

Hearing Date: March 28, 1996
File Number: CSM-4484
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Statewide Cost Estimate *Missing Person Reports III*

Government Code Sections 14205, 14206, 14207, 14210, 14213
Chapter 1456, Statutes of 1988
Chapter 59, Statutes of 1993

I. ASSUMPTIONS

The 1989/90 fiscal year cost for the *Missing Person Reports III* mandate was \$6,223,759 (Attachment A). This was the last full fiscal year in which payments were made for the program. The amount of \$6,223,759 includes \$219,284 for the cost to confer with the coroner or medical examiners and \$226,186 for the cost to forward reports to Department of Justice. Since Chapter 59, Statutes of 1993, repealed the requirements for conferring with the coroner or medical examiner and for submitting reports to the Attorney General, the cost applicable to the 1994/95 fiscal year would be $\$6,223,759 - (\$219,284 + 226,186) = \$5,778,289$.

Approximately the same number of cities and counties that submitted claims for 1989/90 costs will likely file for 1994/95 costs.

The implicit price deflator as defined in Government Code section 17523 is used to adjust the 1989/90 fiscal year cost to the 1994/95 fiscal year cost. In accordance with the schedule "National Deflators, January 1996 Revision Forecast," prepared by the Department of Finance, the State and local purchases index for 1994/95 is 127.3 and for 1989/90 is 110.7. Therefore, the change in the deflator from 1989/90 to 1994/95 is $(127.3/110.7) = 1.15$.

The 1994 statewide cost estimate is prepared based on the program's adjusted expenditures for the 1989/90 fiscal year adjusted by changes in the implicit price deflator as follows:

Adjusted 1989/90 Expenditures	\$5,778,289
Change in deflator	x <u>1.15</u>
State Controller's Office and Department of Finance Initial	
1994/95 Statewide Cost Estimate	\$6,645,000(R)

On March 14, 1996, the Department of Finance (DOF) submitted a revised recommendation for the 1994/95 statewide cost estimate. DOF noted the existence of related federal law (PL 101-647) which limits the scope of this mandate. DOF explained that the Department of Justice reports that approximately 23% of all missing persons reports received in both the 1994 and 1995 calendar years involved persons over age 18. Assuming that, on average, the costs of taking reports on persons in both age groups are essentially the same, it would appear reasonable to conclude that 23% of the initially estimated statewide cost (\$6,645,000), or \$1,528,000, would be unaffected by federal law.

Of the other 77%, or \$5,117,000, that related to reports on missing persons under age 18, some portion is clearly attributable to federal law and should not be included in the statewide cost estimate adopted by the Commission. Although not based on scientific methodology, staff, DOF and the claimant have generally concluded that an offset estimate in the range of 20% to 30% for persons age 18 and under would not be unreasonable.

Staff, DOF and the claimant therefore suggest the Commission use the midpoint of that range, or 25%, and reduce the \$5,117,000 estimate for age 18 and under by \$1,280,00 to \$3,837,000. The revised total estimate for both age groups would then become \$5,365,000 for the 1994/95 fiscal year.

II. RECOMMENDATION

It is recommended that the Commission adopt a statewide cost estimate of \$5,365,000 for 1994/95 for the *Missing Person Reports III* mandate.