

ITEM 8
FINAL STAFF ANALYSIS
PROPOSED PARAMETERS AND GUIDELINES

Family Code Section 6228

Statutes 1999, Chapter 1022

Crime Victim's Domestic Violence Incident Reports (99-TC-08)

County of Los Angeles, Claimant

EXECUTIVE SUMMARY

On September 25, 2003, the Commission on State Mandates (Commission) adopted a corrected Statement of Decision finding that Family Code section 6228, as added by Statutes 1999, chapter 1022, mandated a new program or higher level of service for local law enforcement 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 for the following activity only:

- Storing domestic violence incident reports and face sheets for three years.
(Fam. Code, § 6228, subd. (e).)

The Commission further found that under prior law, cities and counties were already required to keep the domestic violence incident reports for two years.

Discussion

Staff reviewed the claimant's proposed parameters and guidelines and the comments received. Non-substantive, technical changes were made 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 claimant's proposed parameters and guidelines. A draft staff analysis was issued on March 26, 2004. The claimant submitted comments on April 15, 2004, requesting that staff include a uniform cost allowance. Commission staff issued a revised draft staff analysis on October 11, 2005. No comments were received.

III. Period of Reimbursement

Staff clarified that only those costs incurred for storing domestic violence incident reports and face sheets for the third, fourth, and fifth years of storage are reimbursable on or after January 1, 2000.

IV. Reimbursable Activities

The claimant proposed several activities in addition to the requirement that the domestic violence incident reports and face sheets be stored for an additional three years. The Commission specifically found that cities and counties were already required to keep these documents for two years under prior law. Accordingly, any activities that flow from this previous requirement are not reasonably necessary to carry out this mandate. Therefore, staff did not include the claimant's proposed activities 2, 3, 4, 6, and 7.

As to the proposed activity for developing policies and procedures, staff finds that it is reasonably necessary only to revise any existing policies and procedures regarding the storage of domestic violence incident reports and face sheets in a readily accessible format to include the additional three-year requirement. Staff limited this to a one-time activity.

Moreover, staff limited the proposed activity to store domestic violence incident reports and face sheets to the cost of retaining the documents in a readily accessible format, including file storage, for the three-year period of time after the pre-existing mandatory two-year retention period provided in Government Code sections 26202 and 34090.

V. Claim Preparation and Submission

The claimant included in its proposal a provision providing that actual costs may be claimed based on a uniform allowance per stored domestic violence report, including the face sheet, per year. The claimant states that the proposed uniform allowance of \$1.00 per record per year was based on the 1997-1998 base year allowance.

On September 1, 2005, the claimant's representative submitted results of a survey sent to sheriffs in California regarding storage of domestic violence incident files. Staff finds that the survey information does not substantiate the claimant's proposal of \$1 per record per year. According to the data provided, about 66 departments responded to the questions regarding storage of domestic violence incident reports.¹ About 49 departments indicated that the cost to retain each report each year was either unknown, minimal, or zero. The remaining 17 departments reported costs of \$0.02 to \$292 per record per year. Of the 17 departments that reported costs in the survey, staff finds that only six reported reimbursable costs.

Based on a review of the data provided, staff proposes a uniform cost allowance of \$0.40 per record per year for storing domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format for an *additional* three years. The proposed uniform cost allowance covers all the direct and indirect costs of performing activity B.1. described in section IV of the parameters and guidelines. Reimbursement is determined by multiplying the uniform cost allowance of \$0.40 by the number of domestic violence incident reports that are being stored for an additional three-year period of time after the pre-existing mandatory two-year retention period. Eligible claimants must show that costs were in fact incurred in order to claim costs using the uniform cost allowance for this program.

Further, because there is no evidence in the record that contracted services, travel, or training is necessary to perform proposed activity A.1., staff did not include these components as a direct cost that is eligible for reimbursement.

¹ Exhibit I.

Staff Recommendation

Staff recommends that the Commission adopt staff's proposed parameters and guidelines, beginning on page 11.

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

Claimant

County of Los Angeles

Chronology

05/29/03	Commission on State Mandates (Commission) adopted Statement of Decision
06/13/03	Claimant submitted its proposed parameters and guidelines
09/25/03	Commission adopted a corrected Statement of Decision
10/27/03	The State Controller's Office (SCO) submitted comments
11/14/03	The Department of Finance (DOF) submitted comments
12/17/03	Claimant submitted its revised proposed parameters and guidelines
03/26/04	Commission staff issued draft staff analysis
04/15/04	Claimant submitted comments on the draft staff analysis
04/27/04	Claimant submitted a supplement to the parameters and guidelines to support proposed unit cost
07/15/04	Commission staff requested fiscal information representative of cities and counties statewide to support unit cost proposal
03/29/05	Commission staff conducted a pre-hearing conference
09/01/05	Claimant's representative submitted survey information
10/11/05	Commission staff issued a revised draft staff analysis
11/15/05	Commission staff issued the final staff analysis

Summary of the Mandate

On September 25, 2003, the Commission adopted a corrected Statement of Decision finding that Family Code section 6228, as added by Statutes 1999, chapter 1022, mandated a new program or higher level of service for local law enforcement 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 for the following activity only:

- Storing domestic violence incident reports and face sheets for three years.
(Fam. Code, § 6228, subd. (e).)

The Commission further found that under prior law, cities and counties were already required to keep the domestic violence incident reports for two years.

Discussion

Staff reviewed the claimant's proposed parameters and guidelines and the comments received. Non-substantive, technical changes were made 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 claimant's proposed parameters and guidelines. A draft staff analysis was issued on March 26, 2004. The claimant submitted comments on April 15, 2004, requesting that staff include a uniform cost allowance. Commission staff issued a revised draft staff analysis on October 11, 2005. No comments were received.

III. Period of Reimbursement

Because the Commission found that prior law already required cities and counties to keep the domestic violence incident reports for two years, the SCO and DOF recommended the addition of language to clarify that only those costs incurred for storing domestic violence incident reports and face sheets for the third, fourth, and fifth years of storage are reimbursable on or after January 1, 2000. Staff made the modification accordingly.

IV. Reimbursable Activities

Claimant's Proposal

On December 17, 2003, the claimant submitted its revised proposed parameters and guidelines, which included the following activities as eligible for reimbursement:

1. Develop policies and procedures for the storage of domestic violence incident reports and face sheets in a readily accessible format for five years.
2. Itemize, label, package, transfer and ship domestic violence incident reports and face sheets for storage in readily accessible hard copy format, or for storage in a readily accessible microfilm format, or for storage in an electronic image format.
3. Receive, log-in, microfiche [if applicable], or electronically image [if applicable], classify, file and lock-up or secure [access to], in a readily accessible format, domestic violence incident reports and face sheets.
4. If a microfiche system is used, check each frame for completeness and clarity and reprocess deficient records.
5. Store domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format for five years.
6. Train each staff person on methods and procedures for storing domestic violence reports and face sheets.
7. The use of specialized software, hardware or contract services to create domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format is reimbursable. However, reimbursement is limited to the pro rata share of costs of reimbursable activities [specified above].

State Controller's Office Comments

In its comments dated October 24, 2003,² the SCO recommended that the claimant's proposed activities 1, 2, 3, 4, and 7 be deleted because the Commission found that prior law already required cities and counties to keep the domestic violence incident reports for two years. Therefore, these activities are not reimbursable under this mandate.

Also, the SCO suggested the addition of limiting language to the claimant's proposed activities 5 and 6. Specifically, the SCO stated that proposed activity 5 should be limited to only three years of storage costs, which commences after the initial two years of costs are incurred, and proposed activity 6 should be limited to one-time training for each employee.

Department of Finance's Comments

In its comments dated November 14, 2003,³ DOF also recommended that the claimant's proposed activities 1, 2, 3, 4, and 7 be deleted because the Commission found that prior law already required cities and counties to keep the domestic violence incident reports for two years. Therefore, these activities are not reimbursable under this mandate.

Staff Finding and Proposal

This program requires that the domestic violence incident reports and face sheets be stored for an additional three years. The Commission found that cities and counties were already required to keep these documents for two years under prior law. Accordingly, any activities that flow from this previous requirement are not reasonably necessary to carry out this mandate. Therefore, staff did not include the claimant's proposed activities 2, 3, 4, 6, and 7.

As to the proposed activity for developing policies and procedures, staff agrees with the SCO and DOF that this activity would also fall under those that flow from the prior law requirement. However, staff finds that it is reasonably necessary to revise any existing policies and procedures regarding the storage of domestic violence incident reports and face sheets in a readily accessible format to include the additional three-year requirement. Staff limited this to a one-time activity.

Also, staff limited the proposed activity to store domestic violence incident reports and face sheets to the cost of retaining the documents in a readily accessible format, including file storage, for the three-year period of time after the mandatory two-year retention period provided in Government Code sections 26202 and 34090.

V. Claim Preparation and Submission

The claimant included in its proposal a provision providing that actual costs may be claimed based on a uniform allowance per stored domestic violence report, including the face sheet, per year. The claimant states that the proposed uniform allowance of \$1.00 per record per year was based on the 1997-1998 base year allowance.

In its comments to the draft staff analysis dated April 15, 2004,⁴ the claimant requested that staff include a uniform allowance to avoid unnecessary and expensive claim preparation activities.

² Exhibit C.

³ Exhibit D.

⁴ Exhibit F.

On April 27, 2004,⁵ the claimant submitted a supplement to its proposed parameters and guidelines, which provided fiscal information regarding Los Angeles County to support the adoption of a unit cost for the program. On July 15, 2004, Commission staff requested that the claimant provide fiscal information that is representative of cities and counties statewide to support the adoption of a unit cost.⁶ Commission staff conducted a pre-hearing conference on March 29, 2005, to discuss a reasonable reimbursement methodology. On September 1, 2005, the claimant's representative submitted results of a survey sent to sheriffs and police departments in California regarding storage of domestic violence incident files.⁷

The claimant's representative developed a questionnaire to be completed by an employee responsible for maintaining general domestic violence incident files. As stated in the declaration by Ms. Ginger Bernard,⁸ the survey was mailed to "a list of sheriffs in the state of California that [she] received from [the] California State Association of Counties." Ms. Bernard also stated that the survey was sent to the City of Newport Beach because the city's Chief of Police volunteered to forward the survey to the members of the Chiefs of Police Association.

The questionnaire consisted of the following three questions:

1. Please specify the method by which you archive Domestic Violence Incident Reports.
2. How much does it cost you to retain each Domestic Violence Incident Report each year?
3. How did you calculate the costs stated above?

Staff finds that the survey information does not substantiate the claimant's proposal of \$1 per record per year. Rather, the survey information shows that costs to store the domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format for an additional three years results in, for the most part, negligible costs. According to the spreadsheet provided by Ms. Bernard, about 66 departments responded to the questions regarding storage of domestic violence incident reports.⁹ About 49 departments indicated that the cost to retain each report each year was either unknown, minimal, or zero. The remaining 17 departments reported costs of \$0.02 to \$292 per record per year, as shown below:

⁵ Exhibit G.

⁶ Exhibit H.

⁷ Exhibit I.

⁸ Exhibit I, page 186.

⁹ Exhibit I, pages 187-200.

Local Agency	Cost to retain each report/year	Description of cost
Arcata Police Dept.	\$0.02	Boxed for offsite storage
Sacramento County Sheriff	\$0.20	Equipment support and plater replacement/backup
Inglewood Police Dept.	\$0.25	Approximate cost of folder for filing purposes
Pomona Police Dept.	\$0.30	Imaging system maintenance
Cypress Police Dept.	\$0.33	File room storage and file folders
Arcadia Police Dept.	\$0.52	Storage unit and optical disks
Los Angeles County	\$1.15	Offsite storage, boxes, barcode, and delivery
Placentia Police Dept.	\$1.66	Staff time for processing reports
Riverside County Sheriff	\$3.20	Staff time for scanning
San Rafael Police Dept.	\$8.80	File review, move to offsite storage
Paradise Police Dept.	\$9.36	File set-up, administrative fee
Vernon Police Dept.	\$17.00	Pro-rated cost of software annual maintenance contract
Alhambra Police Dept.	\$19.00	Staff time for scanning
Davis Police Dept.	\$30.00	Staff time for scanning
Morro Bay Police Dept.	\$30.00	Staff time for scanning
[name not legible]	\$75.00	Staff time for auditing
Plumas County Sheriff	\$292.00	File set-up

Staff notes that costs will vary by jurisdiction and that for some, including the claimant, costs may be more significant if the reports are stored at a private storage facility. Of the 17 departments that reported costs in the survey, staff finds that only six reported reimbursable costs. The Riverside County Sheriff’s Department, and the Alhambra, Morro Bay, and Davis Police Departments reported costs for staff time to scan the reports; and the Pomona and Vernon Police Departments reported costs for software maintenance contracts. However, as explained above, this program only requires that the domestic violence incident reports and face sheets be stored for an *additional* three years. The Commission found that cities and counties were already required to keep these documents for two years under prior law, and thus, any activities that flow from this previous requirement are not reasonably necessary to carry out this mandate.

Therefore, costs for staff time to scan, review the files, or set-up files are not reimbursable because these activities would have been carried out prior to the third year of storage. Moreover, in the earlier discussion about reimbursable activities, staff did not include the claimant’s proposed activity for “the use of specialized software, hardware or contract services” for the same reason. Therefore, costs for software maintenance contracts are also not reimbursable.

Staff determined that for purposes of developing a reasonable reimbursement methodology, the following departments reported reasonable costs that can be used to develop a proposed uniform cost allowance for storing domestic violence incident reports and face sheets for an additional three years:

Local Agency	Cost to retain each report/year	Description of cost
Arcata Police Dept.	\$0.02	Boxed for offsite storage
Sacramento County Sheriff	\$0.20	Equipment support and plater replacement/backup
Inglewood Police Dept.	\$0.25	Approximate cost of folder for filing purposes
Cypress Police Dept.	\$0.33	File room storage and file folders
Arcadia Police Dept.	\$0.52	Storage unit and optical disks
Los Angeles County	\$1.09	Offsite storage, boxes
<i>Average cost:</i>	<i>\$0.40</i>	

With five of the six departments being located in southern California, these costs are not truly representative of the state. However, the claimant provided data and it was the best data available for developing a uniform cost allowance. If staff proposes actual costs for the program, it allows claimants to claim for costs that they may believe should be reimbursable, such as staff time for scanning or processing files. But this mandate is only reimbursable for storing the reports for an additional three years. Therefore, averaging out the cost for the six departments above, staff proposes a uniform cost allowance of \$0.40 per record per year for storing domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format for an *additional* three years. The proposed uniform cost allowance covers all the direct and indirect costs of performing activity B.1. described in Section IV. of the parameters and guidelines. The proposed uniform cost allowance shall be adjusted each subsequent year by the Implicit Price Deflator referenced in Government Code section 17523.

Reimbursement is determined by multiplying the uniform cost allowance of \$0.40 by the number of domestic violence incident reports that are being stored for an additional three-year period of time after the pre-existing mandatory two-year retention period. Eligible claimants must show that costs were in fact incurred in order to claim costs using the uniform cost allowance for this program.

Further, because there is no evidence in the record that contracted services, travel, or training is necessary to perform proposed activity A.1., staff did not include these components as a direct cost that is eligible for reimbursement.

Staff Recommendation

Staff recommends that the Commission adopt staff's proposed parameters and guidelines, beginning on page 11.

Staff also recommends that the Commission authorize staff to make any non-substantive, technical corrections to the parameters and guidelines following the hearing.

PROPOSED PARAMETERS AND GUIDELINES

~~Penal Code Section 13730~~
Family Code Section 6228

~~Statutes 1984, Chapter 1609~~
~~Statutes 1995, Chapter 965~~
Statutes 1999, Chapter 1022

Crime Victim's Domestic Violence Incident Reports (99-TC-08)

County of Los Angeles, Claimant

I. SUMMARY OF THE MANDATE

On September 25, 2003, the Commission on State Mandates (Commission) adopted a corrected Statement of Decision finding that Family Code section 6228, as added by Statutes 1999, chapter 1022, mandated a new program or higher level of service for local law enforcement 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 for the following activity only:

- Storing domestic violence incident reports and face sheets for three years. (Fam. Code, § 6228, subd. (e).)

The Commission further found that under prior law, cities and counties were already required to keep the domestic violence incident reports for two years.

~~Family Code section 6228, as added by Statutes of 1999, Chapter 1022, also known as the "Access to Domestic Violence Reports Act of 1999", requires local law enforcement agencies to provide, without charge, one copy of all domestic violence incident report face sheets, one copy of all domestic violence incident reports, or both, to a victim of domestic violence upon request, generally within 48 hours.~~

~~On April 24, 2003, the Commission on State Mandates [Commission] determined that only one of the provisions of the "Access to Domestic Violence Reports Act of 1999", as added by Statutes of 1999, Chapter 1022, mandated a new program or a higher level of service for local law enforcement agencies within the meaning of section 6, article XIII B of the California Constitution. Specifically, only those activities related to "storing domestic violence incident reports and face sheets for five years" pursuant to Family Code section 6228, subdivision (e) were deemed to be reimbursable "costs mandated by the State" as defined in Government Code Section 17514.~~

~~On September 25, 2003, the Commission corrected an error of law in its April 24, 2003 decision, now finding that pre-existing law already required claimants to retain records for two years prior to destruction. Accordingly, claimants are eligible to receive reimbursement only for costs in implementing a three-year mandated storage period, elapsing prior to the pre-existing two-year record retention period.~~

~~If the new three year storage requirement is made optional in the State's annual budget act pursuant to Government Code Section 17581, claimants shall retain records for each year that Section 17581 is imposed, up until two years, the requirement under prior law.~~

~~Prior to the initial April 24, 2003 hearing of the matter, the claimant successfully amended the subject test claim to incorporate related changes to Family Code Section 6228 and Penal Code Section 13730 as a result of Chapter 377, Statutes of 2002, amending Section 6228 of the Family Code and Chapter 483, Statutes of 2001, amending Section 13730 of the Penal Code and, with respect to implementing Section 13730(c)(3) of the Penal Code, Section 12028.5 of the Penal Code as added and amended by Chapter 901, Statutes of 1984, Chapters 830 and 833, Statutes of 2002. This amendment has been severed and will be adjudicated separately as CSM 02-TC-18.~~

II. ELIGIBLE CLAIMANTS

~~The eligible claimants are any county or city and county. Any city, county, and 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, subdivision (c), as amended by Statutes of 1998, Chapter 681 (effective September 22, 1998), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The test claim for "Crime Victim's Domestic Violence Incident Reports" was filed by the County of Los Angeles filed the test claim on May 15, 2000, establishing eligibility for fiscal year 1998-1999. However, the test claim statute was not in effect on July 1, 1998 effective and operative date of Family Code section 6228 is January 1, 2000. Therefore, reimbursement claims may be filed for costs incurred for storing domestic violence incident reports and face sheets for the additional three years pursuant to Family Code section 6228, as added by Statutes of 1999, Chapter 1022, are reimbursable on or after January 1, 2000, for the costs of storing domestic violence incident reports and face sheets for three years for domestic violence reports and face sheets completed after January 1, 2000 and on or after January 1, 1997 through December 31, 1999 for such storage costs of domestic violence reports and face sheets completed after January 1, 1997 through December 31, 1999.~~

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

~~Government Code Section 17564, subdivision (a), prior to its amendment by Statutes of 2002, Chapter 1124, an urgency statute, (effective September 30, 2002) provides that if the total costs for a given year do not exceed \$200, no reimbursement shall be allowed. Section 17564, subdivision (a) as amended by Statutes of 2002, Chapter 1124, provides that if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed. Therefore, for the 2002-03 fiscal year and subsequent claims, if the total costs for a given year do not exceed \$1,000, no reimbursement shall be allowed.~~

If the total costs for a given fiscal year do not exceed \$1000, 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, 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, the following activities are eligible for reimbursement during the first three years of storage, unless made optional under Government Code Section 17581.~~

A. One-Time Activity

- ~~1. Develop~~Revise existing policies and procedures ~~for~~ regarding the storage of domestic violence incident reports and face sheets in a readily accessible format ~~for five years to include the additional three-year requirement.~~

B. Ongoing Activity

1. Store domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format for an additional three years. This is limited to the cost of retaining domestic violence incident reports and face sheets in a readily accessible format, including file storage, for the three-year period of time after the pre-existing mandatory two-year retention period provided in Government Code sections 26202 and 34090. Any activities that flow from this previous requirement are not reasonably necessary to carry out this mandate (e.g., scanning reports for archive, reviewing files, transferring or shipping files for storage).
- ~~2. Itemize, label, package, transfer and ship domestic violence incident reports and face sheets for storage in readily accessible hard copy format, or for storage in a readily accessible microfilm format, or for storage in an electronic image format.~~

- ~~3. Receive, log in, microfiche, [if applicable], or electronically image [if applicable], classify, file and lock up or secure [access to], in a readily accessible format, domestic violence incident reports and face sheets.~~
- ~~4. If a microfiche system is used, check each frame for completeness and clarity and reprocess deficient records.~~
- ~~5. Store domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format for five years.~~
- ~~6. Train each staff person on methods and procedures for storing domestic violence reports and face sheets.~~
- ~~7. The use of specialized software, hardware or contract services to create domestic violence incident reports and face sheets in a readily accessible hard copy, microfiche, or electronic image format is reimbursable. However, reimbursement is limited to the pro rata share of costs of reimbursable activities [specified above].~~

V. CLAIM PREPARATION AND SUBMISSION

ONE-TIME ACTIVITY – Section IV.A.1.

Each of the following cost elements must be identified for the reimbursable activity identified in Section IV.A.1. 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. 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.

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.

ONGOING ACTIVITY – Section IV.B.1.

Actual costs shall be claimed based on the reasonable reimbursement methodology adopted by the Commission pursuant to Government Code section 17557. The reasonable reimbursement methodology is a uniform cost allowance that covers all the direct and indirect costs of performing activity B.1. described in Section IV. of this document. Direct costs and indirect costs are described above. The uniform cost allowance shall be adjusted each subsequent year by the Implicit Price Deflator referenced in Government Code section 17523.

The uniform cost allowance is \$0.40 per report per year (not to exceed three years). Reimbursement is determined by multiplying the uniform cost allowance of \$0.40 by the number of domestic violence incident reports that are being stored for an additional three-year period of time after the pre-existing mandatory two-year retention period. Eligible claimants must show that costs were in fact incurred in order to claim costs using the uniform cost allowance for this program.

~~I.—Each claim for reimbursement pursuant to this mandate must be timely filed and set forth a listing of each item for which reimbursement is claimed under this mandate.~~

~~A. Salaries and Benefits~~

~~Claimed reimbursement for employee costs should be supported by name, position, productive hourly rate, hours worked, fringe benefits amount and a brief description for the assigned unit and function relative to the mandate.~~

~~The source documents required to be maintained, by the claimant may include, but are not limited to, employee timecards and/or cost allocation reports.~~

~~B. 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.~~

~~The source documents required to be maintained by the claimant may include, but are not limited to, invoices, lease documentation and other documents evidencing the validity of the expenditure.~~

~~C. Contracted Services~~

~~List costs incurred for contract services, including legal counsel for the development and operation of the mandated program and indirect costs, computed in accordance with OMB A-87 as described in Section V.G. [below], for administration of reimbursable contract[s]. Use of contract services must be justified by the claimant.;~~

~~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 invoices with the claim and a description of the contract scope of services.~~

~~D. 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.~~

~~The source documents required to be maintained by the claimant may include, but are not limited to, contracts, charges, invoices, and statements.~~

~~E. 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 V.A., Salaries and Benefits, for each applicable reimbursable activity.~~

~~F. 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 V.A., Salaries and Benefits, and V.B., Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element V.C., Contracted Services. This data, if too voluminous to be included with the claim, may be reported in a summary. However, supporting data must be maintained as described in Section VI.~~

~~G. 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 (1) the overhead costs of the unit performing the mandate or (2) the indirect costs of administering reimbursable contract(s), or (3) 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 A87. Claimants have the option of using 10% of labor, excluding fringe benefits, or, where applicable, 10% of the amount of reimbursable contract(s), if 50% or more of all reimbursable services are provided under contract, 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 and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in OMB A-87 Attachments A and B).~~

~~H. Alternatively, actual costs may be claimed based on a uniform allowance per stored domestic violence report, including face sheet, per year. The uniform allowance shall be adjusted each subsequent year by the Implicit Price Deflator referenced in Government Code section 17523 based on the 1997-98 base year allowance of \$1.00 per record per year.~~

~~The uniform allowance covers all the direct and indirect costs of performing the activities described in Section IV. I. [above]. Reimbursement is determined by multiplying the uniform allowance by the number of domestic violence reports, including face sheets, by the number of reports stored during reimbursable storage periods.~~

~~VI.—SUPPORTING DATA~~

~~A.—Source Documents~~

~~For auditing purposes, all incurred costs claimed must be traceable to source documents that show evidence of their validity and relationship to the reimbursable activities. Documents may include, but are not limited to, worksheets, employee time records or time logs, cost allocation reports (system generated), invoices, receipts, purchase orders, contracts, agendas, training packets with signatures and logs of attendees, calendars, declarations, and data relevant to the reimbursable activities otherwise reported in compliance with, local, state, and federal government requirements.~~

~~All documentation in support of claimed costs shall be made available to the State Controller or his/her agent, as may be requested.~~

~~B.—Recordkeeping~~

~~Pursuant to Government Code section 1755 8.5, subdivision (a),¹ records must be retained for 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, and, accordingly, the required record retention period shall commence to run from the date of initial payment of the claim.~~

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 chapter¹ 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, 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 REIMBURSEMENTS

Any offsetting savings ~~that~~ 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 received from any source, including but not limited to, service fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

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

VIII. 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 claiming instructions, for those costs mandated by the state contained herein. If a claimant provides reimbursable services under contract or agreement on behalf of other eligible claimant jurisdiction(s), such services may be certified if included in claim(s) filed by the jurisdiction providing the reimbursable services.~~

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558, subdivision (b), 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 and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the statute or executive order creating the mandate and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), 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.

IX. PARAMETERS AND GUIDELINES AMENDMENTS

~~Parameters and guidelines may be amended pursuant to Title 2, California Code of Regulations, section 1183.2.~~

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 (a), 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.