



BETTY T. YEE
California State Controller

April 7, 2020

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, 17-9811-I-04

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: 2007-08, and 2008-09

Town of Apple Valley, Claimant

Dear Ms. Halsey:

The State Controller's Office has reviewed the Commission on State Mandates' (Commission) Draft Proposed Decision (DPD) dated March 17, 2020, for the above incorrect reduction claim filed by the Town of Apple Valley. This letter constitutes the Controller's response to the DPD.

We support the Commission's DPD as follows:

- Reductions of animal shelter construction costs, totaling \$1,978,499, are correct as a matter of law.
- The allowance of indirect costs, based on the ten percent default rate per the program's parameters and guidelines, are correct as a matter of law.
- The disallowance of care and maintenance costs as claimed is correct as a matter of law; however, our recalculation of allowable care and maintenance costs, in which we adjusted the percentages allocated to the classifications performing annual care and maintenance services is incorrect.

We re-calculated allowable care and maintenance costs using the staff participation percentages determined by the town and identified additional allowable costs of \$13,559 (\$12,562 for salaries and benefits and \$997 for related indirect costs). We will re-issue the

Heather Halsey, Executive Director

April 7, 2020

Page 2

final audit report and recognize the additional allowable costs, pending the Commission's decision on this incorrect reduction claim.

- Our decision refusing to consider documentation provided by the town for costs not claimed.

If you have any questions, please contact me by telephone at (916) 327-3138.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Kurokawa".

LISA KUROKAWA, Chief
Compliance Audits Bureau
Division of Audits

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 April 8, 2020, I served the:

- **Controller's Comments on the Draft Proposed Decision filed April 7, 2020**

Animal Adoption, 17-9811-I-04

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: 2007-2008 and 2008-2009

Town of Apple Valley, 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 April 8, 2020 at Sacramento, California.

Lorenzo Duran

Lorenzo Duran
Commission on State Mandates
980 Ninth Street, Suite 300
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(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 3/17/20

Claim Number: 17-9811-I-04

Matter: Animal Adoption

Claimant: Town of Apple Valley

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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