

COMMISSION ON STATE MANDATES

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July 16, 2008

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

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

RE: Final Staff Analysis, Proposed Parameters and Guidelines, and Hearing Date
California Fire Incident Reporting System, CSM-4419/00-TC-02
The New California Fire Incident Reporting System Manual – Version 1.0/
July 1990
San Ramon Valley Fire Protection District & City of Newport Beach, Claimants

Dear Mr. Burdick:

The final staff analysis and modified proposed parameters and guidelines for this program are enclosed.

Hearing

This matter is set for hearing on Friday, **August 1, 2008**, 9:30 a.m. in Room 447, State Capitol, Sacramento, California. This matter is proposed for the consent calendar. Please let us know in advance if you or a representative of your agency will testify at the hearing, and if other witnesses will appear. If you would like to request postponement of the hearing, please refer to section 1183.01, subdivision (c)(2), of the Commission's regulations.

Special Accommodations

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

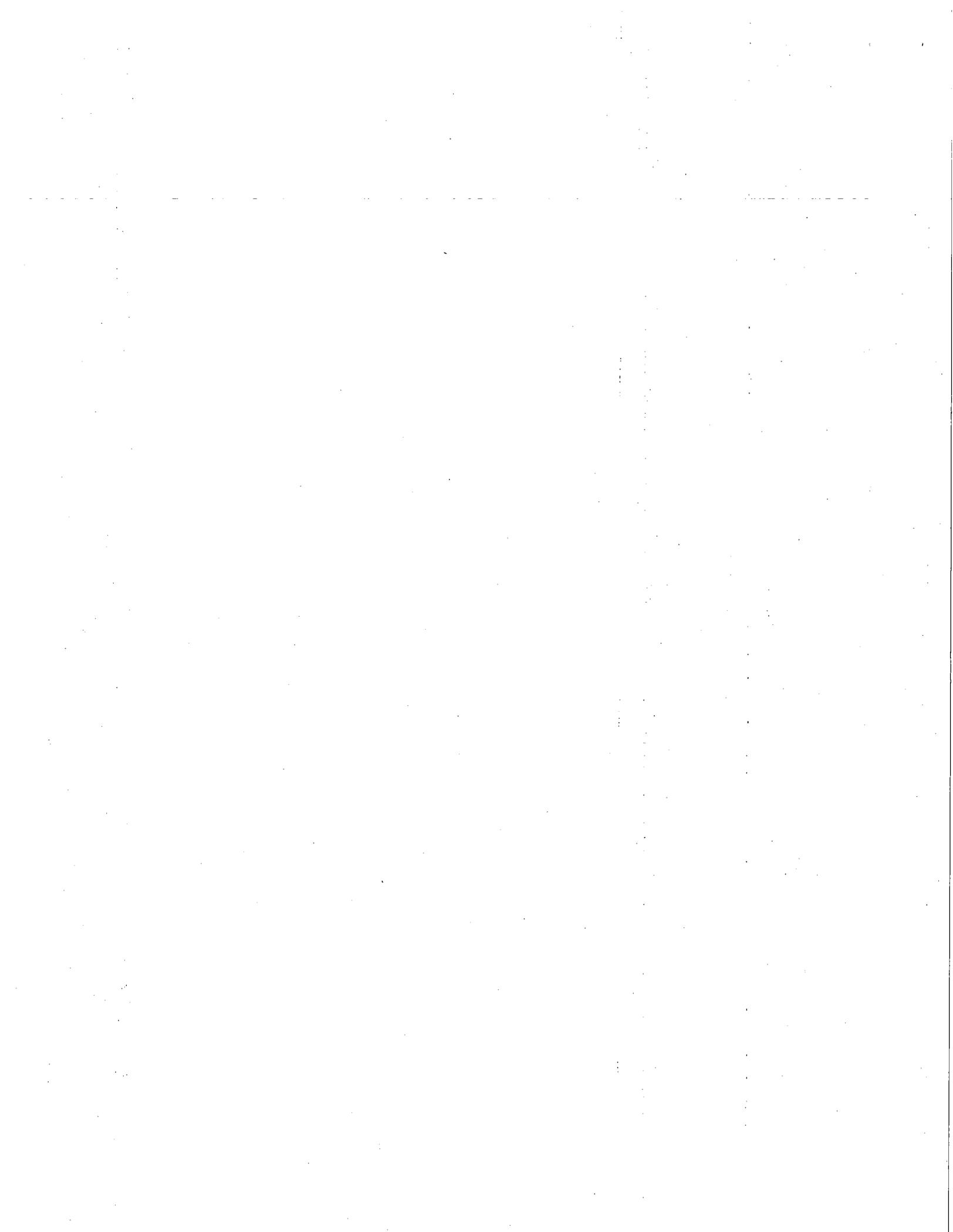
Please contact Nancy Patton at (916) 323-8217 with any questions regarding this matter.

Sincerely,


PAULA HIGASHI
Executive Director

Enclosures

J:mandates/4000/4419/psgfsatrans



ITEM 8

FINAL STAFF ANALYSIS PROPOSED PARAMETERS AND GUIDELINES

The New California Fire Incident Reporting System Manual – Version 1.0/July 1990

California Fire Incident Reporting System

CSM-4419/00-TC-02

San Ramon Valley Fire Protection District and City of Newport Beach, Claimants

EXECUTIVE SUMMARY

Summary of the Mandate

All fire protection agencies in California have had a duty since January 1, 1974, to report “information and data to the State Fire Marshal relating to each fire” in their jurisdiction pursuant to Health and Safety Code section 13110.5, in the form, time and manner prescribed by the State Fire Marshal. The Commission on State Mandates (Commission) adopted a Statement of Decision on December 4, 2006, concluding that the New California Fire Incident Reporting System Manual (Version 1.0, July 1990), mandated a new program or higher level of service on local agencies within the meaning of article XIII B, section 6 of the California Constitution, and imposed costs mandated by the state pursuant to Government Code section 17514, by requiring the local implementation of a computerized version of CFIRS, with submission of forms by diskette or magnetic tape.

- Claimants who incurred actual costs for implementing the new computerized CFIRS format from July 1, 1990 (the beginning of the reimbursement period), to June 30, 1992 (the date of the letter from the State Fire Marshal stating that computerized filing was no longer required), are eligible for one-time costs for acquiring and implementing any necessary hardware and software.

The Commission concluded that Health and Safety Code section 13110.5, as amended by Statutes 1987, chapter 345, does not impose a new program or higher level of service within the meaning of article XIII B, section 6 of the California Constitution. Because fire incident reporting was required by prior law, the Commission found that the 1990 CFIRS manual and related reporting forms do not mandate a new program or higher level of service for ongoing reporting of fire or other incidents, other than as described above.

Discussion

The claimant’s proposed parameters and guidelines were received on January 4, 2007 and issued for comment by Commission staff on January 12, 2007. On January 29, 2007, Department of Finance submitted comments on the draft parameters and guidelines, suggesting some amendments to the reimbursable activities. On June 1, 2007, the claimant submitted a response to Finance’s comments, concurring with those comments.

On June 19, 2008, Commission staff issued the draft staff analysis and modified proposed parameters and guidelines. Staff modified the parameters and guidelines as described below.

Staff found that some of the changes suggested were inconsistent with the Commission's Statement of Decision. Specifically, that a blanket exclusion of reimbursement for costs incurred *during* the reimbursement period, for hardware purchases or employee training by local agencies already using a computerized CFIRS process, violates Government Code section 17565.

Therefore, the attached proposed parameters and guidelines, as modified by staff, follow the language originally submitted by the claimant in January 2007, with minor amendments to further emphasize the limited two-year reimbursement period. Commission staff also made non-substantive, technical changes for purposes of clarification, consistency with language in recently adopted parameters and guidelines, and conformity to the Statement of Decision. All subsequent amendments, whether proposed by DOF, the claimant, or Commission staff, are noted by underline and strikethrough in the proposed parameters and guidelines.

On July 11, 2008, Department of Finance submitted comments concurring with the draft staff analysis. No other comments on the draft staff analysis were received. Therefore, staff made no further changes to the modified proposed parameters and guidelines.

Staff Recommendation

Staff recommends that the Commission adopt the proposed parameters and guidelines, as modified by staff, beginning on page 9. Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

STAFF ANALYSIS

Claimants

San Ramon Valley Fire Protection District (San Ramon) and
City of Newport Beach (Newport Beach)

Chronology

- 12/07/06 Adopted Statement of Decision issued
- 01/04/07 Proposed parameters and guidelines received from claimant, Newport Beach
- 01/12/07 Commission staff deemed the filing complete and requested comment from state agencies and interested parties
- 01/31/07 Department of Finance submitted comments on the proposed parameters and guidelines
- 06/01/07 Claimant submitted a concurring response to DOF's comments, including revised proposed parameters and guidelines
- 06/19/08 Commission staff issues draft staff analysis and proposed parameters and guidelines, as modified by staff
- 07/11/08 Department of Finance submits comments on the draft staff analysis and proposed parameters and guidelines
- 07/16/08 Commission staff issues final staff analysis and proposed parameters and guidelines, as modified by staff

Summary of the Mandate

All fire protection agencies in California have had a duty since January 1, 1974, to report "information and data to the State Fire Marshal relating to each fire" in their jurisdiction pursuant to Health and Safety Code section 13110.5, in the form, time and manner prescribed by the State Fire Marshal. The State Fire Marshal issued a manual and reporting forms in 1974 entitled the "California Fire Incident Reporting System" (CFIRS). This test claim, as amended, alleged that a 1987 amendment to the Health and Safety Code, and the 1990 edition of the CFIRS manual, imposed a reimbursable state-mandated program.

The Commission adopted a Statement of Decision on December 4, 2006,¹ concluding that the New California Fire Incident Reporting System Manual (Version 1.0, July 1990), mandated a new program or higher level of service on local agencies within the meaning of article XIII B, section 6 of the California Constitution, and imposed costs mandated by the state pursuant to Government Code section 17514, by requiring the local implementation of a computerized version of CFIRS, with submission of forms by diskette or magnetic tape.

- Claimants who incurred actual costs for implementing the new computerized CFIRS format from July 1, 1990 (the beginning of the reimbursement period), to June 30, 1992 (the date of the letter from the State Fire Marshal stating that computerized filing was no

¹ Exhibit A.

longer required), are eligible for one-time costs for acquiring and implementing any necessary hardware and software.

The Commission concluded that Health and Safety Code section 13110.5, as amended by Statutes 1987, chapter 345, does not impose a new program or higher level of service within the meaning of article XIII B, section 6 of the California Constitution. Because fire incident reporting was required by prior law, the Commission found that the 1990 CFIRS manual and related reporting forms do not mandate a new program or higher level of service for ongoing reporting of fire or other incidents, other than as described above.

Discussion

The claimant's proposed parameters and guidelines were received on January 4, 2007² and issued for comment by Commission staff on January 12, 2007. On January 31, 2007, Department of Finance submitted comments on the draft parameters and guidelines, and suggested amendments to the reimbursable activities.³ On June 1, 2007, the claimant responded to Finance's comments,⁴ and attached revised parameters and guidelines with the changes suggested. The attached proposed parameters and guidelines, as modified by staff, use the language originally submitted by the claimant in January 2007. All subsequent amendments, whether proposed by Department of Finance, the claimant, or Commission staff, are noted by underline and strikethrough.

In addition to the changes described below, Commission staff made non-substantive, technical changes for purposes of clarification, consistency with language in recently adopted parameters and guidelines, and conformity to the Statement of Decision. The title was amended to remove the reference to Statutes 1987, chapter 345, which was denied; and staff deleted other listed statutes which were never pled in the test claim. Section I, Summary of the Mandate, was also amended to include additional information on the findings from the Statement of Decision.

Section IV. Reimbursable Activities

Department of Finance's January 31, 2007 comments on the claimant's proposed parameters and guidelines recommend additions to each of claimant's reimbursable activities, as indicated by underline:

1. Purchase of necessary computer hardware to implement the CFIRS program per the 1990 version of the CFIRS manual, during the July 1, 1990, through June 30, 1992, time period. Any fire departments of districts using the computer tape submittal process, prior to July 1, 1990, are excluded from the reimbursement of computer hardware purchases.
2. Purchase and/or development of computer software or conversion of existing computer software necessary to implement the CFIRS program per the 1990 version of the CFIRS manual, during the July 1, 1990, through June 30, 1992, time period.
3. Installation and/or implementation of necessary computer hardware and/or software, during the July 1, 1990, through June 30, 1992 time period.

² Exhibit B.

³ Exhibit C.

⁴ Exhibit D.

4. Creation of back-up copy(ies) of necessary computer software, during the July 1, 1990, through June 30, 1992, time period.
5. Training on utilization of necessary computer hardware and/or software for each employee. Training at any fire departments or districts using computer tape submittal process prior to July 1, 1990, is excluded from reimbursement for computer hardware training.
6. Training on the submittal of reports via the necessary computer hardware and/or software for each employee. Training at any fire departments or districts using the computer tape submittal process, prior to July 1, 1990, is excluded from reimbursement.

No Exclusion of Fire Departments or Districts Using a Computer Tape Submittal Process Prior to Reimbursement Period:

Although the claimant agreed to all of Finance's suggested amendments in its June 1, 2007 letter, staff finds that some of the changes are inconsistent with the Commission's Statement of Decision and mandates law. The Statement of Decision, at page 13, discusses those fire agencies which had adopted a computer tape submittal process prior to the 1990 CFIRS manual:

According to the State Fire Marshal, some departments were already sending computerized reports in by mainframe tape. The Questions and Answers booklet addresses those departments, stating they may continue to send in tapes in the old format monthly, or begin sending the tapes in the new format quarterly, beginning in 1991, but at page 9, the booklet states: "You may continue to use the old format during '91 if additional time is needed to accomplish your conversion."

Regarding a "deadline for tape departments to" switch to the new system, the document gives a date of "January, 1992." The Commission notes that for those departments that were already using mainframe tape to complete CFIRS reporting before the 1990 manual was issued, Government Code section 17565 provides that when a local agency incurs costs at its option that are later state-mandated, reimbursement is still required "for those costs incurred after the operative date of the mandate."

Thus, staff finds that a blanket exclusion of reimbursement for costs incurred *during* the reimbursement period, for hardware purchases or employee training, violates Government Code section 17565. Although DOF's comments assert: "any fire district or department that submitted CFIRS reports using the computer tape submittal process prior to July 1, 1990, would have no need for additional hardware purchases," staff finds this is inaccurate because existing hardware may have required augmentation or replacement during the reimbursement period. Because fire departments or districts using a computer tape submittal process prior to July 1, 1990 may have incurred additional hardware or training costs during the reimbursement period in order to comply with the requirements of the 1990 CFIRS manual, such agencies may not be excluded in the parameters and guidelines. Pursuant to Government Code section 17565 and the Commission's Statement of Decision, "costs incurred after the operative date of the mandate," are reimbursable, even if the local agency began implementation "at its option" prior to that date. However, eligible costs are still limited to the actual costs incurred by a local agency to implement the mandate *during* the two-year reimbursement period.

Time-Limiting Language

Department of Finance requested additional time-limiting language after most of the activities, specifying that the activity is reimbursable "during the July 1, 1990, through June 30, 1992 time period." Staff finds such changes are unnecessary because the reimbursement period is identical for all activities and is explained under Section III., Reimbursement Period. However, for additional emphasis, staff added language regarding the two-year reimbursement period before the list of reimbursable activities.

Training Costs

Finally, the first four activities refer to the purchase and implementation of necessary hardware and software for the implementation of the computerized CFIRS program. Such activities are encompassed by the plain language of the Commission's findings in the Statement of Decision. The fifth and sixth activities address employee training regarding the computer hardware and software, and the electronic submission of CFIRS reports. Although employee training is not explicitly required by the test claim executive order, section 1183.1, subdivision (a)(4) of the Commission's regulations authorizes the Commission to include the "most reasonable methods of complying with the mandate" in the parameters and guidelines.

The "most reasonable methods of complying with the mandate" are "those methods not specified in statute or executive order that are necessary to carry out the mandated program." Staff finds that training employees on the use of necessary hardware and software was the most reasonable method of implementing the mandate to submit computerized CFIRS reports to the state. The original claimant, San Ramon, declared under penalty of perjury in the test claim filing, regarding "Implementation Costs" of a computerized CFIRS program: "It will be necessary to train staff on the use of the system. The training will vary by the individual's responsibility, and it will be necessary to periodically repeat much of the training."⁵

The State Fire Marshal contemplated local training as a necessary activity for the computerized CFIRS, as found in the test claim record. In September 1989, the State Fire Marshal issued a package to all California fire chiefs, including a cover letter, printouts of CFIRS forms, and a booklet entitled "Questions and Answers about the New CFIRS." In that booklet, at page 10, the State Fire Marshal addressed the question: "How can I get training on the new CFIRS?" The response follows: "Since you can only use the new format on a PC or mainframe computer, the training you'll need is going to be mostly on how you use the software that you install in your department." DOF has not disputed the training activities. Therefore, staff retained employee training on CFIRS hardware, software, and electronic report submittal in the proposed parameters and guidelines, but clarified that such training is one-time per employee.

Because training is included as a reimbursable activity, staff added the direct cost reporting boilerplate language for training, under Section V, Claim Preparation and Submission, of the proposed parameters and guidelines.

⁵ Test Claim Filing, filed December 31, 1990, page 4.

Comments on the Draft Staff Analysis

On July 11, 2008, Department of Finance submitted comments concurring with the draft staff analysis.⁶ No other comments on the draft staff analysis were received. Therefore, staff made no further changes to the modified proposed parameters and guidelines.

Staff Recommendation

Staff recommends that the Commission adopt the proposed parameters and guidelines, as modified by staff, beginning on page 9. Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

⁶ Exhibit E.

**PROPOSED PARAMETERS AND GUIDELINES,
AS MODIFIED BY STAFF**

The New California Fire Incident Reporting System Manual – Version 1.0/July 1990

California Fire Incident Reporting System
CSM-4419/00-TC-02

San Ramon Valley Fire Protection District and City of Newport Beach, Claimants
Chapter 345, Statutes of 1987; Chapter 1214, Statutes of 1994; Chapter 91, Statutes of 1995;
Chapter 155, Statutes of 1996; July 1990 Fire Incident Reporting Manual

Claim no. CSM 4419

I. SUMMARY OF THE MANDATE

All fire protection agencies in California have had a duty since January 1, 1974, to report “information and data to the State Fire Marshal relating to each fire” in their jurisdiction pursuant to Health and Safety Code section 13110.5, in the form, time and manner prescribed by the State Fire Marshal. The State Fire Marshal issued a manual and reporting forms in 1974 entitled the “California Fire Incident Reporting System” (CFIRS). This test claim, as amended, alleged that a 1987 amendment to the Health and Safety Code, and the 1990 edition of the CFIRS manual, imposed a reimbursable state-mandated program.

The Commission on State Mandates (Commission) adopted a Statement of Decision on December 4, 2006, concluding that the New California Fire Incident Reporting System Manual (Version 1.0, July 1990), mandated a new program or higher level of service on local agencies within the meaning of article XIII B, section 6 of the California Constitution, and imposed costs mandated by the state pursuant to Government Code section 17514, by requiring the local implementation of a computerized version of CFIRS, with submission of forms by diskette or magnetic tape.

- Claimants who incurred actual costs for implementing the new computerized CFIRS format from July 1, 1990 (the beginning of the reimbursement period), to June 30, 1992 (the date of the letter from the State Fire Marshal stating that computerized filing was no longer required), are eligible for one-time costs for acquiring and implementing any necessary hardware and software.

The Commission concluded that Health and Safety Code section 13110.5, as amended by Statutes 1987, chapter 345, does not impose a new program or higher level of service within the meaning of article XIII B, section 6 of the California Constitution. Because fire incident reporting was required by prior law, the Commission found that the 1990 CFIRS manual and related reporting forms do not mandate a new program or higher level of service for ongoing reporting of fire or other incidents, other than as described above. The within test claim, filed on December 31, 1991, addresses the 1987 amendments to the Health and Safety Code section 13110.5, and the resulting 1990 version of the California Fire Incident Reporting System (CFIRS) manual regarding the duty to report information and data on fires to the State Fire Marshall. The new manual made changes to the manner in which data was collected requiring use of a computerized version of the data forms.

~~On December 4, 2006, the Commission on State Mandates found that the above referenced test claim constituted a partially reimbursable state mandated program. Specifically, the Commission found that requiring the local implementation of a computerized version of CFIRS, with submission of forms by diskette or magnetic tape, mandated a new program or higher level of service on local fire agencies. The Commission concluded that claimants who incurred actual costs for implementing the new computerized CFIRS format may be eligible for one-time costs for acquiring and implementing any necessary hardware and software. The Commission, however, limited the reimbursable period from July 1, 1990, the beginning of the reimbursement period based on the filing date of San Ramon's test claim, to June 30, 1992, the date a letter was issued from the State Fire Marshal stating that fire incident reports may be submitted by hardcopy rather than diskette or tape.~~

II. ELIGIBLE CLAIMANTS

Any county, city, city and county, or fire district that incurred increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of those costs.

III. PERIOD OF REIMBURSEMENT

The test claim for this mandate was filed by the original test claimant, San Ramon Valley Fire Protection District, on December 31, 1991. When the test claim was filed, Government Code section 17757 stated that "[a] test claim shall be submitted on or before December 31 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year." Therefore, the period of reimbursement begins July 1, 1990.

On June 30, 1992, a letter was issued by the State Fire Marshal stating that, effective immediately, fire incident reports may be submitted by hardcopy rather than diskette or tape. This letter rescinded the mandate. Therefore, the period of reimbursement ends is through June 30, 1992.

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)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the 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.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any given 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 reported 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.

Claimants may use time studies to support salary and benefit costs when an activity is task-repetitive. Time study usage is subject to the review and audit conducted by the State Controller's Office.

For each eligible claimant, the following activities are eligible for reimbursement, when the activities were conducted and/or costs were incurred from July 1, 1990 through June 29, 1992:

A. One-Time Activities from July 1, 1990 through June 29, 1992:

1. Purchase of necessary computer hardware to implement the CFIRS program per the 1990 version of the CFIRS manual.
2. Purchase and/or development of computer software or conversion of existing computer software necessary to implement the CFIRS program per the 1990 version of the CFIRS manual.
3. Installation and/or implementation of necessary computer hardware and/or software.
4. Creation of back-up copy(ies) of necessary computer software.
5. Training on utilization of necessary computer hardware and/or software for each employee. (One-time per employee.)
6. Training on the submittal of reports via the ~~of~~ necessary computer hardware and/or software for each employee. (One-time per employee.)

V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for the reimbursable activities identified in Section IV of this document. Each 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) ~~separate~~ 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. RECORDS 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 chapter¹ is subject to the initiation of an audit by the State 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

¹ This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

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 REVENUES AND OTHER REIMBURSEMENTS

Any offsetting revenues the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any federal, state or non-local source shall be identified and deducted from this claim.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (be), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(21), issuance of the claiming instructions shall constitute a notice of the right of local agencies to file reimbursement claims, based upon 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 (ad), 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.

Commission on State Mandates

Original List Date: 1/31/1997
Last Updated: 3/27/2007
List Print Date: 07/14/2008
Claim Number: 4419
Issue: CFIRS Manual

Mailing Information: Final Staff Analysis

Mailing List

Related Matter(s)

00-TC-02 California Fire Incident Reporting System (First Amendment)

TO ALL PARTIES AND INTERESTED PARTIES:

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

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