proposed Parameters and Guidelines identify the statutes listed in the Statement of Decision that the Commission found provided local agencies with revenue to offset the costs of the mandated program. In addition, the State Controller's Office contends that rewards are a source of offsetting revenue. Staff disagrees. As indicated on pages 31 and 32 of the Commission's Statement of Decision, the test claim legislation, in Civil Code section 1845, authorizes local agencies to accept advertised rewards or rewards freely offered by the owner of the animal. The Commission recognized, however, that rewards only provide reimbursement to local agencies for the care and maintenance of a stray or abandoned animal when the owner *is* known. The Commission *denied* reimbursement for the care and maintenance of animals when the owner is known (i.e., animals relinquished or redeemed by the owner). Thus, reward money does not reimburse the local agency for the population of animals that are eligible for reimbursement under this mandated program (i.e., stray or abandoned animals that are not adopted or redeemed, but are ultimately euthanized). Accordingly, staff finds that including rewards as an offset is inconsistent with the Commission's Statement of Decision.

Staff Recommendation

Staff recommends that the Commission adopt staff's Proposed Parameters and Guidelines, which begins on page 15.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

Claimants

County of Los Angeles, City of Lindsay, County of Tulare, County of Fresno, and Southeast Area Animal Control Authority (SEAACA)

Chronology

1-19-01	Claimant, County of Los Angeles, submits Proposed Parameters and Guidelines
1-25-01	Commission adopts Statement of Decision
2-28-01	Department of Finance submits comments
2-28-01	County of San Diego submits comments
3-03-01	Interested person, Maggie Wehinger, submits comments
3-07-01	Interested person, Lois Newman of The Cat and Dog Rescue Association, submits comments
3-07-01	City of Lindsay submits comments
3-12-01	County of Fresno submits comments
3-14-01	County of Tulare submits comments
3-27-01	County of Tuolumne submits comments
3-30-01	State Controller's Office submits comments
4-27-01	Staff holds pre-hearing conference
5-01-01	Staff issues letter requesting additional briefing
5-21-01	Merced County submits additional briefing
5-24-01	County of Santa Clara submits additional briefing
5-30-01	County of Tehama submits additional briefing
5-30-01	County of Fresno submits additional briefing
5-31-01	County of Los Angeles submits additional briefing and revisions to Proposed Parameters and Guidelines
5-31-01	County of San Diego submits additional briefing
5-31-01	County of Tulare submits additional briefing
6-01-01	State Controller's Office submits additional briefing
6-01-01	Interested person, Lois Newman of The Cat and Dog Rescue Association, submits additional briefing
6-11-01	Contra Costa County submits additional briefing

STAFF ANALYSIS

On January 19, 2001, before the Commission adopted the Statement of Decision, the claimant submitted its proposed parameters and guidelines. Over the next few months,

the Commission received comments from several interested parties and persons, conducted a pre-hearing conference, and requested additional briefing from the parties. Staff reviewed the initial proposed parameters and guidelines and the revised parameters and guidelines submitted by the claimant, County of Los Angeles, as well as the other comments and briefs filed by interested parties and persons. Based on these comments, staff prepared the Proposed Parameters and Guidelines, beginning on page 15. Non-substantive changes were made to some of the reimbursable activities listed in Section IV., and to Sections V. through IX. of the Proposed Parameters and Guidelines for the purposes of clarification, conformity to the Statement of Decision, and consistency with language in recently adopted parameters and guidelines.

A summary of the most pertinent issues raised by the parties, and staff's Proposed Parameters and Guidelines are discussed below.

III. Period of Reimbursement

Claimant contends that the period of reimbursement begins on September 23, 1998, the *enactment* date of the test claim legislation.[1] Staff disagrees with the claimant's contention.

With the exception of Section 21 of the test claim legislation (Statutes of 1998, Chapter 752), the test claim legislation became operative and effective on January 1, 1999. Section 21 established a delayed operative date of July 1, 1999 for the holding period for stray dogs and cats (Food & Agr. Code, §§ 31108, 31752). The test claim legislation does not contain an urgency clause.[2]

Providing for reimbursement *before* the effective date of a statute, as proposed by claimant, conflicts with article IV, section 8 of the California Constitution. That section, and California courts interpreting that section, provide that a statute becomes operative on one of three dates. If the legislation contains an urgency clause, it becomes effective immediately upon the Governor's signature and transmittal to the Secretary of State. If the legislation does not contain an urgency clause, it becomes effective on January first following the date the Governor signed the bill. A bill can also contain a delayed operative date, where it goes into effect on January first, but does not become operative until a later date. Until a statute becomes effective and operative, it has no force for any purpose.[3]

Accordingly, section III, Period of Reimbursement, of staff's Proposed Parameters and Guidelines states that the period of reimbursement for the activities associated with the holding period for stray dogs and cats begins on or after July 1, 1999, and the period of reimbursement for all other reimbursable activities begins on or after January 1, 1999.

[1] Exhibit B, Claimant's Proposed Parameters and Guidelines dated January 19, 2001.

[2] Exhibit W, Statutes of 1998, Chapter 752.

[3] Exhibit X, *People v. Camba* (1996) 50 Cal.App.4th 857; 58 Cal Jur 3d, section 18, page 330.

IV. Reimbursable Activities

A. One-Time Activities

The claimant requests reimbursement for developing policies and procedures, and to train staff on the implementation of the reimbursable activities. Staff finds that these activities are reasonably necessary to carry out the mandate, and has listed these activities as one-time activities.[4]

The claimant also requests reimbursement for the one-time activity of procuring medical, kennel, and computer equipment, and developing or procuring computer software to meet the information processing requirements of the test claim legislation.[5] Staff finds that these activities are reasonably necessary to carry out the mandate. However, developing or procuring computer software "to meet the information processing requirements" is overly broad. Rather, staff has limited the development or procurement of software to the maintenance of records, as specified in the Commission's Statement of Decision. Thus, the Proposed Parameters and Guidelines includes the following one-time activities:

- Procure 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.
- 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.

B. Ongoing Activities

Construction of New Facilities/Remodeling or Renovating Existing Facilities

The claimants, and several interested parties, request reimbursement for the construction of new facilities and/or remodeling and renovation of existing facilities to comply with the increased holding periods for dogs, cats, and other specified animals.[6]

For example, the County of Los Angeles states that facility construction and/or renovation is reasonably necessary because adequate space is required to accommodate animals under the new holding period; to isolate infected animals in order to prevent the spread of disease; to provide increased animal housing in a safe manner, meeting local building codes and zoning ordinances; and to prevent fighting, starvation, and other care problems.[7]

The County of San Diego states that the test claim legislation in Civil Code sections 1834, 1846, and 2080 require that adequate shelter be provided to impounded animals.

[4] California Code Regulations, title 2, section 1183.1.

[5] Exhibit B, Claimant's Proposed Parameters and Guidelines dated January 19, 2001.

[6] See additional briefing from County of Fresno (Exhibit P), County of Tulare (Exhibit S), County of Santa Clara (Exhibit N), County of Tehama (Exhibit O), and Merced County (Exhibit M)

[7] Exhibit Q, County of Los Angeles additional briefing dated May 31, 2001.

The County contends that adequate shelter was construed at an American Humane Association conference as "housing that is appropriate for species, age, and size. The environment must meet temperature, health and safety requirements of the animal." The County further contends that the holding period of the test claim legislation resulted in a greater number of stray animals being housed in public shelters. Thus, they state that many shelters renovated and installed different and/or supplementary enclosures and temperature control/ventilation systems in order to provide "adequate shelter."[8]

The State Controller's Office states that the parameters and guidelines should require a certification from the claimant to ensure that construction or remodeling was required by the test claim legislation.

Staff finds facility construction, renovation, and/or remodeling is reasonably necessary to provide appropriate space 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 are ultimately euthanized.

The test claim legislation required, for the first time, that local agencies hold rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property for four to six business days from the day of impoundment. In addition, the test claim legislation increased the holding period for dogs and cats. Thus, local agencies are required to hold more animals, for a longer period of time.

However, to ensure that the construction of new facilities, or the remodeling/renovation of existing facilities is directly related to this mandated program, staff included language in the Proposed Parameters and Guidelines requiring eligible claimants to submit documentation with their reimbursement claims evidencing that the governing board (in the case of new construction) or a delegated representative (in the case of a remodel/renovation job) made findings that the construction and/or renovation was required because of the increased holding periods, and was the most feasible solution. The Proposed Parameters and Guidelines state the following:

> 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;

[8] Exhibit R, County of San Diego additional briefing dated May 31, 2001.

- 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).[9]

In addition, the Commission's Statement of Decision limited reimbursement for care and maintenance to impounded stray dogs, cats, and other specified animals that are *ultimately euthanized*. Thus, the Proposed Parameters and Guidelines clarify that eligible claimants are only entitled to reimbursement for the proportionate share of actual costs to plan, design, construct or remodel/renovate in a given year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in the test claim legislation that are ultimately euthanized to the total population of animals housed in the facility.

Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

The Commission's Statement of Decision states that providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized is a reimbursable activity. The increased holding period shall be measured by calculating the difference between three days from the day of capture (prior law), and four or six business days from the day after impoundment (test claim requirement).

The County of Los Angeles proposed three methods for claiming reimbursement for the cost of care and maintenance; the actual cost method; a time study, wherein the agency

[9] Assembly Bill 1482 was enacted in 1999 and authorized local agencies to delay the operative date of the holding periods required by the test claim legislation for one year, or until July 1, 2000, if the governing body of the agency determined that it, or its contractors, could not reasonably comply with the longer holding periods and adopted a resolution. The resolution had to contain findings to support the conclusion, including findings regarding the number of animals impounded before the enactment of the test claim legislation, and the number of animals expected to be impounded under the holding periods of the test claim legislation. (See Exhibit Y.)

would observe the labor time to care and maintain a random sample of dogs and cats to obtain an average labor cost per animal per day; and a unit cost of $5 per animal per day.

Staff disagrees with the use of the unit cost proposed by the claimant. There is no evidence in the record to support the conclusion that the proposed unit cost of $5 per animal per day is representative of local agency costs statewide for providing care and maintenance to impounded dogs and cats that are ultimately euthanized. Thus, staff's Proposed Parameters and Guidelines do not include a unit cost for this activity.

Staff agrees with the use of the actual cost method proposed by the claimant, and the time study language proposed by the State Controller's Office and, thus, identifies these methods in the Proposed Parameters and Guidelines on pages 20-21.

In addition, staff included language in the Proposed Parameters and Guidelines clarifying that the reimbursable population of animals for this activity is only those impounded stray or abandoned dogs and cats that are required to be housed during the holding period and that are ultimately euthanized. Specifically, the following population exclusions are identified:

> 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 (Commission's Statement of Decision, page 20); and
> - Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization (Commission's Statement of Decision, pages 30-31).

Care and Maintenance for Impounded Stray or Abandoned Animals that are Ultimately Euthanized (Food & Agr. Code, § 31753)

The Commission's Statement of Decision states that providing care and maintenance for four or six business days from the day after impoundment is reimbursable for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized.

The Proposed Parameters and Guidelines for this activity contains the same methods of claiming reimbursement, and the same population exclusions, as the activity of providing care and maintenance for impounded stray dogs and cats that are ultimately euthanized.

The only difference here is the period of reimbursement, which begins January 1, 1999 (as opposed to July 1, 1999 for impounded dogs and cats), and the holding period, which requires that these specified animals be held for the full four or six day period from the day after impoundment.

"Necessary and Prompt Veterinary Care" (Civ. Code, §§ 1834 and 1846)

The Commission's Statement of Decision states that providing "necessary and prompt veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized is reimbursable.

The language, "necessary and prompt veterinary care," is language expressed in Civil Code sections 1834 and 1846 of the test claim legislation. However, "necessary and prompt veterinary care" is not defined.

Staff requested additional briefing from the parties to define "necessary and prompt veterinary" care. Several parties proposed language defining the phrase. [10] Staff reviewed the comments and finds that the language proposed by the County of San Diego best reflects the intent of the test claim legislation. The Proposed Parameters and Guidelines state the following:

> 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 are ultimately euthanized, during the increased holding periods specified in Statutes of 1998, Chapter 752.
>
> "Necessary and prompt veterinary care" means all reasonable 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."

The above language is consistent with Civil Code section 1834.4, which was added by the test claim legislation. That section states the following:

[10] See additional briefing from the County of Los Angeles (Exhibit Q), the State Controller's Office (Exhibit T), the County of San Diego (Exhibit R), the County of Fresno (Exhibit P), the County of Santa Clara (Exhibit N), and Contra Costa County (Exhibit V).

(a) It is the policy of the state that no adoptable animal should be euthanized if it can be adopted into a suitable home. Adoptable animals include only those animals eight weeks of age or older that, at or subsequent to the time the animal is impounded or otherwise taken into possession, have manifested no sign of a behavioral or temperamental defect that could pose a health or safety risk or otherwise make the animal unsuitable for placement as a pet, and have manifested no sign of disease, injury, or congenital or hereditary condition that adversely affects the health of the animal or that is likely to adversely affects the animal's health in the future.

(b) It is the policy of the state that no treatable animal should be euthanized. A treatable animal shall include any animal that is not adoptable but that could become adoptable with reasonable efforts. This subdivision, by itself, shall not be the basis of liability for damages regarding euthanasia.

In addition, the Proposed Parameters and Guidelines contain language identifying veterinary procedures that are *not* reimbursable:

> Veterinary Care Exclusions
>
> Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:
>
> - Emergency treatment given to 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.

Staff has also included language in the Proposed Parameters and Guidelines clarifying that the reimbursable population of animals for this activity is only those impounded animals that are required to be housed during the holding period and are ultimately euthanized by identifying the population of animals that are excluded.

VII. Offsetting Savings and Other Reimbursements

The Commission's Statement of Decision states the following:

> The Commission further concludes that several statutes outside the test claim legislation that provide local agencies with revenues to offset the costs of the mandated program should be included in the Parameters and Guidelines as offsetting savings to the extent they are collected and received by the local agency. For example, local agencies have the authority to attribute part of the fees collected from owners for dog license tags and fines to pay salaries, costs, and expenses for the enforcement of animal control and emergency care of impounded animals. (Food & Agr.

> Code, § 30652; Pen. Code, § 597f.) Local agencies also have the authority to use a portion of the unclaimed spay and neuter deposits and fines collected for not complying with spay and neuter requirements to the administrative costs incurred by a local agency. (Food & Agr. Code, §§ 30520 et seq., and 31751 et seq.) Finally, local agencies have the authority to use the fines imposed and collected from owners of impounded animals to pay for the expenses of operation and maintenance of the public pound and for the compensation of the poundkeeper. (Gov. Code, § 25802.)

In addition to the above sources of offsetting revenue, the State Controller's Office contends that reward money should be included as an offset. Staff disagrees. As indicated on pages 31 and 32 of the Commission's Statement of Decision, the test claim legislation, in Civil Code section 1845, authorizes local agencies to accept advertised rewards or rewards freely offered by the owner of the animal. The Commission recognized, however, that rewards only provide reimbursement to local agencies for the care and maintenance of a stray or abandoned animal when the owner *is* known. The Commission *denied* reimbursement for the care and maintenance of animals when the owner is known (i.e., animals relinquished or redeemed by the owner). Thus, reward money does not reimburse the local agency for the population of animals that are eligible for reimbursement under this mandated program (i.e., stray or abandoned animals that are not adopted or redeemed, but are ultimately euthanized). Accordingly, staff finds that including rewards as an offset is inconsistent with the Commission's Statement of Decision.

In addition, the Counties of Fresno and Tulare contend that Food and Agriculture Code section 30652 should not be included as a source of offsetting revenue because it does not cover the costs of the reimbursable activities. Staff disagrees. Food and Agriculture Code section 30652 states the following:

> All fees for the issuance of dog license tags and all fines collected pursuant to this division shall be paid into the county, city, or city and county treasury, as the case may be, and shall be used:
>
> (a) First, to pay fees for the issuance of dog license tags.
>
> (b) *Second, to pay fees, salaries, costs, expenses, or any or all of them for the enforcement of this division and all ordinances which are made pursuant to this division.*
>
> (c) Third, to pay damages to owners of livestock which are killed by dogs.
>
> (d) Fourth, to pay costs of any hospitalization or emergency care of animals pursuant to Section 597f of the Penal Code. (Emphasis added.)

The plain language of Food and Agriculture Code section 30652, subdivision (b), authorizes local agencies to attribute *part* of the fees collected from owners for dog license tags and fines to pay the salaries, costs, and expenses for the enforcement of "this division" (Division 14 of the Food and Agriculture Code). Division 14 of the Food and Agriculture Code governs the regulation and licensing of dogs, and includes section 31108 of the test claim legislation, which imposes the increased holding period for

impounded dogs. As indicated above, the Commission found that Food and Agriculture Code section 31108 imposes a reimbursable state mandated program for providing care and maintenance during the increased holding period for impounded stray or abandoned dogs that are ultimately euthanized. Thus, based on the plain language of section 30652, a local agency is required to use the balance of the revenue, after the payment of fees for the issuance of dog license tags, on the costs and expenses for providing care and maintenance during the increased holding period for impounded stray or abandoned dogs that are ultimately euthanized.

Accordingly, Section VII. of the Proposed Parameters and Guidelines states 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, including but not limited to licensing fees and fines received and applied pursuant to Food and Agriculture Code sections 30520 et seq., 30652, 31751 et seq., Government Code section 28502, and Penal Code section 597f; other state funds; and federal funds, shall be identified and deducted from this claim.

Staff Recommendation

Staff recommends that the Commission adopt staff's Proposed Parameters and Guidelines, which begins on page 15.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections following the hearing.

STAFF'S PROPOSED 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 part IV (B) of these parameters and guidelines.
3. Procure 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.
4. 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.

B. Ongoing Activities

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

Beginning January 1, 1999 - Acquiring additional space and/or construction of new facilities to provide appropriate space 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 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 *and are ultimately euthanized* to the total population of animals housed in the facility.

<u>Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims</u>

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 space 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 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 *and are ultimately euthanized* to the total population of animals housed in the facility.

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 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 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 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 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.

4. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that 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 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 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 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.

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.

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

   "Necessary and prompt veterinary care" means all reasonable 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."

   <u>Population Exclusions</u>

   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 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.

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, including but not limited to licensing fees and fines received and applied pursuant to Food and Agriculture Code sections 30520 et seq., 30652, 31751 et seq., Government Code section 28502, and Penal Code section 597f; other state funds; and federal funds, shall be identified and deducted from this claim.

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.

Hearing: January 26, 2006
j:mandates/2004/pga/04pga01and02/fsa

ITEM 11
FINAL STAFF ANALYSIS
PROPOSED PARAMETERS AND GUIDELINES AMENDMENT

Civil Code Sections 1834 and 1846
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003

Statutes of 1998, Chapter 752

Animal Adoption

04-PGA-01 and 04-PGA-02 (98-TC-11)

EXECUTIVE SUMMARY

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."

On January 25, 2001, the Commission on State Mandates (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).

The Commission adopted the parameters and guidelines for this program on February 28, 2002.

Bureau of State Audits – Audit of the Animal Adoption Program

On March 12, 2003, the Joint Legislative Audit Committee authorized an audit of the *Animal Adoption* mandate. On October 15, 2003, the Bureau of State Audits (BSA) released its audit report on the *Animal Adoption* mandate. The audit report recommended that the Commission and the Legislature implement the following:

> To ensure that local entities receive reimbursement only for costs associated with the increased holding period for eligible animals, the Legislature should direct the Commission to amend the parameters and guidelines of the Animal Adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space.

In 2004, Assembly Bill (AB) 2224 (Stats. 2004, ch. 313) was enacted to direct the Commission to amend the parameters and guidelines for the *Animal Adoption* program to:

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.

On November 17, 2004, the State Controller's Office (SCO) submitted a proposed formula for determining the reimbursable portion of acquiring or building additional shelter space to be included in the parameters and guidelines.[1] On December 23, 2004, the Bureau of State Audits, affected state agencies and interested parties were invited to submit comments on the proposed formula and attend a prehearing conference. No comments were filed. On March 29, 2005 a prehearing was conducted to discuss the proposed formula. The prehearing was attended by Department of Finance, the SCO, numerous county representatives. Representatives from BSA did not attend the prehearing.

As a result of prehearing discussions, the SCO submitted a revised formula on May 16, 2005.[2] The attached proposed parameters and guidelines include that revised formula as modified by staff.

Discussion

Non-substantive, technical changes were made to the parameters and guidelines for purposes of clarification, consistency with language in recently adopted parameters and guidelines, and conformity to the Statement of Decision and statutory language.

Substantive changes were made to the following sections of the parameters and guidelines.

Section III. Period of Reimbursement

AB 2224 requires the amended parameters and guidelines to apply to reimbursement claims commencing with the 2005-2006 fiscal year, and any fiscal year where the *Animal*

[1] Exhibit A.
[2] Exhibit B.

Adoption mandate has not been suspended. Therefore, staff revised this section to clarify that the amended parameters and guidelines are effective July 1, 2005.

Section IV. Reimbursable Activities

AB 2224 requires the Commission to 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. The SCO submitted a revised formula to meet this requirement. Staff modified the revised formula to clarify the difference between the formula for dogs and cats and the formula for other animals.

AB 2224 also requires the parameters and guidelines to clarify how the costs for care and maintenance shall be calculated. The SCO's revised formula clarifies that to determine the average daily census for calculating care and maintenance, all dogs and cats impounded at a facility must be calculated. Staff made no modifications to this section of the proposal, and recommends that the CSM adopt the SCO's proposal.

Finally, AB 2224 requires the Commission to detail the documentation necessary to support reimbursement claims under this mandate, in consultation with the Bureau of State Audits and the SCO. Staff modified the parameters and guidelines to include language clarifying what type of documentation is necessary to support the reimbursement claims. This language is similar to language adopted in other parameters and guidelines.

Staff Recommendation

Staff recommends the Commission adopt the proposed amendments to the parameters and guidelines for the *Animal Adoption* program beginning on page 5.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

Amended: January 26, 2006
Adopted: February 28, 2002
~~F:/mandates/98TC11/PsGs/adoptedPsGs~~
j:mandates/2004/pga/04pga01 and 02/draftpga

PROPOSED 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.

~~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.~~

Reimbursable a~~A~~ctual 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) ~~of the Government Code~~, all claims for reimbursement of initial years' costs shall be submitted within 120 days of ~~notification by~~ the issuance of the State Controller's ~~of the issuance of~~ 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.

~~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

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:

~~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) (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 x C x 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 x C x F

(J) = Reduction in eligible square footage due to decline in total dog/cat population (cannot exceed 0)

[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.

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 x C x 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) x C x 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 x L)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 (N = C x 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 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.

[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.

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, a~~A~~verage 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 ~~of~~ 1998, ~~C~~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 x C x 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 x C x G.

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year (N = C x 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, a~~A~~verage 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).

~~2.~~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 reimbursenent 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.

~~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. 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 chapter[3] 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.

~~VI.~~Supporting Data

~~VII.~~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

[3] This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

~~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 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.

~~**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.~~

~~**VII. 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.~~

California LEGISLATIVE INFORMATION

AB-2856 State mandates: Commission on State Mandates. (2003-2004)

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Date Published:

AMENDED IN ASSEMBLY MARCH 30, 2004

AMENDED IN ASSEMBLY MAY 10, 2004

AMENDED IN SENATE AUGUST 05, 2004

CALIFORNIA LEGISLATURE— 2003–2004 REGULAR SESSION

ASSEMBLY BILL No. 2856

Introduced by Assembly Member Laird

February 20, 2004

An act to amend ~~Section 17556 of~~ *Section 44763 of the Education Code, and to amend Sections 17500, 17513, 17520, 17521, 17522, 17526, 17551, 17553, 17554, 17557, 17558, 17558.5, 17561, 17561.5, 17561.6, 17562, 17564, 17579, 17612, 17615.1, 17616, and 17630 of, to add Sections 17517.5 and 17518.5 to, to repeal Sections 17517, 17610, and 17614 of, and to repeal and add Section 17555 of,* the Government Code, relating to state mandates.

LEGISLATIVE COUNSEL'S DIGEST

AB 2856, as amended, Laird. State mandates: Commission on State Mandates.

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including school districts, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Existing law establishes a procedure for local governmental agencies to file claims for reimbursement of these costs with the Commission on State Mandates. The procedure requires the commission to hear and decide upon each claim for reimbursement and provides that the commission may not find costs to be mandated by the state if, after a hearing, the commission makes specified findings, including, among others, that the statute or executive order imposing the mandate provides for offsetting savings to local agencies or school districts or includes additional revenue specifically intended to sufficiently fund the cost of the state mandate. *The procedure provides for payment of claims from the State Mandates Claim Fund and pursuant to a local government claims bill.*

This bill would ~~provide that an appropriation in a Budget Act or other bill, in addition to the executive order or statute imposing the mandate, may provide these offsetting savings or additional revenue~~ *revise the procedures for receiving claims and for hearings on claims, as specified. The bill would revise the definitions of terms related to the procedure and hearings and define additional terms. The bill would abolish the State Mandates Claim Fund and delete the option of paying claims from this fund. The bill would make other technical changes and delete obsolete references.*

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

~~SECTION 1.Section 17556 of the Government Code is~~

Section 44763 of the Education Code is amended to read:

44763. *(a) Notwithstanding Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code or any other provision of law, each state and local government agency shall provide to the Commission on Teacher Credentialing personal information regarding teachers and other certificated personnel as requested by the commission for the purposes of Section 44762.* ~~*The Legislature shall transfer for each fiscal year, from the Teacher Credentials Fund to the State Mandates Claims Fund, that amount necessary for the payment for that year from the State Mandates Claims Fund, pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, of claims for reimbursement to local government agencies that are based upon the requirement set forth in this subdivision.*~~

(b) In accordance with the purpose of safeguarding the privacy rights of individuals, it is the intent of the Legislature that personal information be collected, maintained, and disseminated under this chapter only to the extent required to accomplish the purposes of Section 44762. The Commission on Teacher Credentialing shall establish and maintain specific and appropriate policies and practices that protect the privacy rights of individuals as to whom personal information has been received by the commission, and to otherwise implement the legislative intent set forth in this subdivision.

Section 17500 of the Government Code is amended to read:

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 ~~*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.*

Section 17513 of the Government Code is amended to read:

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.*

Section 17517 of the Government Code is repealed.

~~*17517."Fund" means the State Mandates Claims Fund.*~~

SEC. 5. *Section 17517.5 is added to the Government Code, to read:*

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.

SEC. 6. *Section 17518.5 is added to the Government Code, to read:*

17518.5. (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.

Section 17520 of the Government Code is amended to read:

17520. "Special district" means any agency of the state ~~which~~ that 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.

Section 17521 of the Government Code is amended to read:

17521. "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.

Section 17522 of the Government Code is amended to read:

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 ~~statute that appropriates funds for reimbursement of the mandate~~ 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.

Section 17526 of the Government Code is amended to read:

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.

~~(d)This section shall become operative on July 1, 1996.~~

Section 17551 of the Government Code is amended to read:

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) 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~~ 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.

Section 17553 of the Government Code is amended to read:

17553. (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~~ 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. ~~The procedures shall ensure~~

(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. ~~Hearing~~

(3) Permit the hearing of a claim ~~may~~ to 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.~~ 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.

Section 17554 of the Government Code is amended to read:

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 ~~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.*

Section 17555 of the Government Code is repealed.

~~*17555.(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.*~~

SEC. 15. *Section 17555 is added to the Government Code, to read:*

17555. *(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.

Section 17557 of the Government Code is amended to read:

17557. *(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~~ 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~~ incurred. However, the commission ~~shall~~ may not specify ~~therein~~ 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 prior to a commission hearing on the claim~~ 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.

Section 17558 of the Government Code is amended to read:

17558. *(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~~ 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 ~~statute or executive order creating the mandate~~ 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 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.~~

Section 17558.5 of the Government Code is amended to read:

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.

~~(c)~~

(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.

~~(d)~~

(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.

Section 17561 of the Government Code is amended to read:

17561. *(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 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~~ 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.

Section 17561.5 of the Government Code is amended to read:

17561.5. *~~(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.~~*

Section 17561.6 of the Government Code is amended to read:

17561.6. *~~(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.~~*

Section 17562 of the Government Code is amended to read:

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) 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 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.

Section 17564 of the Government Code is amended to read:

17564. *(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.

Section 17579 of the Government Code is amended to read:

17579. *~~(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.~~*

Section 17610 of the Government Code is repealed.

~~17610.(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.~~

Section 17612 of the Government Code is amended to read:

17612. *(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.

Section 17614 of the Government Code is repealed.

~~17614.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.~~

Section 17615.1 of the Government Code is amended to read:

17615.1. ~~*Notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code, the*~~ *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.*

Section 17616 of the Government Code is amended to read:

17616. ~~*Notwithstanding the provisions of Section 2231 of the Revenue and Taxation Code, the*~~ *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.

Section 17630 of the Government Code is amended to read:

17630. *Except for Article 5, the provisions of this part shall be applicable to claims for state reimbursement of costs mandated by the state on and after January 1, 1985. All claims for state reimbursement filed under Article 1 (commencing with Section 2201), Article 2 (commencing with Section ~~2225),~~ 2227), and Article 3 (commencing with Section 2240)~~, Article 3.5 (commencing with Section 2250), and Article 3.6 (commencing with Section 2256)~~ of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code ~~which~~ that have not been included in a local government claims bill pursuant to Section 2255 of the Revenue and Taxation Code enacted before January 1, 1985, shall be transferred to and considered by the commission pursuant to the provisions of this part.*
~~*amended to read:*~~

~~*17556.The commission may 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 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 that 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, executive order, or 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 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.*~~

BILL ANALYSIS

CONCURRENCE IN SENATE AMENDMENTS
AB 2856 (Laird)
As Amended August 17, 2004
Majority vote

ASSEMBLY:		(May 17, 2004)	SENATE:	36-0	(August 18, 2004)	

(vote not relevant)

COMMITTEE VOTE:	9-0	(August 23, 2004)	RECOMMENDATION:	concur

Original Committee Reference: L. GOV.

SUMMARY : Revises the procedures for receiving claims and for hearings on claims, as specified, and the definitions of terms related to the procedure and hearings, defines additional terms, abolishes the State Mandates Claim Fund, and deletes the option of paying claims from this fund.

The Senate amendments delete the Assembly version of this bill, and instead:

1) Abolish the State Mandates Claim Fund and delete references to this fund.

2) Define "cost savings authorized by the state" as 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.

3) Define "reasonable reimbursement methodology" as a formula for reimbursing local agency and school district costs mandated by the state that meets the following conditions:

   a) 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; and,

   b) For 50% 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.

4) Require that, 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, except that, 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.

5) Remove redevelopment agencies and joint powers agencies from the definition of "special district."

6) Change the period during which a test claim may be filed from three years to 12 months from the effective date of a statute or executive order, or 12 months from incurring increased costs as a result of a statute or executive order.

7) Require that test claims be filed on a form prescribed by the Commission on State Mandates (Commission) that must contain, at a minimum, a signed written narrative that identifies the specific sections of statutes or executive orders alleged to contain a mandate and includes specified details, along with specified support declarations and materials.

8) Repeal existing provisions pertaining to time limits for public hearings on test claims.

9) Require the Commission to notify the appropriate policy

committees of the Legislature, the Legislative Analyst, the Department of Finance (DOF), and the Controller within 30 days after hearing and deciding upon a test claim.

10) Provide a process for local agencies, school districts, or the state to request that the Commission amend, modify, or supplement reimbursement parameters and guidelines.

11) Require the Commission to consult with the affected state agency, the appropriate fiscal and policy committees of the Legislature, the Legislative Analyst, DOF, the Controller, and the claimant to consider a reasonable reimbursement methodology that balances accuracy with simplicity when adopting parameters and guidelines.

12) Require the Controller to request assistance from DOF when preparing claiming instructions.

13) Require the Controller to complete any audit of a reimbursement claim within two years of its commencement.

14) Authorize the Controller to conduct a field review of any claim after it has been submitted but before reimbursement occurs.

15) Make numerous other technical changes.

AS PASSED BY THE ASSEMBLY , this bill prohibited the Commission from finding a reimbursable state mandate if an appropriation in the Budget Act, or in another bill, provides funding or cost savings towards the reimbursable mandate.

FISCAL EFFECT : Unknown

COMMENTS : This bill is one of a number of bills under consideration this year that reform aspects of reimbursable state mandates policy. This bill addresses the way claims are filed and evaluated. It establishes a basic "reasonable reimbursement methodology" to be used as a formula for reimbursing local agency and school district costs mandated by the state, and requires that, whenever possible, this 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. However, the bill also provides for exceptions to this general rule. The bill also sets forth new procedures for filing test claims and establishing parameters and guidelines, and requires the Controller to complete any audit of a reimbursement claim within two years of its commencement.

Analysis Prepared by : J. Stacey Sullivan / L. GOV. / (916) 319-3958 FN: 0008668

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Court of Appeal, Second
District, Division 4, California.

CSAC Excess Insurance Authority
et al., Plaintiffs and Respondents,
v.
COMMISSION ON STATE
MANDATES, Defendant and Appellant;
California Department of Finance,
Intervener and Appellant.

No. B188169.
|
(Los Angeles County Super. Ct.
Nos. BS092146 & BS095456).
|
Dec. 20, 2006.

APPEAL from a judgment of the Superior Court of Los Angeles County, David P. Yaffe, Judge. Affirmed in part; reversed in part with directions.

Attorneys and Law Firms

Camille Shelton and Katherine A. Tokarski for Defendant and Appellant Commission on State Mandates.

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Stephen D. Underwood; Robin Lynn Clauson, Newport Beach City Attorney, and Aaron C. Harp, Assistant City Attorney, for Plaintiffs and Respondents.

Opinion

SUZUKAWA, J.

***1** In this appeal from a judgment granting consolidated writ of mandate petitions, we affirm in part, reverse in part, and reinstate in part the administrative rulings of appellant Commission on State Mandates (commission).

INTRODUCTION

Article XIII B, section 6 of the California Constitution provides in relevant part that "[w]henever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse such local government for the costs of such program or increased level of service" (article XIII B, section 6). In this appeal, we must decide whether three workers' compensation statutes (Lab.Code, §§ 3212.1, 3212.11, 3213.2 (the test statutes)), [1] which provide certain publicly employed peace officers, firefighters, and lifeguards with a rebuttable presumption that their injuries arose out of and in the course of employment, mandated a new program or higher level of service of an existing program for which reimbursement is required under article XIII B, section 6.

1 All further undesignated statutory references are to the Labor Code.

Respondents CSAC (California State Association of Counties) Excess Insurance Authority (hereafter EIA), a joint powers authority that provides insurance to its 54 member counties, and City of Newport Beach (city) petitioned for writs of mandate to vacate the commission's denials of their claims for reimbursement of state-mandated costs created by the test statutes. The commission and the California Department of Finance (department), which filed a complaint in intervention, opposed the consolidated writ petitions and demurred on the ground that the EIA lacked standing. The superior court overruled the demurrer and entered judgment for the EIA and the city. The superior court issued a peremptory writ of mandate that vacated the commission's rulings and directed it to determine the amount of increased workers' compensation benefits paid, if any, by the city and the EIA's member counties as a result of the presumptions created by the test statutes.

In this appeal from the judgment by the commission and the department, we conclude that the EIA has standing as a joint powers authority to sue for reimbursement of state-mandated costs on behalf of its member counties. We also conclude that because workers' compensation is not a program administered by local governments, the test statutes did not mandate a new program or higher level of service of an existing program for which reimbursement is required under article XIII B,

section 6, notwithstanding any increased costs imposed on local governments by the statutory presumptions.

BACKGROUND

A. The Administrative Proceedings

The EIA is a joint powers authority. The EIA states that it "was formed in 1979 to provide insurance coverage, risk management and related services to its members in accordance with Government Code [section] 998.4. Specifically, with respect to the issues presented here, the EIA provides both primary and excess workers' compensation coverage for member counties, including the payment of claims and losses arising out of work related injuries." The EIA's members include 54 of the 58 California counties. According to the EIA, "[e]very California county except Los Angeles, San Francisco, Orange and San Mateo [is a member] of the EIA."

***2** In 2002, the County of Tehama, which is not a party to this appeal, the EIA, and the city filed test claims with the commission concerning the three test statutes. A "test claim" is "the first claim filed with the commission alleging that a particular statute or executive order imposes costs mandated by the state." (§ 17521.) The test claims alleged that each test statute, by creating a presumption of industrial causation in favor of certain public employees seeking workers' compensation benefits for work-related injuries, imposed state-mandated costs for which reimbursement is required under article XIII B, section 6.

In the first test claim, the County of Tehama and the EIA challenged section 3212.1, which grants a rebuttable presumption of industrial causation to certain publicly employed peace officers and firefighters who, either during or within a specified period following termination of service, develop cancer, including leukemia, after being exposed to a known carcinogen. Section 3212.1, subdivision (d) allows employers to rebut this presumption with "evidence that the primary site of the cancer has been established and that the carcinogen to which the member has demonstrated exposure is not reasonably linked to the disabling cancer." If the presumption is not rebutted, "the appeals board is bound to find in accordance with the presumption." (§ 3212.1, subd. (d).)

In the second test claim, the County of Tehama and the EIA challenged section 3213.2, which grants a rebuttable presumption of industrial causation to certain publicly employed peace officers who wear a duty belt (a belt used to hold a gun, handcuffs, baton, and other law enforcement items) as a condition of employment and, either during or within a specified period after termination of service, suffer a lower back injury. Section 3213.2, subdivision (b) allows employers to rebut this presumption with "other evidence, but unless so controverted, the appeals board is bound to find in accordance with it."

In the third test claim, the city challenged section 3212.11, which grants a rebuttable presumption of industrial causation to certain publicly employed lifeguards who develop skin cancer during or immediately following their employment. Section 3212.11 allows employers to rebut this presumption with "other evidence, but unless so controverted, the appeals board shall find in accordance with it."

The commission denied each test claim after determining that each test statute's respective presumption of industrial causation did not mandate increased costs for which local entities must be reimbursed under article XIII B, section 6. The commission also concluded that the EIA lacked standing to pursue the test claims because the EIA does not employ the peace officers, firefighters, or lifeguards affected by the test statutes and is a separate entity from its member counties.

B. The Judicial Proceeding

The EIA and the city petitioned for writs of mandate to vacate the commission's denials of their respective test claims. (Code Civ. Proc., § 1094.5.) The commission and the department, which filed a complaint in intervention, opposed the consolidated petitions. (Gov.Code, § 13070; see *Redevelopment Agency v. Commission on State Mandates* (1996) 43 Cal.App.4th 1188, 1198.)

***3** The commission and the department challenged on demurrer the EIA's standing to prosecute the test claims. When the test claims were filed, Government Code section 17520 defined "special district" to include joint powers authorities and Government Code section 17552 defined "local agency" to include special districts. The superior court determined that because the EIA, as a joint powers authority, was a special district under Government Code section 17520 when the test claims were filed, the EIA was a local agency under Government Code section 17552 and, therefore, had standing to file the test claims. The superior court noted that although in 2004, the Legislature deleted joint powers agencies or authorities from the definition of special

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district (Gov.Code, § 17520, as amended by Stats.2004, ch. 890), because the EIA's test claims were filed before the amendment took effect, the amendment did not apply to the EIA's pending test claims.

Regarding the issue of state-mandated costs, the superior court concluded that the test statutes mandated a new program or increased services under article XIII B, section 6. The superior court reasoned that "[l]egislation that expands the ability of an injured employee to prove that his injury is job related, expands the cost to the employer to compensate its injured workers. The assertion by the state that the employer can somehow 'opt out' of that cost increase is clearly without merit. By contending that the counties need not 'dispute' the presumptions mandated by the legislature, that the injury is job related, misses the point. The counties are entitled to subvention, not for increased LITIGATION costs, but for the increased costs of COMPENSATING their injured workers which has been mandated by the legislature."

The superior court granted judgment to the EIA and the city, and issued a peremptory writ of mandate directing the commission to vacate its administrative rulings and "to determine the amount, if any, that the cost of providing workers' compensation benefits to the employees of the City of Newport Beach and each member county [of the EIA] has been increased by the enactment of the presumptions created by" the test statutes. On appeal, the commission and the department challenge the EIA's standing to prosecute the test claims and argue that the test statutes do not mandate a new program or increased services within an existing program for which reimbursement is required under article XIII B, section 6.

DISCUSSION

I

Standing

The commission and the department contend that the EIA lacks standing to prosecute the test claims on behalf of its member counties. We disagree.

In 1984, the Legislature established the administrative procedure by which local agencies and school districts may file claims with the commission for reimbursement of costs mandated by the state. (Gov.Code, §§ 17500, 17551, subd. (a).) In this context, "costs mandated by the state" means "any increased costs which a local agency or school district is required to incur ... as a result of any statute ... 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." (Gov.Code, § 17514.)

***4** Given that Government Code section 17551, subdivision (a) allows local agencies and school districts to seek reimbursement of state-mandated costs and Government Code section 17518 includes counties within the definition of local agency, it must follow that the EIA's 54 member counties have standing to bring test claims for reimbursement of state-mandated costs. We must decide whether the EIA has standing to bring the test claims on behalf of its member counties.

When the EIA filed its test claims in 2002, Government Code section 17520 included joint powers authorities within the definition of special districts. As of January 1, 2005, however, joint powers agencies were eliminated from the definition of special districts. (Stats.2004, ch. 890 (AB 2856).) Because the amended definition of special districts applies to pending cases such as this one, we conclude that the EIA is not a special district under section 17520 and has no standing to pursue its test claims on that basis. (See *Californians for Disability Rights v. Mervyn's, LLC* (2006) 39 Cal.4th 223 [Proposition 64, which limited standing to bring actions under the unfair competition law to governmental parties and injured private parties, eliminated the appellant's standing to pursue an appeal that was pending when the proposition was passed].)

Nevertheless, we agree with the EIA that it may pursue the test claims on behalf of its member counties because "[r]ather than having 54 counties bring individual test claims, the EIA, in its representative capacity is statutorily authorized to proceed on its members' behalf." [2]

2 Under *Branick v. Downey Savings & Loan Assn.* (2006) 39 Cal.4th 235, the companion case to *Californians for Disability Rights v. Mervyn's LLC, supra,* 39 Cal.4th 223, even if we were to conclude that the EIA lacked standing to bring a test claim on behalf of its member counties, it is possible that the EIA would be granted leave to amend to identify the county or counties that might be named as a plaintiff. Given our determination that the EIA has standing as a representative of its member counties to

> pursue the test claims, we need not address this unbriefed issue.

According to the joint powers agreement, the EIA's purpose is "to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services."

By law, the EIA as a joint powers authority possesses the common powers enumerated in the joint powers agreement and may exercise those powers in the manner provided therein. (Gov.Code, § 6508.) California law provides that a joint powers agency may sue and be sued in its own name if it is authorized in its own name to do any or all of the following: to make and enter contracts; to employ agents and employees; to acquire, construct, manage, maintain, or operate any building, works, or improvements; to acquire, hold, or dispose of property; or to incur debts, liabilities, or obligations. (*Id.*, § 6508.) In this case, the joint powers agreement gave the EIA "all of the powers common to counties in California and all additional powers set forth in the joint powers law, and ... authorized [it] to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following: [¶] (a) To make and enter into contracts. [¶] (b) To incur debts, liabilities, and obligations. [¶] (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities. [¶] (d) To sue and be sued in its own name, and to settle any claim against it...."

***5** Given that the joint powers agreement expressly authorized the EIA to exercise all of the powers common to counties in California, to do all acts necessary for the exercise of said powers, and to sue and be sued in its own name, we conclude that the joint powers agreement authorized the EIA to bring the test claims on behalf of its member counties, each of which qualifies as a local agency to bring a test claim under Government Code section 17518. Although as appellants point out, the EIA is a separate entity from the contracting counties and is not directly affected by the test statutes because it does not employ the peace officers, firefighters, and lifeguards specified in the test statutes, we conclude that those factors do not preclude the EIA from exercising its power under the agreement to sue on behalf of its member counties.

Appellants' reliance on *Kinlaw v. State of California* (1991) 54 Cal.3d 326 is misplaced. In *Kinlaw*, the plaintiffs filed suit as individual taxpayers and medically indigent adult residents of Alameda County to compel the state either to restore their Medi-Cal eligibility or to reimburse the county for their medical costs under article XIII B, section 6. The Supreme Court held that the plaintiffs in *Kinlaw* lacked standing because the right to reimbursement under article XIII B, section 6 "is a right given by the Constitution to local agencies, not individuals either as taxpayers or recipients of government benefits and services." (54 Cal.3d at p. 334.) The Supreme Court noted that the interest of the plaintiffs, "although pressing, is indirect and does not differ from the interest of the public at large in the financial plight of local government." (*Id.* at p. 335.)

In this case, however, the EIA has standing to sue as a joint powers authority on behalf of its 54 member counties that have standing as local agencies to bring test claims. Unlike the plaintiffs in *Kinlaw*, the EIA claims standing not as an individual or as a taxpayer, but as a joint powers authority with the right to exercise "all of the powers common to counties in California," and "to do all acts necessary for the exercise of said powers," including the right to sue in its own name. We therefore distinguish *Kinlaw* and conclude that it does not deprive the EIA of standing in this case.

II

Article XIII B, Section 6

Article XIII B, section 6 provides in relevant part that "[w]henever the Legislature or any state agency mandates a new program or higher level of service on any local government, the State shall provide a subvention of funds to reimburse such local government for the costs of such program or increased level of service...." We conclude that because the test statutes did not mandate a new program or higher level of service of an existing program, reimbursement under article XIII B, section 6 is not required.

A. The Purpose of Article XIII B, Section 6

Article XIII A, which was added to the California Constitution by Proposition 13 in 1978, imposed a limit on the power of state and local governments to adopt and levy taxes. Article XIII B, which was added to the Constitution by Proposition 4 in 1979, imposed a complementary limit on government spending. The two provisions "work in tandem, together restricting California governments' power both to levy and to spend for public purposes." (*City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 59, fn. 1.)

***6** Article XIII B, section 6 prevents the state from shifting financial responsibility for governmental functions to local agencies by requiring the state to reimburse local agencies for the costs of providing a new program or higher level of service mandated by the state. (*County of Fresno v. State of California* (1991) 53 Cal.3d 482, 487.) "Specifically, it was designed to protect the tax revenues of local governments from state mandates that would require expenditure of such revenues." (*Ibid.*)

B. State Mandates

We will assume for the sake of argument that the test statutes' presumptions of industrial causation will impose some increased costs on local governments in the form of increased workers' compensation benefit payments to injured local peace officers, firefighters, or lifeguards. The mere imposition of increased costs, however, is not determinative of whether the presumptions mandated a new program or higher level of service within an existing program as stated in article XIII B, section 6. "Although a law is addressed only to local governments and imposes new costs on them, it may still not be a reimbursable state mandate." (*City of Richmond v. Commission on State Mandates* (1998) 64 Cal.App.4th 1190, 1197.) Whether the increased costs resulted from a state-mandated program or higher level of service presents solely a question of law as there are no disputed facts. (*County of San Diego v. State of California* (1997) 15 Cal.4th 68, 109.)

As previously noted, "costs mandated by the state" means "any increased costs which a local agency or school district is required to incur ... as a result of any statute ... 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." (Gov.Code, § 17514.) As the Supreme Court explained in *County of Los Angeles v. State of California* (1987) 43 Cal.3d 46, "Looking at the language of section 6 then, it seems clear that by itself the term 'higher level of service' is meaningless. It must be read in conjunction with the predecessor phrase 'new program' to give it meaning. Thus read, it is apparent that the subvention requirement for increased or higher level of service is directed to state mandated increases in the services provided by local agencies in existing 'programs.' But the term 'program' itself is not defined in article XIII B. What programs then did the electorate have in mind when section 6 was adopted? We conclude that the drafters and the electorate had in mind the commonly understood meanings of the term-programs that carry out the governmental function of providing services to the public, or laws which, to implement a state policy, impose unique requirements on local governments and do not apply generally to all residents and entities in the state." (*Id.* at p. 56; see *County of Los Angeles v. Commission on State Mandates* (2003) 110 Cal.App.4th 1176, 1191.)

***7** In this case, the test statutes affect the administration of the workers' compensation program. The Supreme Court has held that statutes increasing workers' compensation benefits to reflect cost-of-living increases did not mandate either a new program or higher level of service in an existing program. "Workers' compensation is not a program administered by local agencies to provide service to the public. Although local agencies must provide benefits to their employees either through insurance or direct payment, they are indistinguishable in this respect from private employers. In no sense can employers, public or private, be considered to be administrators of a program of workers' compensation or to be providing services incidental to administration of the program. Workers' compensation is administered by the state through the Division of Industrial Accidents and the Workers' Compensation Appeals Board. (See Lab.Code, § 3201 et seq.) Therefore, although the state requires that employers provide workers' compensation for nonexempt categories of employees, increases in the cost of providing this employee benefit are not subject to reimbursement as state-mandated programs or higher levels of service within the meaning of section 6." (*County of Los Angeles v. State of California*, *supra*, 43 Cal.3d at pp. 57-58.)

We similarly conclude that because workers' compensation is not a program administered by local governments, the test statutes' presumptions of industrial causation do not mandate a new program or higher level of service within an existing program, even assuming that the test statutes' presumptions will impose increased workers' compensation costs solely on local entities. Because the test statutes do not involve a program administered by local governments, the increased costs resulting from the presumptions imposed to implement a public policy do not qualify for reimbursement

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under article XIII B, section 6. (See *City of Sacramento v. State of California, supra,* 50 Cal.3d 51 [state law extending mandatory coverage under state's unemployment insurance law to include state and local governments did not mandate a new program or higher level of service]; *City of Richmond v. Commission on State Mandates, supra,* 64 Cal.App.4th 1190 [state law requiring local governments to provide death benefits to local safety officers under both the Public Employees Retirement System and the workers' compensation system did not mandate a new program or higher level of service].)

Respondents' reliance on *Carmel Valley Fire Protection Dist. v. State of California* (1987) 190 Cal.App.3d 521 is misplaced. In *Carmel Valley,* the appellate court concluded that executive orders requiring local agencies to purchase updated firefighting equipment mandated both a new program and a higher level of service within an existing program because firefighting is "a peculiarly governmental function" (*id.* at p. 537) and the executive orders, to implement a state policy, imposed unique requirements on local governments that did not apply generally to all residents and entities in the state (*ibid.*). In this case, on the other hand, providing workers' compensation benefits is not a peculiarly governmental function and, even assuming the test statutes implemented a state policy of paying increased workers' compensation benefits to local peace officers, firefighters, and lifeguards, the costs are not reimbursable because they do not arise within an existing program administered by local governments.

***8** Respondents contend that the effect of the test statutes, increased costs, is borne only by local governments. As peace officers, firefighters, and lifeguards are uniquely governmental employees, respondents argue the test statutes do not apply generally to all entities in the state. The question which remains, however, is whether increased costs alone equate to a higher level of service within the meaning of article XIII B, section 6, even if paid only by local entities and not the private sector. We conclude they do not.

In a similar case, the City of Anaheim sought reimbursement for costs it incurred as a result of a statute that temporarily increased retirement benefits to public employees. The City of Anaheim argued, as do respondents, that since the statute "dealt with pensions for *public* employees, it imposed unique requirements on local governments that did not apply to all state residents or entities." (*City of Anaheim v. State of California* (1987) 189 Cal.App.3d 1478, 1483-1484.) The court held that subvention was not required because the program involved, the Public Employees' Retirement System, is not a program administered by local agencies. Such is the case here with the workers' compensation program. As noted, the program is administered by the state, not the local authorities.

The court also noted: "Moreover, the goals of article XIII B of the California Constitution 'were to protect residents from excessive taxation and government spending ... [and] preclud[e] a shift of financial responsibility for carrying out governmental functions from the state to local agencies.... Bearing the costs of salaries, unemployment insurance, and workers' compensation coverage-costs which all employers must bear-neither threatens excessive taxation or governmental spending, nor shifts from the state to a local agency the expense of providing governmental services.' (*County of Los Angeles v. State of California, supra,* 43 Cal.3d at p. 61.) Similarly, City is faced with a higher cost of compensation to its employees. This is not the same as a higher cost of providing services to the public." (*City of Anaheim v. State of California, supra,* 189 Cal.App.3d at p. 1484.)

The reasoning applies here. The service provided by the counties represented by the EIA and the city, workers' compensation benefits to its employees, is unchanged. The fact that some employees are more likely to receive those benefits does not equate to an increased level of service within the meaning of article XIII B, section 6. (*County of Los Angeles v. State of California, supra,* 43 Cal.3d at pp. 57-58.)

DISPOSITION

The judgment granting the petitions for writ of mandate is affirmed in part on the issue of standing and reversed in part on the issue of reimbursement of state-mandated costs under article XIII B, section 6. The superior court is directed to enter a new and different judgment denying the petitions for writ of mandate and to reinstate that portion of the administrative rulings denying the test claims. The parties are to bear their own costs.

We concur: WILLHITE, Acting P.J., and MANELLA, J.

72 Cal. Comp. Cases 42

All Citations

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ITEM 4

STAFF'S PROPOSED 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

Executive Summary

Introduction

This item was originally heard at the Commission's August 23, 2001 hearing. The Commission continued the matter to further discuss the issues raised at the hearing and in the written comments. Since the last hearing on this item, a pre-hearing conference was held and additional written comments have been filed.

The main issues in dispute are as follows:

- The classification of one-time activities (Section IV. Reimbursable Activities);
- Reimbursement for animals that die during the holding period;
- Acquisition of additional space and/or construction of new facilities (Section IV. Reimbursable Activities);
- Necessary and prompt veterinary care (Section IV. Reimbursable Activities); and
- Offsetting savings and other reimbursements (Section VII).

Staff has made some changes to the Proposed Parameters and Guidelines that were presented to the Commission in August 2001. These changes are reflected in the Staff's Proposed Parameters and Guidelines, beginning on page 21, with strikeout and underline.

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."

On January 25, 2001, 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).

Staff Recommendation

Staff recommends that the Commission adopt staff's Proposed Parameters and Guidelines, which begin on page 21.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the Parameters and Guidelines following the hearing.

Claimants

County of Los Angeles, City of Lindsay, County of Tulare, County of Fresno, and Southeast Area Animal Control Authority (SEAACA)

Chronology

1-19-01	Claimant, County of Los Angeles, submits Proposed Parameters and Guidelines
1-25-01	Commission adopts Statement of Decision
2-28-01	Department of Finance submits comments
2-28-01	County of San Diego submits comments
3-03-01	Interested person, Maggie Wehinger, submits comments
3-07-01	Interested person, Lois Newman of The Cat and Dog Rescue Association, submits comments
3-07-01	City of Lindsay submits comments
3-12-01	County of Fresno submits comments
3-14-01	County of Tulare submits comments
3-27-01	County of Tuolumne submits comments
3-30-01	State Controller's Office submits comments
4-27-01	Staff holds pre-hearing conference
5-01-01	Staff issues letter requesting additional briefing
5-21-01	Merced County submits additional briefing
5-24-01	County of Santa Clara submits additional briefing
5-30-01	County of Tehama submits additional briefing
5-30-01	County of Fresno submits additional briefing
5-31-01	County of Los Angeles submits additional briefing and revisions to Proposed Parameters and Guidelines
5-31-01	County of San Diego submits additional briefing
5-31-01	County of Tulare submits additional briefing
6-01-01	State Controller's Office submits additional briefing
6-01-01	Interested person, Lois Newman of The Cat and Dog Rescue Association, submits additional briefing
6-11-01	Contra Costa County submits additional briefing
8-23-01	First Commission hearing on the Parameters and Guidelines
9-12-01	Mr. John Humphrey, County of San Diego, submits comments
9-12-01	County of Contra Costa submits comments

9-15-01	Interested person, Lois Newman of The Cat and Dog Rescue Association, submits comments
9-20-01	State Controller's Office submits comments
9-20-01	County of San Diego submits comments
9-21-01	County of Fresno submits comments
9-21-01	County of Mendocino submits comments
9-25-01	County of Riverside submits comments
9-26-01	Pre-hearing Conference held
10-10-01	County of Los Angeles submits comments
10-11-01	Department of Finance submits comments
10-11-01	County of San Diego submits comments
10-22-01	County of Tulare submits comments
10-22-01	Interested Persons, Mr. and Mrs. Adolfo Lopez, submit comments
12-19-01	Interested Person, Jackie B. Pomies, submits comments
12-20-01	Interested Person, Dorothy Finger, submits comments
12-21-01	Interested Person, Jami Tolpin, submits comments
12-22-01	Interested Person, Bobbie Theodore, submits comments
12-22-01	Interested Persons, Charles and Marian Stanley, submit comments
12-24-01	Interested Person, Kathleen Joyce, submits comments
12-27-01	County of Fresno submits supplemental comments
12-30-01	Interested Person, Lois Van der Ploeg, submits comments
12-31-01	Interested Person, Jana Harker, submits comments
1-04-02	Interested Person, Carl A. Grame, submits comments
1-04-02	Interested Person, Patricia Cachopo, submits comments
1-08-02	Interested Person, Kimberly M. Jannarone, submits comments
1-08-02	Interested Person, Lucy Arom, submits comments
1-08-02	Interested Persons, Mr. and Mrs. James Denison, submit comments
1-16-02	Interested Person, Lisa Edmondson, submits comments
1-18-02	Interested Person, Lisa Steele, submits comments
1-28-02	Interested Person, Dawne Schulte, submits comments
1-30-02	Interested Person, Lee Ellen Heller, Ph.D., submits comments

STAFF ANALYSIS

This item was originally heard at the Commission's August 23, 2001 hearing. The Commission continued the matter to further discuss the issues raised at the hearing and in the written comments. Since the last hearing on this item, a pre-hearing conference was held and additional written comments have been filed.[1]

The main issues in dispute are as follows:

- The classification of one-time activities (Section IV. Reimbursable Activities);
- Reimbursement for animals that die during the holding period;
- Acquisition of additional space and/or construction of new facilities (Section IV. Reimbursable Activities);
- Necessary and prompt veterinary care (Section IV. Reimbursable Activities); and
- Offsetting savings and other reimbursements (Section VII).

As described below, staff has made some changes to the Proposed Parameters and Guidelines that were presented to the Commission in August 2001. These changes are reflected in the Staff's Proposed Parameters and Guidelines, beginning on page 21, with strikeout and underline.

Classification of One-Time Activities

At the August 2001 hearing, the Counties of Fresno and Tulare requested that the one-time activity of procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities be classified, instead, as an ongoing activity. These parties contend that equipment wears out and needs to be replaced when necessary.[2] Staff agrees that using this equipment constitutes a reasonable method of complying with the mandated activities.[3] Thus, the equipment may need to be replaced on an on-going basis in order to comply with the mandated program. Accordingly, staff has deleted the activity from Section IV (A), One Time Activities, and added the following language to Section IV (B) (10), Ongoing Activities:

> 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

[1] As reflected in the chronology, the Commission has received numerous comments from interested persons. (Exhibit Q.) Most of these comments request that funding be provided for the test claim legislation. They do not address the substantive issues raised in the proposed Parameters and Guidelines. In addition, the comments submitted by the County of Riverside (Exhibit K) concern issues addressed in the Commission's Statement of Decision. The comments do not address the issues raised in the proposed Parameters and Guidelines. Accordingly, a summary of these comments is not provided in this staff analysis.

[2] August 23, 2001, Hearing Transcript, pages 21-22. (Exhibit A.) See also, Exhibit I, Comments Filed by County of Fresno on September 21, 2001.

[3] California Code of Regulations, title 2, section 1183.1.

> 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.

Staff notes that the cost of the equipment can be claimed as a direct cost under Section V (A) of these Parameters and Guidelines.

Additionally, the County of Los Angeles has requested that the proposed Parameters and Guidelines clarify that training on the mandated program be provided on a one-time basis for each employee. Staff agrees and has added clarifying language (i.e., one-time per employee) to this activity.

Finally, the County of San Diego requests reimbursement for the ongoing cost of software license renewal contracts for maintenance of non-medical records.[4] Staff agrees that a one-time activity of purchasing software to maintain non-medical records is a reasonable method of complying with the mandated activity.[5] Thus, Section IV (A) includes the initial activity of procuring computer software. The cost of the software can be claimed as a direct cost under Section V (A) of these Parameters and Guidelines. Staff further agrees that the ongoing cost of software license renewal contracts is eligible for reimbursement. Accordingly, staff has added the following language to Section IV (B) (8), Maintaining Non-Medical Records:

> 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.

Reimbursement for Animals that Die During the Increased Holding Period

The County of Fresno requests reimbursement for the care and maintenance of animals that die during the increased holding period. The County states the following:

> Fresno County recommends that reimbursements that 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 had to be held until its untimely demise.[6]

[4] August 23, 2001, Hearing Transcript, pages 46-47. (Exhibit A.)

[5] California Code of Regulations, title 2, section 1183.1.

[6] Exhibit I.

The Commission's Statement of Decision does not specifically address animals that die during the increased holding period. Nevertheless, with the limitations described below, staff agrees that the County's request is consistent with the Statement of Decision.

As reflected in the Statement of Decision, the Commission concluded that the requirement to increase the holding period for impounded stray or abandoned dogs, cats and other specified animals constitutes a new program or higher level of service. For stray and abandoned dogs and cats, the increased holding period is the difference between three days from the day of capture, and either four or six business days from the day after impoundment. Eligible claimants are not entitled to reimbursement for the first three days of that period. For stray and abandoned animals specified in Food and Agriculture Code section 31753 (i.e., rabbits, guinea pigs, pot-bellied pigs, etc.) the increased holding period is the entire period of four or six business days from the day after impoundment.

The Commission also found that providing "necessary and prompt veterinary care" during the entire holding period specified in the test claim legislation (i.e., four or six business days from the day after impoundment) for stray and abandoned animals, other than injured cats and dogs given emergency treatment, constitutes a new program or higher level of service.

The Commission, however, concluded that the test claim legislation provides sufficient fee authority to local agencies allowing them to charge the original and/or adoptive owners 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.

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 in the proposed Parameters and Guidelines.

Additionally, eligible claimants are not entitled to reimbursement for providing the following veterinary procedures to animals that die during the holding period:

- 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; and
- Spay or neuter surgery and treatment;[7]

Finally, eligible claimants are not entitled to reimbursement for the care, maintenance, and "necessary and prompt veterinary care" of the following population of animals that die during the holding period:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr.Code, § 17006);
- Newborn stray or abandoned 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.

Accordingly, staff has inserted language in Sections IV (B) (1), (2), (3), (4), and (9) of the proposed Parameters and Guidelines clarifying that increased costs for the care and maintenance of animals that die during the increased holding period, and for providing "necessary and prompt veterinary care" to animals that die during the holding period are eligible for reimbursement.

Acquisition of Additional Space and/or Construction of New Facilities

Leasing Additional Space

At the August 2001 hearing, the County of Tuolumne questioned whether the proposed Parameters and Guidelines allow reimbursement for leasing additional space to comply with the increased holding period mandated by the test claim legislation.[8] The answer is yes. The reimbursable activity of acquiring additional space (Section IV (B) (1)) includes purchasing and leasing space. If an eligible claimant seeks reimbursement for the cost of the lease, the proposed Parameters and Guidelines do require the claimant to submit the documentation specified in the Parameters and Guidelines with the reimbursement claim to the State Controller's Office. In addition, eligible claimants are only entitled to reimbursement for the cost of leasing space based on a pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 (the test claim legislation) that are held during the increased holding period and are ultimately euthanized or die during the increased holding period, to the total population of animals housed in the leased facility. Staff has added clarifying language to Section IV (B) (1) that acquiring additional space includes purchasing and leasing.

[7] The last two bulleted exclusions were proposed by the County of San Diego.

[8] August 23, 2001, Hearing Transcript, page 43. (Exhibit A.)

Pro Rata Reimbursement

In addition, the County of Fresno contends that the proposed Parameters and Guidelines, which provide pro rata reimbursement for the acquisition of additional space, do not provide the County with a full reimbursement of its costs to construct a new facility for stray animals only. The County states the following:

> The concern that Fresno County has with regard to the proposed Parameters and Guidelines, while they are geared to being a road map for all entities, would not take into account a situation such as Fresno's wherein the expansion was just of the stray facility. To prorate the cost of the addition using the formula proposed by the Commission which takes into account the owner relinquished animals does not provide the County with full reimbursement of its costs, which is the purpose of Article XIII B, section 6 of the California Constitution. Rather, it only provides a portion of the reimbursement for which Fresno County would otherwise be due, as the formula for reimbursement implies that some of the additional capital costs are directly attributable to owner relinquished and other non-reimbursable animals.[9]

In this regard, the County of Fresno initially proposed that the Parameters and Guidelines provide full reimbursement for the cost of constructing facilities for stray animals only. (Exhibit I.) In the County's supplemental filing, however, the County proposes reimbursement based on the proportionate share of actual costs of stray animals that are held during the increased holding period and are ultimately euthanized, to the total population of stray animals held in the facility. (Exhibit P.) The language proposed in the supplemental filing is similar to the language proposed in the Parameters and Guidelines presented in August 2001, except that it excludes owner-relinquished animals from the total population of animals held in the facility.

Staff disagrees with the language initially proposed by the County, which provides full reimbursement for the cost of construction. Full reimbursement for stray animals is not consistent with the Commission's Statement of Decision. The Commission's Statement of Decision limits reimbursement for the care and maintenance of stray dogs and cats to just the increased holding period. The increased holding period is calculated by determining the difference between three days from the day of capture (the law before the enactment of the test claim legislation), and four or six business days from the day after impoundment (the holding period required by the test claim legislation). Thus, while stray dogs and cats in a "stray facility" are held for four to six business days from the day after impoundment, eligible claimants are not entitled to reimbursement for the first three days of that period.

The Statement of Decision also provides that reimbursement is not required under article XIII B, section 6 of the California Constitution and Government Code section 17514 for holding owner relinquished animals, and for holding stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption

[9] Exhibit P. See also Exhibit I.

organization. The Commission found that local agencies have sufficient statutory fee authority to cover their costs for these animals. Although the County of Fresno does not house owner-relinquished animals in the "stray facility," the total population of stray animals housed in the "stray facility" includes the population of non-reimbursable strays that are ultimately adopted, redeemed, or released. Eligible claimants are only entitled to reimbursement for those stray animals that are ultimately euthanized or die during the increased holding period.

Finally, the test claim legislation states that local agencies are not required to hold the following population of stray animals:

- 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));

Thus, reimbursement is not required under article XIII B, section 6 of the California Constitution for the maintenance and care of the stray animals bulleted above that may be voluntarily housed in a "stray facility" with the rest of the reimbursable stray animals.

Staff has modified the proposed language for the activity of acquiring additional space to clarify the limitations described above. The proposed language now states the following:

> 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.

The proposed language keeps owner-relinquished animals in the description of the total population of animals since some agencies may be requesting reimbursement for acquiring space and/or constructing new facilities to house owner-relinquished and strays together. Since the County of Fresno's newly constructed facility is for strays only, their calculation of the total population of animals would presumably not include owner-relinquished animals.

Humane Society Standards

The County of San Diego requests that the Commission adopt minimum building standards outlined by the Humane Society of the United States in the Parameters and Guidelines for purposes of facility related reimbursement. The County of San Diego states the following:

> With respect to animal shelter facility and enclosure standards, we would recommend the Commission adopt the minimum standards contained in the attached Humane Society of the United States (HSUS) *Guidelines for the Operation of an Animal Shelter* (specifically, sections 1[A] on page 1 through section I[H] on page 3, pertaining to animal shelter facility planning) for the sole purpose of setting a benchmark for the upper limits of approved animal shelter facility related reimbursement. It is our view that these minimum standards, developed by professionals in the animal sheltering field and endorsed by HSUS, a nationally recognized animal welfare organization, meet both the letter and spirit of SB 1785 requirements. (Emphasis in original.)[10]

Staff disagrees with this request. Although the HSUS recommends facility guidelines, local agencies are not required by state or federal law to use these standards when housing stray and abandoned animals. Thus, this request goes beyond the scope of the mandate.

Staff also notes that the proposed Parameters and Guidelines require the governing body of the local agency to determine that acquiring additional space, constructing new facilities, or remodeling existing facilities is necessary to comply with the increased holding periods established by the test claim legislation and that it is the most cost-effective approach.

Necessary and Prompt Veterinary Care

The proposed Parameters and Guidelines provide reimbursement for "necessary and prompt veterinary care" during the entire holding period specified in the test claim legislation for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized. "Necessary and prompt veterinary care" is defined as follows:

> "Necessary and prompt veterinary care" means all reasonable 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."

[10] Exhibit H.

- 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."

At the August 2001 hearing, the Department of Finance questioned the proposed reimbursement for the initial physical examination and the wellness vaccine. The Department of Finance asserts that these activities are already being performed by shelters and, therefore, should not be reimbursable.[11]

Staff disagrees. The test claim legislation, for the first time, required local agencies to provide "prompt and necessary veterinary care" to stray and abandoned animals, other than injured cats and dogs given emergency treatment. According to legislative intent provided in Civil Code section 1834.4 of the test claim legislation, the purpose of this new requirement was to prevent the euthanization of treatable animals. The legislature defined a treatable animal as "any animal that is not adoptable but that could become adoptable with reasonable efforts." In this regard, two veterinarians from the County of San Diego and a veterinarian from the Contra Costa County have submitted comments stating that performing an initial examination to determine if the stray or abandoned animal is treatable, and administering a wellness vaccine to adoptable and treatable stray or abandoned animals is necessary to comply with the intent of the mandated requirement of providing "prompt and necessary veterinary care."[12] The Department of Finance has not submitted any comments to contradict these expert opinions. Thus, staff has left these activities in the proposed Parameters and Guidelines.

In addition, at the pre-hearing conference, the parties agreed to change the definition of "necessary and prompt veterinary care" from "all reasonable medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals 'adoptable'", to "all ~~reasonable~~ reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals 'adoptable'." The Commission has not received any subsequent comments opposing this change. Thus, the proposed Parameters and Guidelines include this modification.

Offsetting Savings and Other Reimbursements

Rewards

The test claim legislation, in Civil Code section 1845, authorizes local agencies, for the first time, to accept advertised rewards or rewards freely offered by the owner of the

[11] August 23, 2001, Hearing Transcript, page 33-34

[12] See, Exhibit A, Bates page 325; Exhibit F, Bates page 496; and Exhibit H, Bates page 513.

animal. Such rewards may be received by the local agency in addition to the fees authorized by the test claim legislation for the care and maintenance of the redeemed animal. The State Controller's Office requests that these rewards be included in the proposed Parameters and Guidelines as a potential source of offsetting revenue.

Staff agrees with this request. Section 1183.1, subdivision (a), of the Commission's regulations requires that all proposed parameters and guidelines "allow for an offset of any other reimbursement received from the federal or state governments or other non-local sources."

This regulation is consistent with the California Supreme Court's decision in *County of Fresno v. State of California*. In the *County of Fresno* case, the court clarified that article XIII B, section 6 of the California Constitution requires reimbursement by the state only for those expenses that are recoverable from tax revenues. Reimbursable costs under article XIII B, section 6 do not include reimbursement received from other non-tax sources, such as income from gifts.[13]

Staff finds that rewards received under Civil Code section 1845 fall within the definition of non-tax sources, as provided in the *County of Fresno* case. Staff further finds the reward money is a required offset, as defined in the Commission's regulations. Accordingly, the proposed Parameters and Guidelines specify that rewards authorized by Civil Code section 1845 must be identified and deducted from the reimbursement claim.

Fees Collected for Dog License Tags and Fines (Food and Agr. Code, § 30652)

At the August 2001 hearing, there was a lot of discussion about including Food and Agriculture Code section 30652 as a source of offsetting revenue. Food and Agriculture Code section 30652 was enacted in 1967[14] and requires that fees received from dog license tags and fines be used by local agencies on expenditures according to the priority outlined in the statute. Section 30652 states the following:

> All fees for the issuance of dog license tags and all fines collected pursuant to this division shall be paid into the county, city, or city and county treasury, as the case may be, and shall be used:
>
> (a) First, to pay fees for the issuance of dog license tags.
>
> (b) *Second, to pay fees, salaries, costs, expenses, or any or all of them for the enforcement of this division and all ordinances which are made pursuant to this division*.
>
> (c) Third, to pay damages to owners of livestock which are killed by dogs.
>
> (d) Fourth, to pay costs of any hospitalization or emergency care of animals pursuant to Section 597f of the Penal Code. (Emphasis added.)

[13] *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 486-488.

[14] Statutes of 1967, chapter 15.

Food and Agriculture Code section 30652, subdivision (b), authorizes local agencies to attribute *part* of the fees collected from owners for dog license tags and fines to pay the salaries, costs, and expenses for the enforcement of Division 14 of the Food and Agriculture Code. This division of the Food and Agriculture Code governs the regulation and licensing of dogs, and includes section 31108 of the test claim legislation, which imposes the increased holding period for impounded dogs. The Commission found that Food and Agriculture Code section 31108 imposes a reimbursable state mandated program for providing care and maintenance during the increased holding period for impounded stray or abandoned dogs that are ultimately euthanized.

Division 14 of the Food and Agriculture Code, and section 30652, subdivision (b), include both field and shelter services for dogs. For example, Food and Agriculture Code sections 31101 et seq. address a local agency's field requirements to seize and impound dogs running at large. These sections were enacted in 1967 by the same statute that enacted section 30652. Once a dog is seized by the local agency, section 31108 of the test claim legislation imposes the holding period for sheltering the dog. The initial holding period of 72 hours established in section 31108 was enacted in 1967 by the same statute that enacted section 30652. The test claim legislation was enacted in 1998 and amended section 31108 by increasing the holding period.

Thus, according to the priority set out in the statute, the local agency is first required to use the revenue generated from fines and the fee authority on the issuance of dog license tags. (Food and Agr. Code, § 30652, subd. (a).) If there is excess revenue following the expenditure for dog license tags, the local agency is required by subdivision (b) of section 30652 to attribute the excess funds on both the field and sheltering services. The Legislature did not, however, prioritize the field and shelter expenditures within subdivision (b).

Thus, the parties have proposed the following approaches with respect to Food and Agriculture Code section 30652:

1. The Department of Finance contends that any excess revenues be identified and deducted from the reimbursement claim first before the agency funds the "non-mandated" field activities. The Department proposes that the following language be included in Section VII, Offsetting Savings: "Specifically, all fees for the issuance of dog license tags and all fines collected pursuant to Division 14 of the Food and Agriculture Code, in excess of the amount to pay fees associated with the issuance of license tags, shall be identified and deducted from the claim before funding non-mandated activities."

2. The Counties of Contra Costa and Fresno contend that section 30652 should not be included as a source of offsetting revenue because there is no excess revenue after paying the expenses of dog license tags in section 30652, subdivision (a). In addition, they contend that section 30652 was enacted before the test claim legislation and, thus, should not be used to pay for the expenses of the test claim legislation.[15]

[15] Exhibits F and I.

3. The County of Mendocino contends that the offset against the total cost of the mandated program be just the proportionate share of the excess revenue attributable to shelter costs that preexisted the test claim legislation. This approach does not take into account the cost of field services. Mendocino County also proposes that the excess revenue used to pay for the costs incurred under section 30652, subdivision (d) (i.e., hospitalization or emergency care of animals under Penal Code section 596f), should be deducted before any offset is taken.[16]

4. The County of Tulare contends that revenues received under section 30652 should not be deducted from costs relating to the acquisition of additional space and/or construction of new facilities, or the remodeling/renovating existing facilities. Tulare County states that "if licensing fees received pursuant to Food and Agriculture Code [section] 30652, are to be deducted from the claim for reimbursement for the mandate it should not again be deducted from the claim for capital costs."[17]

Based on the analysis and legal authorities described below, staff disagrees with the parties' proposals.

First, staff disagrees with the approach proposed by the Counties of Contra Costa and Fresno, which omits section 30652 from the list of offsets. The claimants are correct that Section 30652 was enacted before the test claim legislation. It must be presumed, however, that the Legislature has existing laws in mind at the time that it enacts a new statute.[18] Thus, the Legislature was aware of section 30652 as a revenue source when it amended Food and Agriculture Code section 31108 extending the holding period for stray and abandoned dogs. Since the plain language of section 30652 requires any excess revenue received by the local agency from dog license fees and fines to be applied, as a second priority, to the administration of Division 14, of which section 31108 is a part, section 30652 cannot be ignored as potential source of offsetting revenue.

Moreover, the California Supreme Court in *County of Fresno v. State of California* has made it clear that article XIII B, section 6 requires reimbursement only when the state mandates local agencies to expend tax revenues. Reimbursement is not required under section 6 when local agencies make expenditures on state mandated programs from sources other than local taxes. Sources other than local taxes include revenue generated from fines, fees, federal funds, bond funds, and income from gifts.[19] Accordingly, staff finds that the Commission is legally required to identify Food and Agriculture Code section 30652 as a potential source of offsetting revenue.[20]

[16] The Counties of Los Angeles and San Diego agree with this approach. (See Exhibits L and N.)

[17] Exhibit O.

[18] *Schmidt v. Southern California Rapid Transit Dist.* (1993) 14 Cal.App.4th 23. (Exhibit R.)

[19] *County of Fresno v. State of California* (1991) 53 Cal.3d 482, 486-488.

[20] See also, section 1183.1, subdivision (a)(8), of the Commission's regulations, which require that all parameters and guidelines "allow for an offset of any other reimbursement received from the federal or state governments or other non-local sources."

Staff also disagrees with the approaches proposed by the Department of Finance and the County of Mendocino. The Department of Finance contends that any excess revenue received pursuant to section 30652 be applied first to this reimbursement claim before the local agency applies any excess funds to "non-mandated" activities in Division 14. The County of Mendocino contends that just the proportionate share of the excess revenue attributable to shelter costs that preexisted the test claim legislation be used to offset the cost of the mandated program.

Both approaches require that the Commission establish a priority of expenditures within subdivision (b) of Food and Agriculture Code section 30652. As noted above, the plain language of subdivision (b) does not establish such a priority. Thus, both the Department of Finance and the County of Mendocino read a requirement into Food and Agriculture Code section 30652, subdivision (b), which, by the plain language of the statute, is not there. This violates the rules of statutory interpretation. Courts and administrative agencies may not disregard or enlarge the plain provisions of a statute, nor may they go beyond the meaning of the words used when the words are clear and unambiguous.[21]

In addition, article XI, section 7 of the California Constitution authorizes counties and cities to "make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws." This constitutional grant of power allows cities and counties a certain amount of independence and discretion in matters of local concern. If, however, the general laws of the state conflict with a local law, the local law is preempted.[22] These principles apply to the licensing, fielding and sheltering of dogs. The California Supreme Court, in *Simpson v. City of Los Angeles*, recognized that the licensing of dogs and the regulation of the manner in which they shall be kept and controlled, while not exclusively a municipal affair, are within the legitimate sphere of a local agency's police power.[23] Thus, pursuant to article XI, section 7 of the California Constitution, a local agency has the discretion to enact laws relating to the fielding and sheltering of dogs, unless the Legislature has preempted the field. Here, the Legislature has not enacted a law requiring local agencies to pay for the expenses of Food and Agriculture Code section 31108 of the test claim legislation first, before excess revenue is applied to other required field and sheltering services. As indicated above, the Legislature did not prioritize the field and shelter expenditures within Food and Agriculture Code section 30652, subdivision (b). Rather, the state has left the expenditure of excess revenues within Food and Agriculture Code section 30652, subdivision (b), to the discretion of the local agency. As the courts have made clear, the Commission is required to construe article XIII B, section 6 strictly and not extend its provisions to include matters not covered by the language used or as an equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities.[24]

[21] *In re Rudy L.* (1994) 29 Cal.App.4th 1007; *Whitcomb v. California Employment Commission* (1944) 24 Cal.2d 753, 757. (Exhibit R.)

[22] *Korean American Legal Advocacy Foundation v. City of Los Angeles* (1994) 23 Cal.App.4th 376. (Exhibit R.)

[23] *Simpson v. City of Los Angeles* (1953) 40 Cal.2d 271, 278-279. (Exhibit R.)

[24] *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1816-1817, where the court stated the following: " 'A strict construction of section 6 is in keeping with rules of constitutional interpretation, which require that constitutional limitations and restrictions on legislative power are to be construed

Accordingly, staff finds that there is no legal support for the proposals of the Department of Finance and the County of Mendocino.

Therefore, staff recommends that the Parameters and Guidelines identify Food and Agriculture Code section 30652 as a potential source of offsetting revenue based on the plain language of that section. Specifically, revenue received from dogs license tags and fines pursuant to Food and Agriculture Code section 30652 shall be used first to pay for dog license tags under subdivision (a). Second, in accordance with section 30652, subdivision (b), any excess revenue 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. Under subdivision (b), a local agency has the discretion to prioritize the expenditures on field and shelter services. But, pursuant to the plain language of section 30652, a local agency is required to pay for the costs incurred in complying with Food and Agriculture Code section 31108 *before* any revenue can be applied to subdivisions (c) and (d) of section 30652 for damages to owners of livestock which are killed by dogs and hospitalization or emergency care of animals pursuant to Section 597f of the Penal Code. Costs incurred in complying with Food and Agriculture Code section 31108 include expenses identified in the Commission's Statement of Decision, and those expenses the Commission finds to be reasonable methods of complying with section 31108. Specifically, these expenses are as follows:

- The care and maintenance of stray and abandoned dogs that are euthanized or die during the increased holding period (Section IV (B) (3) of the proposed Parameters and Guidelines);
- For those agencies using the holding period of four business days after the day of impoundment, making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or establishing a procedure to enable owners to reclaim their animals by appointment (Section IV (B) (5) of the proposed Parameters and Guidelines);
- Acquisition of additional space, construction of new facilities, remodeling/renovating existing facilities (Section IV (B) (1) and (2) of the proposed Parameters and Guidelines); and
- All the one-time activities listed in Section IV (A) of the proposed Parameters and Guidelines.

Unclaimed Spay and Neuter Deposits (Food and Agr. Code, §§ 30520, 31751)

Contra Costa County contends that the unclaimed spay and neuter deposits received for dogs and cats under Food and Agriculture Code sections 30520 et seq. and 31751 et seq.

strictly, and are not to be extended to include matters not covered by the language used.' [Citations Omitted.] ['Under our form of government, policymaking authority is vested in the Legislature and neither arguments as to the wisdom of an enactment nor questions as to the motivation of the Legislature can serve to invalidate particular legislation.'] Under these principles, there is no basis for applying section 6 as an equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities." See also, *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1281.

should not be identified as a source of offsetting revenue because the expenditure of this revenue is limited to the spay and neuter programs.

Staff agrees with the County's position. At the time the test claim legislation was enacted, Food and Agriculture Code section 30503 required local agencies to charge a deposit for spaying or neutering a dog before the dog is sold or given away. The deposit could not exceed $40 and was used to cover the costs of spaying and neutering dogs. The local agency was required to return the deposit to the new owner if the new owner presented a written statement or receipt indicating that the dog had been spayed or neutered. Section 30503 further stated that any unclaimed deposit shall be used only to pay for a public education program to prevent overpopulation of dogs and cats, a program to spay or neuter dogs and cats, a follow-up program to assure that animals sold or given away are spayed or neutered, and any additional costs under section 30503. Food and Agriculture Code section 31751 contained similar requirements for cats. Thus, based on the plain language of sections 30503 and 31751, local agencies were not authorized to use the unclaimed spay or neuter deposits on the test claim legislation.

In 1998, Food and Agriculture Code sections 30503 and 31751 were amended, and section 30520 et seq. were added to the Food and Agriculture Code.[25] These provisions became operative on January 1, 2000, and also require that the unclaimed spay or neuter deposits be used only for spay and neuter programs for dogs and cats, public education to reduce and prevent the overpopulation of dogs and cats, a follow-up program to ensure that transferred dogs and cats are spayed or neutered, and any additional costs under these sections. Thus, based on the plain language of these provisions, local agencies are not authorized to use the unclaimed spay or neuter deposits on the test claim legislation.

Accordingly, staff has deleted Food and Agriculture Code sections 30520 et seq. and 31751 et seq. from the list of offsets.

Other Offsetting Savings Proposed by the Department of Finance

The Department of Finance contends that the intent of the test claim legislation is to ensure that an animal is adopted or reclaimed, rather than euthanized. Thus, the Department argues that if, under the test claim legislation, more animals are adopted or reclaimed, a local agency is saving money by avoiding the costs of euthanization. Specifically, the Department states the following:

> Additionally, the test claim legislation enhances the prospect that an animal will be adopted or reclaimed instead of euthanized. Presuming animals are adopted or reclaimed during the extended holding period, counties will realize offsetting savings. Prior to the test claim legislation, a county would have incurred costs for holding and euthanizing an animal not adopted or reclaimed by the owner. If, under the existing law, the animal is now adopted or reclaimed during the extended holding period, these holding costs would shift to the animal adoption fees or penalties authorized pursuant to Food and Agriculture Code sections 31108 (b), 31752, and 31753 and Penal Code section 597f, resulting in savings to county funds (license fees and other funds). Furthermore, the counties

[25] Statutes of 1998, chapter 747.

> will avoid euthanasia costs that would have been incurred under prior law. This offsetting savings could be determined by tracking the number of animals adopted or reclaimed during the extended holding period. Any such savings must be identified and deducted from the reimbursement claim.[26]

Thus, the Department recommends that the Commission adopt the following language in Section VII of the Parameters and Guidelines:

> Claims for reimbursement must identify sources of offsetting savings. Offsetting savings include, but are not limited to, holding and euthanasia costs for animals that would have been euthanized but for the extended holding period and which are instead adopted or reclaimed. These costs, that would have been funded from county license fees or other funds if the animal had been euthanized, are avoided (euthanasia costs) or passed via an adoption fee or penalty levied to the person adopting or reclaiming the animal (holding costs).

In the present case, the test claim legislation did not expressly repeal or reduce any of the existing state requirements relating to the care and maintenance of animals. Rather, as the Commission determined, the test claim legislation imposes new, state mandated, activities on local agencies. The Commission noted in its Statement of Decision, however, that one of the purposes of the test claim legislation was to reduce the rate of euthanasia. The Statement of Decision (on Bates page 173) states the following:

> The Commission agrees that one of the purposes of the test claim legislation was to reduce the cost of euthanasia. The Legislature expressly declared in Section 1 of the test claim legislation that the "redemption of owned pets and adoption of lost or stray adoptable animals is preferable to incurring social and economic costs of euthanasia." To reduce the rate of killing, the Legislature made it easier for owners to redeem their pets by establishing longer holding periods, mandatory record keeping, and lost and found lists.

The Commission also noted the contention of the San Francisco SPCA that the test claim legislation is cost-effective and can be accomplished on a revenue-neutral or revenue-positive basis without expenditures for new facilities or increased space.

However, there is no direct evidence in the record that local agencies are saving money as a result of the test claim legislation. Rather, as reflected in the Statement of Decision (Bates page 173), the record contains several declarations stating that local agencies have incurred increased costs as a result of the test claim legislation.

The Commission's regulations require an agency to identify and deduct offsetting savings experienced as a result of the mandate. Section 1183.1, subdivision (a)(9), of the Commission's regulations states that "all proposed parameters and guidelines must allow

[26] Exhibit M.

for any offsetting savings in the same program experienced as a result of the same statute(s) or executive order(s) found to contain a mandate."[27]

In accordance with this regulation, the first sentence in the boilerplate language in Section VII of the Parameters and Guidelines states the following: "Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed."

Staff finds the boilerplate language addresses the concerns of the Department of Finance.

Staff Recommendation

Staff recommends that the Commission adopt staff's Proposed Parameters and Guidelines, which begin on page 21.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

[27] The California Supreme Court has held that "a regulation adopted by a state administrative agency pursuant to a delegation of rulemaking authority by the Legislature has the force and effect of a statute." *Agricultural Labor Relations Bd. v. Superior Court* (1976) 16 Cal.3d 392, 401. (Exhibit R.)

STAFF'S PROPOSED 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 ~~part~~ Section IV (B) of these parameters and guidelines. (One-time per employee.)

~~3. Procure 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.~~

4. 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 ~~space~~ 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 ~~space~~ 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:

- 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 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:

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. 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.

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.

   <u>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.</u>

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 ~~increased~~ holding periods specified in Statutes of 1998, Chapter 752.

   "Necessary and prompt veterinary care" means all ~~reasonable~~ 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 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, including but not limited to licensing fees and fines received and applied pursuant to Food and Agriculture Code sections 30520 et seq., 30652, 31751 et seq., Government Code section 28502, and Penal Code section 597f; other state funds; and federal funds, shall be identified and deducted from this claim.~~ 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.

February 7, 2002

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

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

RE: Proposed Parameters and Guidelines/Final Staff Analysis
February 28, 2002, Hearing – Item 4
Animal Adoption, CSM 98-TC-11
Civil Code Sections 1834, 1846; Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003;
As Added or Amended by Statutes of 1998, Chapter 752
County of Los Angeles, City of Lindsay, County of Tulare, County of Fresno and Southeast Area Animal Control Authority, Claimants

Staff's Proposed Parameters and Guidelines and Final Staff Analysis have been completed and are enclosed for your review.

Hearing

The Proposed Parameters and Guidelines are set for hearing on February 28, 2002 at 9:30 a.m. in Room 126 of the State Capitol, Sacramento, California.

Hearing Procedures

If you wish to testify at the hearing, please complete the enclosed form and return the form, by fax or mail, to our office by Monday, February 25, 2002, at 5:00 p.m.

Testimony at the hearing will be presented in the following order: Claimants, the State Controller's Office, the Department of Finance, interested parties, and then interested persons.

The Chairperson may impose time limits on testimony as provided in the Commission's regulations. (Cal.Code Regs., tit.2, § 1182.2, subd. (b)(2).)

Please contact Camille Shelton, Staff Counsel, at (916) 323-8215 with questions.

Sincerely,

Paula Higashi
Executive Director

Enc. Form Requesting to Testify
Item 4, Staff's Proposed Parameters and Guidelines (Mailing List)

Return by Monday, February 25, 2002, at 5:00 p.m.

Fax Number, Commission on State Mandates: (916) 445-0278

Animal Adoption

Item # 4, Proposed Parameters and Guidelines

☐ I wish to testify at the hearing on the Proposed Parameters and Guidelines for the Animal Adoption claim on February 28, 2002.

Name of Witness/Witnesses: _____

Organization: _____

Address and Phone Number: _____

BILL ANALYSIS

SENATE JUDICIARY COMMITTEE
John L. Burton, Chairman
1997-98 Regular Session

SB 1785 S
Senator Hayden B
As Amended: April 14, 1998
Hearing Date: April 21, 1998 1
Civil Code, Food and Agriculture Code, Penal Code 7
DBM:cjt 85

SUBJECT

Stray Animals: Duties of Pounds and Shelters

DESCRIPTION

This bill would provide that public and private animal shelters are subject to the same anti-cruelty statutes as private citizens who take possession of a stray dog or cat. It would also require that animal shelters:

keep animals for a minimum of three business days before they are put up for adoption and a minimum of six business days before they are euthanized;
make animals available to non-profit rescue societies or adoption organizations free of charge, excluding reasonable spay or neuter costs;
maintain accurate records of all animals turned over to the shelter, from the time of possession;
keep and provide for any legally ownable pet;
make reasonable efforts to contact the owner of an animal in its possession and to inform him or her of recovery procedures.

In addition, this bill would provide that it is the policy of the state that no adoptable animal should be euthanized.

CHANGES TO EXISTING LAW

1. Existing law (Penal Code Section 597, 597l, 597f, 597t) provides that any person having the charge or custody of an animal is required to provide it with adequate food, clean water, shelter, exercise and veterinary care. It provides that no person shall intentionally harm an animal. A violation of any of these provisions is punishable as a misdemeanor or as a wobbler, depending on the offense, and by a fine of not more than $20,000.

This bill would clarify that public pounds, private animal shelters, and private citizens who take possession of a stray dog or cat are all subject to the provisions listed above. A violation is punishable as a misdemeanor or as a wobbler, depending on the offense, and by a fine of not more than $20,000.

2. Existing law (Food and Agriculture Code Section 31108, 31752) provides that a stray dog or cat that is impounded must be held for 72 hours before it may be killed.

This bill would provide that:

(a) any impounded animal that may be legally owned must be held for six business days before it may be killed. It would provide that an impounded animal would be available for owner redemption during the first three business days and for adoption or owner redemption during the following three business days;

(b) it is the policy of the state that no adoptable animal should be euthanized if it can be adopted into a suitable home and that no treatable animal should be euthanized. It defines "adoptable" and "treatable";

(c) any impounded animal that may be legally owned must be released without cost, excluding a reasonable spay or neuter deposit, to a requesting nonprofit animal rescue

or adoption organization prior to the expiration of the holding period.

3. Existing Law (Penal Code Section 597.1) provides that an animal control agency must keep records of the whereabouts of any animal in its possession for 72 hours and must make those records available for inspection by the public upon request.

This bill would provide that an animal control agency or private animal shelter must keep accurate records on each animal that is taken up, medically treated, euthanized, or impounded. It would require that those records include the circumstances under which the animal was taken up, medically treated, euthanized, or impounded, the names of the personnel who took up, medically treated, euthanized, or impounded the animal, a description of any medical treatment provided, the name of the veterinarian of record, the final disposition of the animal, (including the name of the person who euthanized the animal or the names of parties who adopted the animal). This bill would require the maintenance of those records from the time the agency or shelter takes possession of the animal.

4. Existing law (Food and Agriculture Code Section 32001) provides that all animal control agencies and private animal shelters must provide owners of lost animals and those who find lost animals with a list of lost and found animals maintained by the shelter. It also requires that they provide the telephone numbers and addresses of other animal control agencies and private animal shelters in the area. These provisions carry neither civil nor criminal penalties.

This bill would also require that animal control agencies and private animal shelters make reasonable efforts to contact the owner of an animal in its possession and to inform him or her of recovery procedures. It would require that animal shelters keep records of such efforts. In addition, this bill would provide that violations of the above cited existing law (Food and Agriculture Code Section 32001) are a cause of action for damages against a public entity, employee of a public entity, or any other person.

5. Existing statute (Penal Code Section 597.11) provides that local governments may, but are not required to, adopt statutory language requiring animal control centers to conduct postseizure hearings to determine whether the seizure or impounding of an animal was lawful. Existing case law [Carrera v. Bertaini Civ. No. 2713. Fifth Dist. Nov. 12, 1976.] provides that animal control centers must conduct postseizure hearings.

This bill would codify existing case law to provide that animal control centers must conduct postseizure hearings.

COMMENT

1. Stated purpose; to hold shelters accountable to the same standards as private individuals, to shift the focus of animal shelters away from euthanization and towards adoption, to require shelters to care for all legally ownable pets

According to the author, the purpose of this bill is: (1) to make it clear that animal shelters and private individuals have the same responsibility to animals under their care; (2) to reduce the number of adoptable animals euthanized at shelters by shifting the focus of shelters from killing to owner redemption and adoption; (3) to give owner relinquished pets the same chance to live as stray animals by providing for uniform holding periods; (4) to establish clearer guidelines for the care and treatment of animals in shelters; and (5) to require shelters to care for all pets.

The author argues that too many adoptable animals are

euthanized by shelters and that the proposed changes will decrease the frequency of this tragedy. Further, the author argues that taxpayers who own legally allowed pets other than cats and dogs should be treated the same as taxpayers who own cats and dogs.

2. Opposition concerns: mandates placed upon shelters would require additional facilities and staff and would dramatically increase costs

The principal opponents of this bill, the California Association of Animal Control Directors and The California Agricultural Commissioners and Sealers Association have expressed numerous concerns. These include:

(a) Extension of 72-hour holding requirement to six business days

Opponents argue that the provisions in this bill which require that shelters keep animals for a minimum of six business days would dramatically increase operating costs. Pat Claerbout, Director of El Dorado County Animal Control, points out that the six business day requirement would necessitate the holding of animals for a minimum of up to eight days, since weekends do not constitute business days. During the holidays, shelters could be required to hold animals for as long as eleven or twelve days. Claerbout argues that in order to meet this provision, most shelters would be forced to expand their facilities and hire additional staff.

COULD, INSTEAD, THE BILL DISTINGUISH BETWEEN STRAY ANIMALS AND IDENTIFIED ANIMALS AND PROVIDE THAT SHELTERS KEEP ANIMALS WITH IDENTIFICATION TAGS FOR A MINIMUM OF FIVE BUSINESS DAYS AND ALL OTHER ANIMALS FOR A MINIMUM OF THREE BUSINESS DAYS, EXCLUDING THE DAY ON WHICH THE ANIMAL IS IMPOUNDED?

(b) Requirement to keep all animals

Opponents argue that the requirement that shelters keep animals other than stray dogs and cats would necessitate that they accommodate for animals for which they are currently incapable of accommodating.

SHOULD THIS BILL BE AMENDED TO REQUIRE THAT SHELTERS KEEP A SPECIFIED LIST OF ANIMALS, RATHER THAN ANY LEGALLY OWNABLE ANIMAL? SHOULD THAT LIST EXCLUDE WILD ANIMALS, EXOTIC ANIMALS, AND LIVESTOCK?

(c) Provisions providing for release to rescue societies

Opponents argue that the requirement that shelters release animals to rescue societies as soon as they are available for adoption will create a "cherry picking problem" whereby rescue societies and adoption organizations could frequently remove all easily adoptable animals from the shelters, leaving only unadoptable animals in the shelters. Claerbout argues that shelters need to be able to retain some of the easily adoptable animals so that they can entice the public to visit shelters. Higher numbers of visitors results in more frequent adoptions of less easily adoptable animals. Further, opponents of the bill argue that the requirement that shelters release animals to rescue societies and adoption organizations for free will decrease their revenues.

SHOULD THIS BILL BE AMENDED TO PROVIDE THAT A SHELTER MUST MAKE AN ANIMAL AVAILABLE TO A RESCUE SOCIETY PRIOR TO THE KILLING OF THAT ANIMAL? SHOULD IT ALSO PROVIDE THAT A SHELTER MAY ASSESS A FEE FOR ANIMALS RELEASED TO A RESCUE SOCIETY OR ADOPTION ORGANIZATION, BUT THAT THE FEE MAY NOT EXCEED THE STANDARD ADOPTION FEE FOR THAT ANIMAL?

(d) Postseizure hearings

Opponents are concerned that the requirement that animal control centers conduct postseizure hearings will increase operating costs.

SHOULD ANIMAL CONTROL CENTERS BE REQUIRED TO CONDUCT POSTSEIZURE HEARINGS?

(e) Further concerns

Opponents also argue that shelters currently maintain adequate records of impounded animals and that they are already subject to anti-cruelty statutes.

3. Additional concerns: the possibility of increased legal liability of animal shelters

This bill would make all shelters liable for civil damages for failure to abide by existing anti-cruelty laws, proposed statutes relating to the killing of animals, and proposed statutes requiring additional record keeping. Though shelters are currently liable for failures to abide by anti-cruelty laws, the proposed liability for euthanasia decisions and record keeping would be new. Opponents of the bill are concerned that passage of this bill in its existing form could result in civil suits being filed against shelters that cannot find homes for impounded pets, and that additional liability would expose them to unknown financial risks.

SHOULD THIS BILL BE AMENDED TO STATE THAT NO NEW CAUSE OF ACTION IS CREATED BY ANY OF ITS PROVISIONS OR, ALTERNATIVELY, THAT INDIVIDUALS MAY NOT BRING SUIT AGAINST SHELTERS FOR DECISIONS CONCERNING EUTHANASIA?

4. Declarations and findings

The bill makes the following declarations and findings:

(1) Public and private shelters and humane organizations share a common purpose in saving animals' lives, preventing animal suffering, and eliminating animal abandonment.

(2) Public and private shelters and humane groups should work together to end euthanasia of adoptable and treatable animals by 2010.

(3) Redemption of owned pets and adoption of lost or stray adoptable animals is preferable to incurring social and economic costs of euthanasia.

(4) Shelters should be open during hours that permit working pet owners to redeem pets during non-working hours.

(5) Shelters should aggressively promote spay and neuter programs to reduce pet overpopulation.

(6) Shelters should not adopt out animals that are not spayed or neutered.

(7) Public shelters should work with humane animal adoption organizations to the fullest extent possible to promote the adoption of animals and to reduce the rate of killing.

(8) The intent of this act is to do all of the following:

(a) Shift the focus of shelters from killing to owner redemption and adoption by making record keeping mandatory to aid in owner redemption, providing owner relinquished pets the same holding period as stray animals to allow for adoption, and providing for an explicit adoption period.

(b) Consolidate and list clear guidelines for care and treatment for animals held in shelters.

(c) Extend public shelter responsibilities from dogs and cats to all legal pets.

(d) Make shelters accountable to pet owners and the public for records and the care of animals in their possession.

(e) Make clear shelter responsibilities are the same as

those legally assumed by a person who voluntarily picks up an animal.

(9) Statutory law prescribes the type of treatment that private citizens must extend to stray animals they voluntarily pick up and that public and private animal shelters should be held to the same legal duties as those that exist for private citizens.

(10) It is better to have public and private shelters pick up or take in animals than private citizens. The Legislature further finds that the taking in of animals is important for public health and safety, to aid in the return of the animal to its owner, and to prevent inhumane conditions for lost or free roaming animals.

(11) Shelters should be required by law to take in lost animals and properly care for them with prompt veterinary care, adequate nutrition, shelter, exercise, and water.

(12) Shelters receiving animals that have identification should make reasonable attempts to notify the owner of the animal's location.

(13) The duties of shelters to properly care for an animal do not cease if the owner of a lost animal does not claim the animal; and the shelter should have the duty to make the animal available for adoption for a reasonable period of time and to care properly for the animal during this period.

(14) The Legislature finds and declares that lost animals should be held for a period of time to ensure that the owner has proper access to redeem the animal.

Support: The Humane Society of the United States; Friends of Animals; The Fund for Animals, Inc.; In Defense of Animals; Animal Emancipation, Inc.; Animal Legislative Action Network; Orange County People for Animals; The Cat and Dog Rescue Association; Cats at the Studios, Inc.; Doris Day Animal League.

Opposition: California Animal Control Directors Association; California Agricultural Commissioners and Sealers Association.

HISTORY

Source: Author

Related Pending Legislation: None Known

Prior Legislation: None Known

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