

STATE *of* CALIFORNIA
**COMMISSION ON STATE
MANDATES**



**REPORT TO THE LEGISLATURE:
APPROVED MANDATE CLAIMS**

July 1, 2020 – December 31, 2020

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I. INTRODUCTION

Commission on State Mandates

Test Claim Process

Article XIII B, section 6 of the California Constitution requires the state to provide a subvention of funds to reimburse local government for the costs of new programs or increased levels of service mandated by the state. To implement article XIII B, section 6, the Legislature created the Commission on State Mandates (Commission) to succeed the State Board of Control in making determinations whether new statutes or executive orders are state-mandated programs.¹ The Commission was established to render sound quasi-judicial decisions and to provide an effective means of resolving disputes over the existence of state-mandated local programs. The Commission provides the sole and exclusive procedure for local agencies and school districts (claimants) to resolve disputes over the existence of state-mandated local programs and costs mandated by the state. The Commission is required to hear and decide claims (test claims) filed by local agencies and school districts that they are entitled to be reimbursed by the state for costs mandated by the state.²

Parameters and Guidelines

Government Code section 17557 provides that if the Commission determines that a statute or executive order imposes a mandate upon local agencies and school districts, the Commission is required to determine the amount to be subvended to local agencies and school districts for reimbursement by adopting parameters and guidelines. In adopting parameters and guidelines, the Commission may adopt a reasonable reimbursement methodology (RRM). Once parameters and guidelines are adopted, the Commission is required to adopt a statewide cost estimate of the mandated program (Gov. Code, § 17553).

Alternative Processes

Government Code section 17557.1 and 17557.2 provide an alternate process for determining the amount to be subvended for mandated programs. Under 17557.1, local governments and the Department of Finance may jointly develop reasonable reimbursement methodologies (RRMs) and statewide estimates of costs for mandated programs for approval by the Commission in lieu of parameters and guidelines and statewide cost estimates. Government Code section 17557.2 requires that joint RRMs have broad support and, if approved, they remain in effect for five years unless otherwise specified. Jointly developed RRMs and statewide estimates of costs that are approved by the Commission are included in the Commission's Annual Reports to the Legislature. To date, only one jointly developed RRM has ever been approved and it expired and was not extended by the parties so the Commission adopted parameters and guidelines for that program.

Government Code sections 17572 and 17573 provide another alternative process where the Department of Finance and local agencies, school districts, or statewide associations may jointly request that the Legislature determine that a statute or executive order imposes a state-mandated program, establish a reimbursement methodology, and appropriate funds for reimbursement of costs. This process is intended to bypass the Commission's test claim process, thus providing the Commission with more time to complete the caseload backlog. To date, this process has not been successfully utilized.

¹ Statutes 1984, chapter 1459, Government Code section 17500, et seq.

² Government Code section 17551.

Report to the Legislature

The Commission is required to report to the Legislature at least twice each calendar year on the number of mandates it has found, the estimated statewide costs of each mandate, and the reasons for recommending reimbursement.³ In 2010, SB 894 (Stats. 2010, ch. 699) was enacted to require the Commission to expand its Report to the Legislature to include:

- The status of pending parameters and guidelines that include proposed reimbursement methodologies.
- The status of pending joint proposals between the Department of Finance and local governments to develop reasonable reimbursement methodologies in lieu of parameters and guidelines.
- The status of joint proposals between the Department of Finance and local governments to develop legislatively-determined mandates.
- Any delays in the completion of the above-named caseload.

This report fulfills these requirements.

Legislative Analyst

After the Commission submits its report to the Legislature, the Legislative Analyst is required to submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the Commission's reports. The Legislative Analyst's report shall make recommendations as to whether each mandate should be repealed, funded, suspended, or modified.

The Legislature

Upon receipt of the report submitted by the Commission pursuant to Government Code Section 17600, funding shall be provided in the subsequent Budget Act for costs incurred in prior years. No funding shall be provided for years in which a mandate is suspended.⁴

The Legislature may amend, modify, or supplement the parameters and guidelines, reasonable reimbursement methodologies, and adopted statewide estimates of costs for the initial claiming period and budget year for mandates contained in the annual Budget Act. If the Legislature amends, modifies, or supplements the parameters and guidelines, reasonable reimbursement methodologies, or adopted statewide estimates of costs for the initial claiming period and budget year, it shall make a declaration in separate legislation specifying the basis for the amendment, modification, or supplement.⁵

Mandate Funding Provisions

If the Legislature deletes from the annual Budget Act funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement for that fiscal year.⁶ Under Proposition 1A, which amended article XIII B, section 6 of the California Constitution, city, county, city and county, or special district mandate claims for costs incurred

³ Government Code section 17600.

⁴ Government Code section 17612(a).

⁵ Government Code section 17612(b).

⁶ Government Code section 17612(c).

prior to the 2004-2005 fiscal year that have not been paid prior to the 2005-2006 fiscal year may be paid over a term of years, as prescribed by law. However, for the 2005-2006 fiscal year and every subsequent fiscal year, the Constitution now requires the Legislature to either appropriate in the annual Budget Act the full payable amount that has not been previously paid or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable.

If payment for an initial reimbursement claim is being made more than 365 days after adoption of the statewide cost estimate, the State Controller’s Office (Controller) shall include accrued interest at the Pooled Money Investment Account rate.⁷

If the amount the Legislature appropriates is insufficient to pay all of the reimbursement claims filed and approved for reimbursement, the Controller will prorate the claims.⁸ If the funds to cover the remaining deficiency are not appropriated in the Budget Act, the Controller shall report this information to the legislative budget committees and the Commission.

II. NEW MANDATES

The following table shows the statewide cost estimates that were adopted during the period of July 1, 2020 through December 31, 2020.

**Statewide Cost Estimates (SCE) Adopted
During the Period of July 1, 2020 through December 31, 2020**

<i>Adoption Date, Claim Name and Number, and Initial Claiming Period</i>			<i>Estimated Costs for Initial Claiming Period</i>			<i>Estimated Future Annual Costs</i>
<i>Date</i>	<i>Test Claim Name and Number</i>	<i>Initial Claiming Period</i>	<i>Education (K-14)</i>	<i>Local Agency</i>	<i>Totals</i>	<i>Estimated Totals</i>
7/24/20	<i>Peace Officer Training: Mental Health/Crisis Intervention, 17-TC-06</i>	Fiscal years 2016-2017, 2017-2018, and 2018-2019	-	\$2,496,463 - \$5,294,316	\$2,496,463 - \$5,294,316	\$323,993 - \$1,992,536
12/4/20	<i>Public School Restrooms: Feminine Hygiene Products, 18-TC-01</i>	Fiscal years 2017-2018 and 2018-2019	\$1,547,455 - \$5,576,255		\$1,547,455 - \$5,576,255	\$548,610 - \$2,169,774
TOTAL			\$1,547,455 - \$5,576,255	\$2,496,463 - \$5,294,316	\$4,043,918 - \$10,870,571	

⁷ Government Code section 17561.5(a).

⁸ Government Code section 17567.

III. PENDING PARAMETERS AND GUIDELINES, REQUESTS TO AMEND PARAMETERS AND GUIDELINES, AND STATEWIDE COST ESTIMATE CASELOAD

Following are tables showing parameters and guidelines, requests to amend parameters and guidelines, and statewide cost estimates that are pending Commission determination. A request to include an RRM in parameters and guidelines or amendments thereto is a request made by a local entity claimant, an interested party, Finance, the Controller, or an affected state agency, pursuant to Government Code section 17557 and 17518.5 – which is distinct from the jointly proposed RRM, discussed above under “Alternative Processes.” These requests are often disputed by one or more of the parties and interested parties. There are no pending RRMs.

A. Pending Parameters and Guidelines

	Program	Status
1.	<i>Discharge of Stormwater Runoff, 07-TC-09*</i>	Inactive pending court action.

* Local agency programs

† School district or community college district programs

B. Pending Requests to Amend Parameters and Guidelines

	Program	Status
1.	<i>Graduation Requirements, 11-PGA-03 (CSM-4435)†</i>	Inactive pending court action.

* Local agency programs

† School district or community college district programs

C. Pending Statewide Cost Estimates

	Program	Status
1.	<i>Municipal Storm Water and Urban Runoff Discharges, 03-TC-04, 03-TC-19, 03-TC-20, and 03-TC-21*</i>	Inactive pending court action.
2.	<i>Racial and Identity Profiling, 18-TC-02*</i>	Estimated date that claims data will be received from the Controller: 5/24/2021. Tentatively scheduled for hearing on 7/23/21.
3.	<i>Vote by Mail Ballots: Prepaid Postage, 19-TC-01*</i>	Estimated date that claims data will be received from the Controller: 8/2/2021. Tentatively scheduled for hearing on 9/24/21.

* Local agency programs

† School district or community college district programs

IV. THERE ARE NO PENDING JOINT REASONABLE REIMBURSEMENT METHODOLOGIES OR LEGISLATIVELY-DETERMINED MANDATES AND HENCE, NO DELAYS IN THE PROCESS

There are no currently pending joint reasonable reimbursement methodologies or legislatively determined mandates.

Government Code section 17600 requires the Commission to report any delays in the process for joint RRMs or LDMs being developed by Department of Finance and local entities and for

RRMs proposed by any party pursuant to Government Code section 17518.5. There are currently no pending joint RRM, LDM or RRM proposed by any party. Therefore, there are no delays in these processes.

With regard to RRM included in parameters and guidelines amendments pursuant to Government Code sections 17557 and 17518.5, there are currently no pending parameters and guidelines or amendments thereto containing RRM.

There are currently 40 pending test claims, 39 of which are regarding National Pollutant Discharge Elimination System (NPDES) permits for municipal stormwater systems. In 2010, the then pending 14 NPDES claims were placed on inactive status pending court action. However, all pending test claims are active since the California Supreme Court issued its decision on August 29, 2016 in *Department of Finance v. Commission on State Mandates* (County of Los Angeles) on the issue of whether the NPDES permits issued in those cases by the regional water quality control boards imposed state or federal mandates. However, these stormwater permit claims will take substantially longer to prepare for hearing than test claims generally do, because of the large, complex, and detailed records and mixed issues of fact and law that must be analyzed and due to the potential impact of currently pending litigation on several of the legal issues to be determined. These claims have records of up to 200,000 pages and growing and claims with some of the same issues are being litigated in multiple appellate courts. As a result, there is currently a test claim backlog.

Because statewide cost estimates (which must be preceded by test claim and parameters and guidelines decisions) have a statutory deadline of 12-18 months from the filing of the test claim for completion, they, along with test claims and parameters and guidelines, will generally be prepared for hearing prior to other matters, including RRM in parameters and guidelines amendments. Thus, to promptly hear and decide matters without a statutory deadline, such as parameters and guidelines amendment proposals, mandate redetermination requests, and incorrect reduction claims, it is necessary that the Commission operate without a backlog of test claims, parameters and guidelines, or statewide cost estimates.

V. ADOPTED STATEWIDE COST ESTIMATES

Peace Officer Training: Mental Health/Crisis Intervention, 17-TC-06

Adopted July 24, 2020

STATEWIDE COST ESTIMATE

\$2,496,463 - \$5,294,316⁹

(For the Initial Claiming Period of 2016-2017, 2017-2018, and 2018-2019)

**(Estimated Annual Costs for Fiscal Year 2019-2020 and Following Is
\$323,993 - \$1,992,536**

Plus a .48 Percent Annual Growth Rate and the Implicit Price Deflator)¹⁰

Penal Code Section 13515.28; Statutes 2015, Chapter 469 (SB 29)

Peace Officer Training: Mental Health/Crisis Intervention

17-TC-06

The Commission on State Mandates (Commission) adopted this Statewide Cost Estimate on consent during a regularly scheduled hearing on July 24, 2020.

Member	Vote
Lee Adams, County Supervisor	Yes
Mark Hariri, Representative of the State Treasurer, Vice Chairperson	Absent
Jeannie Lee, Representative of the Director of the Office of Planning and Research	Yes
Gayle Miller, Representative of the Director of the Department of Finance, Chairperson	Yes
Sarah Olsen, Public Member	Yes
Carmen Ramirez, City Council Member	Yes
Jacqueline Wong-Hernandez, Representative of the State Controller	Yes

STAFF ANALYSIS

Background and Summary of the Mandate

This Statewide Cost Estimate (SCE) addresses the State's subvention costs for the mandated activities arising from Penal Code section 13515.28, added by Statutes 2015, chapter 469 (test claim statute). The Commission found that the test claim statute imposes a reimbursable state-mandated program within the meaning of article XIII B, section 6 of the California Constitution

⁹ The high end of this range projects potential late claims that may be filed until April 20, 2021 less a 10 percent late filing penalty.

¹⁰ It is assumed that the low end of this range more likely represents the actual State liability for this program based on historic claiming patterns. The high end is the maximum possible cost if all agencies filed claims for all costs of all FTOs trained, which for a number of reasons described below is highly unlikely.

and Government Code section 17514, on cities, counties, and those police protection districts *that wholly supplant the law enforcement functions of the county within their jurisdiction* pursuant to Government Code section 53060.7, that are required to have a Field Training Program under California Code of Regulations, title 11, section 1004, and have appointed or assigned Field Training Officers (FTOs) for that program,¹¹ with reimbursable activities as specified in the Decision and Parameters and Guidelines.¹² Generally, the test claim statute requires these agencies to ensure that each FTO assigned or appointed shall attend a one-time, eight-hour training on crisis intervention and behavioral health and exempts FTOs who have already received the training in the prior 24 months from the requirement.¹³ The training is to take place either before June 30, 2017 for FTOs appointed before January 1, 2017, or within 180 days of being assigned or appointed as an FTO for FTOs appointed thereafter.¹⁴

The Decision and Parameters and Guidelines for claiming for costs incurred beginning July 1, 2016, were adopted on September 27, 2019.¹⁵

The State Controller's Office (Controller) issued claiming instructions on December 18, 2019.¹⁶ Eligible claimants were required to file initial reimbursement claims with the Controller for costs incurred for fiscal years 2016-2017, 2017-2018, and 2018-2019 by April 28, 2020.¹⁷ Late initial reimbursement claims may be filed until April 28, 2021, but will incur a 10 percent late filing penalty of the total amount of the initial claim without limitation.¹⁸ Annual reimbursement claims for subsequent fiscal years, starting with 2019-2020 fiscal year, must be filed with the Controller by February 15 following the fiscal year in which costs were incurred.¹⁹ Claims filed more than one year after the deadline will not be accepted, and late claims filed within one year of the deadline will incur a 10 percent late filing penalty not to exceed \$10,000.²⁰

During the test claim process, the claimants filed evidence regarding their alleged increased costs to implement the mandate. The City of Claremont filed evidence showing it incurred actual increased costs, minus offsetting grant funds, of \$2,981 in fiscal year 2016-2017 as required by

¹¹ California Code of Regulations, title 11, section 1004(a), states that “[a]ny department which employs peace officers and/or Level 1 Reserve peace officers shall have a POST-approved Field Training Program.” Section 1004(b) states that a department that does not provide general law enforcement uniformed patrol services, or hires only lateral entry officers possessing a POST basic certificate and who have completed a similar POST approved Field Training Program may request an exemption and not comply with this requirement.

¹² Exhibit A, Decision and Parameters and Guidelines.

¹³ Penal Code section 13515.28, Statutes 2015, chapter 469.

¹⁴ Penal Code section 13515.28, Statutes 2015, chapter 469.

¹⁵ Exhibit A, Decision and Parameters and Guidelines, page 3.

¹⁶ Exhibit C, Controller's Claiming Instructions Program No. 373, page 1.

¹⁷ Exhibit C, Controller's Claiming Instructions Program No. 373, page 1; Government Code section 17561(d)(1)(A).

¹⁸ Government Code section 17561(d)(3).

¹⁹ Government Code section 17560(a).

²⁰ Government Code section 17568.

the test claim statute for "...remaining unreimbursed benefit and indirect costs..."²¹ This claimant indicated that it did not expect to incur costs in fiscal year 2017-2018 because "...this 8-hour training is mandated by the Subject Statutes alleged in this Test Claim every 24 months."²² This claimant estimated its costs for fiscal year 2018-2019, at \$5,890, based on the assumption that staff would be required to re-train every 24 months.²³ The City of South Lake Tahoe filed evidence showing it incurred actual increased costs, of \$11,150 in fiscal year 2016-2017 to "send PD staff to receive the training" as required by the test claim statute.²⁴ This claimant also indicated that it did not expect to incur costs in fiscal year 2017-2018 because "...this 8-hour training is mandated by the Subject Statutes alleged in this Test Claim every 24 months."²⁵ This claimant estimated its costs for fiscal year 2018-2019, at \$11,485, based on the assumption that staff would be required to re-train every 24 months.²⁶ However, as discussed below, the Commission determined in the Test Claim Decision, based on the plain language of the statute, that only a "one-time, eight-hour training" is required per FTO assigned or appointed and only the one-time training per FTO was included in the Parameters and Guidelines.²⁷

The claimant also provided a statewide cost estimate (as required by Government Code 17553) of \$2.57 million in initial costs and \$600,000 in ongoing costs based on the analysis from the Senate Public Safety Committee and the Senate Appropriations Committee.²⁸

Eligible Claimants and Period of Reimbursement

"Only a city, county, or city and county, or a police protection district *that wholly supplants the law enforcement functions of the county within their jurisdiction* pursuant to Government Code section 53060.7, that are required to have a Field Training Program under California Code of Regulations, title 11, section 1004 and have appointed or assigned FTOs for that program, and that incur increased costs as a result of this mandate are eligible to claim reimbursement."²⁹

Government Code section 17557(e) states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year. The claimant filed the Test Claim on May 10, 2018 establishing eligibility for reimbursement beginning in the 2016-2017 fiscal year. Therefore, costs incurred on or after July 1, 2016 are reimbursable.

Reimbursable Activities

The Parameters and Guidelines authorize reimbursement as follows:³⁰

²¹ Exhibit B, Test Claim (Declaration of Adam Pirrie), page 24.

²² Exhibit B, Test Claim (Declaration of Adam Pirrie), page 24.

²³ Exhibit B, Test Claim (Declaration of Adam Pirrie), page 24.

²⁴ Exhibit B, Test Claim (Declaration of Deborah McIntyre), page 20.

²⁵ Exhibit B, Test Claim (Declaration of Deborah McIntyre), page 20.

²⁶ Exhibit B, Test Claim (Declaration of Deborah McIntyre), page 20.

²⁷ Exhibit A, Decision and Parameters and Guidelines, page 8.

²⁸ Exhibit B, Test Claim (Narrative), page 15 and (Senate Bill Analyses), pages 35-46.

²⁹ Decision and Parameters and Guidelines, page 7.

³⁰ Exhibit A, Decision and Parameters and Guidelines, page 8.

- A. Ensure that each FTO assigned or appointed prior to January 1, 2017 shall attend a one-time, eight-hour training on crisis intervention and behavioral health before June 30, 2017. (Penal Code § 13515.28, Stats 2015, ch. 469.)
- B. Ensure that each FTO assigned or appointed after January 1, 2017 shall attend a one-time, eight-hour training on crisis intervention and behavioral health within 180 days of being assigned or appointed as an FTO. (Penal Code §13515.28, Stats 2015, ch. 469.)

FTOs who have completed 40 hours of crisis intervention and behavioral health training; or who have completed eight hours of crisis intervention and behavioral health training in the past 24 months, are *exempt* from these requirements. (Penal Code § 13515.28(a)(2), Stats. 2015, ch. 469.)

Reimbursement is not required to develop or present the training.

Offsetting Revenues and Reimbursements.

The Parameters and Guidelines provide the following:³¹

Any offsetting revenue 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 source, including but not limited to, service fees collected, federal funds, state funds, and any other funds that are not the claimant’s proceeds of taxes, shall be identified and deducted from this claim.

Training standards and rules for peace officers that are outlined in Penal Code sections 13510 et seq. (which includes section 13515.28) “shall apply to those cities, counties, cities and counties, and districts receiving state aid pursuant to this chapter”³² Participating agencies agree to abide by the standards established by POST and may apply to POST for state aid.³³ Any such aid received for training FTO officers consistent with this program must be identified as offsetting revenue in the claimant’s initial or annual reimbursement claim.

Statewide Cost Estimate

Commission staff reviewed the 243 reimbursement claims submitted by 113 cities, 22 counties, zero cities and counties, and zero eligible police protection districts, and data compiled by the Controller.³⁴ The unaudited reimbursement claims data compiled by activity totals \$1,594,633 for fiscal year 2016-2017, \$528,774 for fiscal year 2017-2018, and \$373,056 for fiscal year 2018-2019 totaling \$2,496,463 for the initial reimbursement period, with the total cost segregated by activity as follows:³⁵

- \$536,130 Activity 1. (One-time training of FTOs appointed or assigned prior to 1/1/2017)
- \$1,075,577 Activity 2. (One-time training of FTOs appointed or assigned after 1/1/2017)

³¹ Exhibit A, Decision and Parameters and Guidelines, pages 10-11.

³² Penal Code section 13510(a).

³³ Penal Code sections 13522 and 13523.

³⁴ Exhibit D, Claims data reported as of May 28, 2020.

³⁵ Exhibit D, Claims data reported as of May 28, 2020.

\$656,112	Indirect Costs
\$241,877	Unsegregated Claims
(\$13,233)	Offsetting Revenues or Other Reimbursements
\$2,496,463	Total Costs Claimed

The \$2,496,463 total also includes \$241,877 in costs claimed in seven of the unaudited initial claims, which were not filed by activity as specified in the claiming instructions and were instead unsegregated by activity, indirect costs, offsetting revenues, or other reimbursements. In addition the \$536,130 in costs claimed for activity 1., \$1,075,577 in costs claimed for activity 2., and \$656,112 in costs claimed for indirect costs also includes \$157,807 in costs claimed in 10 of the unaudited initial claims, which did specify the amount claimed by activity, indirect costs, and offsetting revenues or other reimbursements but did not specify the number of FTOs claimed totaling \$399,684.³⁶ Finally, the total costs claimed excludes \$13,233 in offsetting revenues and other reimbursements indicated by the claimants on their claim forms.³⁷ In addition, of the claims filed by cities, 37 percent of the total costs were filed by a single jurisdiction, the City of Los Angeles; and of the claims filed by counties, 29 percent of the total costs were also filed by a single jurisdiction, the County of San Bernardino.³⁸

Initial Reimbursement Period

The statewide cost for the initial reimbursement period is estimated to range from \$2,496,463 the total amount of timely filed unaudited claims for fiscal years 2016-2017, 2017-2018, and 2018-2019 to \$5,294,316, the total amount of the estimated costs incurred for this program by all cities, counties, cities and counties (including those that have not filed timely reimbursement claims), and an unknown number of eligible police protection districts (including those that have not filed timely reimbursement claims) less a 10 percent late filing penalty, based on the assumptions outlined in the analysis, with the range of costs segregated by activity as follows:

\$536,130 – \$536,130	Activity 1. (One-time training of FTOs appointed prior to 1/1/2017) ³⁹
\$1,075,577 - \$3,441,020	Activity 2. (One-time training of FTOs appointed after 1/1/2017) ⁴⁰

³⁶ For purposes of calculating the costs per FTO, claims that did not clearly specify the amount claimed for activity 1., activity 2., and indirect costs (7) or clearly specify the number of FTOs for which costs were claimed (10) were excluded from the tables as specified.

³⁷ Exhibit D, Claims data reported as of May 28, 2020.

³⁸ Exhibit D, Claims data reported as of May 28, 2020, pages 2 and 3.

³⁹ Based on a review of the claims filed for the initial claiming period, the amount claimed for activity 1., for fiscal year 2016-2017 by Suisun City should be zero but incorrectly specifies the amount actually claimed for activity 2., and the amount claimed for activity 2., incorrectly specifies the amount actually claimed for indirect costs. Zero should be the total for activity 1., \$1,509 should be the total for activity 2., and \$951 should be the total for indirect costs (see Exhibit D, Claims Data as of May 28, 2020, page 6).

⁴⁰ The high end of this estimate is calculated based on the total estimated number of FTOs requiring training during the initial reimbursement period (5,253) less the number of FTOs specified for which costs were claimed for the initial reimbursement period (1,875) and less the assumed amount represented in the unsegregated claims and claims that did not specify the number of FTOs (357) trained for the initial reimbursement period (5,253 – (1,875+357) =

\$656,112 - \$1,668,147	Indirect Costs ⁴¹
\$241,877 – (\$0)	Unsegregated Claims ⁴²
(\$13,233) - (\$13,233)	Offsetting Revenues ⁴³
\$0 – (\$337,748)	Less 10 Percent Late Filing Penalty ⁴⁴
\$2,496,463 - \$5,294,316	Total Costs⁴⁵

Fiscal Year 2019-2020 and Following

The statewide estimate for annual state liability for this program for fiscal year 2019-2020 and following is estimated at \$323,993⁴⁶ - \$1,992,536, plus the .48 percent growth rate and the implicit price deflator, based on the assumptions outlined in the analysis, with the range of costs segregated by activity as follows:

\$0	Activity 1. (One-time training of FTOs appointed prior to 1/1/2017)
\$245,162 - \$1,454,551	Activity 2. (One-time training of FTOs appointed after 1/1/2017)
\$78,831 - \$537,985	Indirect Costs ⁴⁷
(\$0)	Offsetting Revenues
\$323,993 - \$1,992,536	Total Costs

3,021) multiplied by the program weighted average cost per FTO of \$1,118. The estimated cost per FTO breaks down to \$783 for activity 2., and \$335 for indirect costs (based on the weighted average of 30%) totaling \$2,365,443 for activity 2., and \$1,012,035 for indirect costs and totaling \$3,441,020 for activity 2.

⁴¹ The upper bound of this estimate assumes a weighted average program percentage of the total amount claimed for indirect costs of 30 percent.

⁴² Unsegregated claims are not filed according to the claiming instructions and are subject to audit and reduction by the State Controller. Further unsegregated claims are not anticipated.

⁴³ The high end of the projected potential costs for the initial reimbursement period makes no assumptions regarding offsetting revenues or reimbursements. See Exhibit A, Decision and Parameters and Guidelines, pages 10-11.

⁴⁴ The 10 percent late filing penalty is calculated based on the estimated 3,021 FTOs, for whom costs have not been claimed for the initial claiming period for activity 2., and indirect costs $(\$2,365,443 + \$1,012,035) \times 10\% = \$337,478$.

⁴⁵ The low end of the total actual costs claimed for activity 1., activity 2., and indirect costs includes \$157,807 claimed in 10 claims that did not specify the number of FTOs. The high end of the projected potential costs for the initial reimbursement period includes activity 1., activity 2., and indirect costs and makes no assumptions regarding estimated offsetting revenues.

⁴⁶ The lower and higher bound of this estimate assumes all claims filed specify the amount claimed for each activity and indirect costs, and do not continue to claim activity 1 for reimbursement.

⁴⁷ The upper bound of this estimate assumes a weighted average percentage of the total amount claimed for indirect costs for fiscal year 2018-2019 of 27 percent.

The lower bound of the estimated costs above were calculated based on the actual costs for activity 2. and indirect costs claimed in the unaudited initial claims for fiscal year 2018-2019 plus the percentage of growth noted earlier in this analysis of .48 percent. The upper bound of the estimated costs above were calculated based on the weighted average cost per FTO for activity 2. and indirect costs claimed in the unaudited initial claims for fiscal year 2018-2019 (\$1,127), multiplied times the number of FTOs estimated to receive training in fiscal year 2018-2019 (1,759) plus the percentage of growth noted earlier in this analysis of .48 percent for a total of 1,768 FTOs. The calculation of fiscal year 2019-2020 and following makes no assumptions regarding offsetting revenues or reimbursements. It is anticipated that costs will grow annually by the .48 annual growth rate plus the implicit price deflator.

Assumptions

Based on the claims data and other publically available information, staff made the following assumptions and used the following methodology to develop the Statewide Cost Estimate for this program.

- *The total amount claimed for the initial reimbursement period may increase as a result of late or amended initial claims.*

There are approximately 481 cities, 57 counties, 1 city and county,⁴⁸ and an unknown number of eligible police protection districts, each of which may have incurred costs for this program during the initial reimbursement period. Thus, there are approximately 539 potentially eligible claimants. Of those, only 113 cities, about 23 percent of all cities, filed reimbursement claims for the initial reimbursement period: 88 for fiscal year 2016-2017; 64 for fiscal year 2017-2018; and 51 for fiscal year 2018-2019. And, only 22 counties, about 38 percent of all counties, filed reimbursement claims for the initial reimbursement period: 16 for fiscal year 2016-2017; 12 for fiscal year 2017-2018; and 12 for fiscal year 2018-2019. The remaining eligible claimants may still file late claims. In addition, the 135 claimants that have already filed timely initial claims may file amended claims for additional costs not included in their timely filed claims. Late and amended initial claims may be filed until April 28, 2021, but they will be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed.⁴⁹

There may be several reasons that non-claiming local agencies did not file reimbursement claims, including but not limited to the following: they did not incur costs of more than \$1,000 during a fiscal year; they had no FTOs attending training in a given fiscal year, or they had a relatively low number of FTOs attending training in a given fiscal year and determined that it was not cost-effective to participate in the reimbursement claim process.

- *The total amount that may be claimed for the initial reimbursement period and for future annual costs may increase as a result of the increased number of FTOs assigned or appointed due to both an increase in the overall number of sworn law enforcement personnel (thus requiring additional FTOs) and due to turnover in existing FTO positions.*

The number of FTOs appointed or assigned who have not already received the training within the prior 24 months may be affected by both increases or decreases in the overall numbers of

⁴⁸ For the purposes of this analysis, although the City and County of San Francisco did not file a claim during the initial reimbursement period, it is added to the total number of counties (58) and is included in the weighted averages as a county.

⁴⁹ Government Code sections 17561(d)(3).

sworn full-time law enforcement personnel (thus requiring additional FTOs) and by turnover in existing FTO positions.

For example, the overall percentage of change in the numbers of sworn full-time law enforcement personnel between the years of 2013 and 2018 for all police departments in California was 3 percent and for all Sheriff's departments was 2.2 percent which averages to .5 and .36 percent annually. The percentage of change in the numbers of sworn full-time law enforcement personnel for police departments in 2017-2018 was similar to the average for the prior years with police departments at 0.5 percent and Sheriff's departments at 0.3 percent.⁵⁰ Thus we can assume .5 percent (police) and .36 percent (sheriffs) annual growth rates based on the average growth rates over the years for which data is available and an overall weighted growth rate of .48 percent.

The total turnover rates for law enforcement in the state of California were reported to be 9.19 percent in 2003 and 8.28 percent in 2008. Nationally, turnover rates varied considerably between rural areas (14.11 in 2003, 14.16 in 2008), suburban areas (9.89 in 2003 and 10.98 in 2008), and urban areas (7.57 in 2003 and 6.94 in 2008) and also between types of agency Municipal (11.59 in 2003 and 11.14 in 2008) and County (7.94 in 2003 and 9.23 in 2008).⁵¹ For the purposes of this estimate, an 8.73 percent turnover rate is assumed based on the average turnover rate for California law enforcement in the years for which we have data available.

In addition, it is possible that enough seats are not available to accommodate the numbers of FTOs requiring training within the 180-day window from appointment required by the test claim statutes. For example, the expanded course outline for the Crisis Intervention Behavioral Health Training for Field Officers states "25 is the recommended maximum number of students for this course."⁵²

In conclusion, both overall percentage of change in the numbers of sworn full-time law enforcement personnel and the overall turnover rates of sworn law enforcement personnel may impact the number of FTOs who will be assigned or appointed and must complete training. Based on the above data on overall percentage of change in the numbers of sworn full-time law enforcement personnel and turnover rates combined adds up to 9.23 percent of the prior year's number of FTOs for police and 9.09 percent of the prior year's number of FTOs for sheriffs. Therefore, the weighted average percentage of change in the number of FTOs is 9.21 percent. It is further assumed that after the initial claiming period and the training of all of the pre-existing

⁵⁰ Exhibit F, Crime in California 2018, Xavier Becerra, Attorney General, California Department of Justice, California Justice Information Services Division, Bureau of Criminal Identification and Investigative Services, Criminal Justice Statistics Center, page 62, <https://data-openjustice.doj.ca.gov/sites/default/files/2019-07/Crime%20In%20CA%202018%2020190701.pdf> (accessed on December 13, 2019).

⁵¹ Exhibit F, Excerpt from the Jennifer Wareham et al, *Rates and Patterns of Law Enforcement Turnover: A Research Note*, 26-4 Criminal Justice Policy Review, 345 (2013), pages 2-5, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.846.1028&rep=rep1&type=pdf> (accessed on March 23, 2020).

⁵² Exhibit F, Expanded Course Outline (8 hours), Regulation 1081 Minimum Standards for Legislatively Mandated Courses, Crisis Intervention Behavioral Health Training for Field Training Officers, https://post.ca.gov/Portals/0/post_docs/resources/CIT/SB29_FTO_8HR_Course_ECO.pdf (accessed on December 13, 2019).

FTOs that there is now an adequate number of spaces available to train new FTOs appointed or assigned after January 1, 2017.

- *The total amount for this program may be lower than the Statewide Cost Estimate based on the Controller's audit findings.*

The Controller may conduct audits and reduce any claim it deems to be excessive or unreasonable. Therefore, costs may be lower than the Statewide Cost Estimate based on the audit findings.

- *The future annual costs for this program will decrease with the elimination of costs for activity 1.*

The annual costs incurred for activity 1., (one-time training of FTOs appointed prior to 1/1/2017) are expected to end after the initial reimbursement period, because activity 1., was required to be completed by June 30, 2017⁵³ which is a year prior to the end of the initial reimbursement period. Conversely, the costs for activity 2., (one-time training of FTOs appointed after 1/1/2017) will continue and are assumed to remain relatively stable, because these costs are a result of turnover in FTOs who have already received the training or when a department decides to increase the number of appointments of new FTOs beginning January 1, 2017 which has remained relatively consistent from year to year on a statewide basis based on the data available. The elimination of costs for activity 1., could in turn result in some local agencies being unable to reach the \$1,000 threshold in a given fiscal year to claim costs for activity 2., in certain years.

- *The estimated number of city police and county sheriff FTOs attending training for fiscal year 2016-2017 is 1,743; for fiscal year 2017-2018 is 1,751; and for fiscal year 2018-2019 is 1,759 for a total estimate of 5,253 FTOs requiring training during the initial reimbursement period.*

The actual number of turnover in staff who are FTOs and who have already received the training and the number of FTOs assigned by eligible claimants who require the training during each fiscal year is unknown.

The analysis of the test claim statute by the Senate Public Safety Committee and the Senate Appropriations Committee assumed that the reimbursable costs were those for missed work hours for all field training officers in training and made no further assumptions regarding the potential number of existing FTOs appointed before January 1, 2017 or the potential number of new FTOs appointed after January 1, 2017 requiring training.⁵⁴ However, the analysis of the test claim statute by the Senate Appropriations Committee, heard on May 28, 2015 states:

The current average POST reimbursement cost for officers completing the Field Training Officer Course is \$756 per attendee. Increasing the minimum training hours for field training officers by 40 hours would double POST reimbursement costs to \$1,512 per attendee. Based on an estimated 8,628 field training officers, POST reimbursement costs to address the additional 40 hours of mental health training would be \$756 per attendee for a total of \$6.5 million. POST indicates an average of 1,726 officers complete the Field Training Officer Course each year.

⁵³ Exhibit A, Decision and Parameters and Guidelines, page 8.

⁵⁴ Exhibit B, Test Claim (Senate Bill Analyses), pages 35-46.

If this bill is enacted, POST reimbursement costs per year to train field training officers would be \$2.6 million.⁵⁵

Therefore, the estimated numbers of FTOs who complete the Field Training Officer Course who would be required to take the training required by the test claim statute, based on the number provided by POST to the Senate Appropriations Committee of 1,726 in 2014-2015 for the following fiscal years (assuming .48 percent growth for all fiscal years following) are: 1,734 in 2015-2016; 1,743 for 2016-2017; 1,751 for 2017-2018; 1,759 for 2018-2019 for a total of 5,253 total FTOs requiring training during the initial claiming period. For fiscal year 2019-2020, the number of FTOs requiring training is estimated to be 1,768.

Estimated Costs and Cost Factors for Each Reimbursable Activity

For the purpose of estimating total annual costs incurred for this program during the initial reimbursement period and the following years, the annual cost of each reimbursable activity has been estimated based on the assumptions discussed above.

A. 1. (One-time training of FTOs assigned or appointed prior to 1/1/2017)

Activity 1., “Ensure that each FTO assigned or appointed prior to January 1, 2017 shall attend a one-time, eight-hour training on crisis intervention and behavioral health before June 30, 2017”⁵⁶ was approved as a one-time cost.⁵⁷ It is presumed that all costs for this activity will be claimed in initial claims for fiscal year 2016-2017, including amended initial claims or late claims filed for fiscal year 2016-2017, though potentially some of these one-time costs could carry over into fiscal year 2017-2018 if there were not enough spaces available to accommodate the numbers of FTOs requiring training within the 180-day window from appointment required by the test claim statute.

Based on the assumptions and methodology discussed herein, the total cost for activity 1., for the initial reimbursement period is estimated to be \$536,130.

FY 2016-2017: \$534,981 = (total amount of unaudited timely filed claims for activity 1.)⁵⁸

FY 2017-2018: \$1,149 = (the City of Firebaugh filed a claim that included costs for Activity 1 in 2017-2018.)⁵⁹

FY 2018-2019: \$0

⁵⁵ Exhibit F, Senate Committee on Appropriations, 2015-2016 Regular Session, SB 29 (Beall) – Peace Officer Training: Mental Health, Bill Analysis, Version: April 15, 2015, Hearing Date: May 28, 2015, page 3.

⁵⁶ Exhibit A, Decision and Parameters and Guidelines, page 8.

⁵⁷ Exhibit A, Decision and Parameters and Guidelines, pages 7 and 8.

⁵⁸ Based on a review of the claims filed for the initial claiming period, the amount claimed for activity 1., for fiscal year 2016-2017 for Suisun City should be zero but specifies the amount actually claimed for activity 2., and the amount claimed for activity 2., incorrectly specifies the amount claimed for indirect costs. Zero should be the total for activity 1., \$1,509 should be the total for activity 2., and \$951 should be the total for indirect costs (see Exhibit D, Claims Data as of May 28, 2020, page 6).

⁵⁹ Exhibit D, Claims Data as of May 28, 2020, pages 8 and 10. The Controller notes that the cost for reimbursable activity (1) filed by the City of Firebaugh is outside the fiscal year as it is filed in 2017-2018 reimbursable period and that the claim is for further review and may be reduced.

For fiscal year 2016-2017, 88 claims from cities and 16 claims from counties were filed; of those 76 claims from cities and nine claims from counties claimed costs for activity 1., amounting to \$534,981, and one claim was filed by the City of Firebaugh of \$1,149 for activity 1., for fiscal year 2017-2018.⁶⁰ Of the 104 claims filed for fiscal year 2016-2017, two claims did not disaggregate costs by activity, indirect costs, or offsetting revenues or other reimbursements (City of Buena Park and the County of San Bernardino).⁶¹ The lower end of the range of total cost of activity 1., for the initial reimbursement period is estimated based on the total amount of unaudited timely filed claims for activity 1., for the initial reimbursement period.

For the initial reimbursement period, 193 claims from cities and 33 claims from counties were filed that specified costs for activity 1., activity 2., and indirect costs and the numbers of FTOs trained totaling 671 FTOs for activity 1., and 1,204 FTOs for activity 2.⁶² For activity 1., it is assumed that all costs to train all eligible claimant FTOs assigned or appointed prior to January 1, 2017 have been claimed.

- *The costs claimed for activity 1., will be eliminated from future claims, because activity 1., is required to be completed by June 30, 2017 therefore should be completed during the initial reimbursement period.*

Activity 1., is required to be completed by June 30, 2017. Therefore, it is expected that eligible claimants will have claimed those costs in their initial claims or amendments thereto and it is expected that these costs will not carry over beyond the initial claiming period.

B. 2. (Ongoing Costs for One-time training of FTOs appointed after 1/1/2017)

Activity 2., “Ensure that each FTO assigned or appointed after January 1, 2017 shall attend a one-time, eight-hour training on crisis intervention and behavioral health within 180 days of being assigned or appointed as an FTO”⁶³ was approved as an ongoing cost for the one time training of each new FTO beginning January 1, 2017.⁶⁴ Costs for this activity may be claimed in initial claims, late, and amended claims for fiscal years 2016-2017, 2017-2018, and 2018-2019, as well as in annual claims for fiscal year 2019-2020 and following.

Based on the assumptions and methodology discussed herein, the total cost for activity 2., for the initial reimbursement period is estimated to be between \$1,075,577 and \$3,441,020.

FY 2016-2017, 2017-2018, 2018-2019:

\$1,075,577 = (total amount of unaudited timely filed claims for activity 2., for the initial reimbursement period)⁶⁵ - \$3,441,020 = (total amount of unaudited timely filed claims for

⁶⁰ Exhibit D, Claims data reported as of May 28, 2020, pages 4-10.

⁶¹ Exhibit D, Claims data reported as of May 28, 2020, pages 5 and 7.

⁶² See Tables 1, 2, 3, and 4 (The higher end of the range of costs is calculated based on the total estimated number of FTOs requiring training each fiscal year. For purposes of calculating the costs per FTO, claims that did not clearly specify the amount claimed for activity 1., activity 2., and indirect costs (7) or clearly specify the number of FTOs for which costs were claimed (10) were excluded from the tables as specified).

⁶³ Exhibit A, Decision and Parameters and Guidelines, page 8.

⁶⁴ Exhibit A, Decision and Parameters and Guidelines, pages 7 and 8.

⁶⁵ Based on a review of the claims filed for the initial claiming period, the amount claimed for activity 1., for fiscal year 2016-2017 for Suisun City should be zero but specifies the amount

activity 2., as amended, plus late claims assuming that costs were claimed for all eligible claimant FTOs assigned or appointed beginning 1/1/2017).

- *The total cost of activity 2., for the initial reimbursement period is estimated at \$1,075,577 - \$3,441,020.*

For cities, 29 of 88 claims for 2016-2017, 63 of 64 claims for 2017-2018, and 49 of 51 claims for 2018-2019; for counties, 11 of 16 claims for 2016-2017, 11 of 12 claims for 2017-2018, and 11 out of 12 claims for 2018-2019 filed included costs for activity 2., amounting to a total of \$1,075,577 for fiscal years 2016-2017, 2017-2018, and 2018-2019.⁶⁶

For the initial claiming period, 193 claims from cities and 33 claims from counties included the costs claimed for activity 1., activity 2., and indirect costs, and the numbers of FTOs trained totaling 671 FTOs for activity 1., and 1,204 FTOs for activity 2.⁶⁷ In addition, 17 claims either did not indicate the amount claimed for activity 1., activity 2., and indirect costs and only provided a total claim amount or did not clearly specify the number of FTOs claimed, for a total of \$399,684.

Assuming a total estimated number of assigned or appointed FTOs during the initial claiming period of 5,253, a total weighted average cost claimed per FTO of \$1,118 (\$783 for activity 2., and \$335 for indirect costs claimed at a weighted average rate of 30%), costs claimed to train 1,875 total FTOs specified, and approximately 357 FTOs costs' claimed but not specified during the initial reimbursement period ($\$399,684 / \$1,118 = 357$), it is possible that the unclaimed costs for the remaining 3,021 FTOs could all be claimed under activity 2., in late or amended claims.

The total cost of activity 2., for the initial reimbursement period is estimated to be between the total amount of unaudited timely filed claims for activity 2., for the initial reimbursement period (\$1,075,577) and the total amount that could be claimed including late or amended claims. The higher end of the estimate includes the costs that have been claimed for this activity plus the estimated cost per FTO of \$783 for activity 2., multiplied by the estimated number of FTOs who were required to be trained during the initial reimbursement period but for whom costs have not been claimed (3,021) which equals \$2,365,443 for a total cost of \$3,441,020.

Based on the assumptions and methodology discussed herein, the total cost for indirect costs for the initial reimbursement period is estimated to be between \$656,112 and \$1,668,147.

FY 2016-2017, 2017-2018, 2018-2019:

actually claimed for activity 2., and the amount claimed for activity 2., incorrectly specifies the amount claimed for indirect costs. Zero should be the total for activity 1., \$1,509 should be the total for activity 2., and \$951 should be the total for indirect costs (see Exhibit D, Claims Data as of May 28, 2020, page 6).

⁶⁶ Exhibit D, Claims data reported as of May 28, 2020.

⁶⁷ See Tables 1, 2, 3, and 4 (The higher end of the range of costs is calculated assuming costs are claimed for the total estimated number of FTOs requiring training each fiscal year. For purposes of calculating the costs per FTO, claims that did not clearly specify the amount claimed for activity 1., activity 2., and indirect costs (7) or clearly specify the number of FTOs for which costs were claimed (10) were excluded from the tables as specified).

\$656,112 = (total amount of unaudited timely filed claims for indirect costs for the initial reimbursement period) - \$1,668,147⁶⁸ = (total amount of unaudited timely filed claims for indirect costs, as amended, plus late claims assuming that costs were claimed for all eligible claimant FTOs assigned or appointed beginning 1/1/2017).

- *The total cost of indirect costs for the initial reimbursement period is estimated at \$656,112 - \$1,668,147.*

The total costs for activity 2., and indirect costs for the estimated 3,021 FTOs remaining of the total estimated 5,253 FTOs at \$1,118 per FTO (\$783 for activity 2., and \$335 for indirect costs claimed at a weighted average rate of 30%) that have not yet been claimed for the initial claiming period is \$3,377,478 (3,021 x \$1,118); \$2,365,443 for activity 2., (3,021 x \$783); and \$1,012,035 (3,021 x \$335) for indirect costs.

The total cost of indirect costs for the initial reimbursement period is estimated to be between the total amount of unaudited timely filed claims for indirect costs for the initial reimbursement period (\$656,112) and the total amount that could be claimed including late or amended claims. The higher end of the range assumes that costs were claimed for all eligible claimant FTOs assigned or appointed beginning January 1, 2017 and that indirect costs were claimed at the weighted average rate of 30 percent ($\$656,112 + (3,021 \times \$335) = \$1,668,147$).

Based on the assumptions and methodology discussed herein, the total possible late filing penalty for estimated late claims and amended claims for activity 2., and indirect costs for the initial reimbursement period is estimated to be \$337,748.

FY 2016-2017, 2017-2018, 2018-2019:

\$2,365,443 (remaining potential FTOs to be claimed multiplied by the weighted average costs for activity 2., (3,021 x \$783)) + \$1,012,035 (remaining potential FTOs to be claimed multiplied by weighted average indirect costs (3,021 x \$335)) x 10 percent = \$337,748.

- *The costs claimed for activity 2., will continue, because activity 2., is required to be completed within 180 days of assignment or appointment as an FTO.*

Activity 2., is required to be completed within 180 days of assignment or appointment as an FTO.⁶⁹ Therefore, it is expected that eligible claimants will claim those costs in their initial claims or amendments thereto, as well as in future claims.

- *The weighted average cost of activity 1., and activity 2., and indirect costs per FTO assigned for fiscal year 2016-2017, 2017-2018, 2018-2019 is estimated at \$1,118 and the total weighed average amount of indirect costs is estimated at 30 percent.*

The average cost of activity 1., activity 2., and indirect costs per FTO assigned can be estimated based on the claims data for the cost of activity 1., activity 2., and indirect costs, and the number of FTOs for which these costs were claimed.

Nearly all the claims filed for the initial claiming period that specified costs for activity 1., activity 2., indirect costs, and offsetting revenue or other reimbursements include information on

⁶⁸ The upper bound of this estimate assumes that costs will be claimed for an estimated 5,253 FTOs assigned or appointed during the initial claiming period and a total weighted average cost claimed per FTO of \$1,118 (\$783 for activity 2., and \$335 for indirect costs claimed at a weighted average rate of 30%).

⁶⁹ Exhibit A, Decision and Parameters and Guidelines, page 8.

the number of FTOs. Of the 2016-2017 claims, two cities' and two counties' claims, of the 2017-2018 claims, two cities' and one county's claims, and of the 2018-2019 claims two cities' and one county's claims either provided no information on the number of FTOs claimed or the information was unclear in the claim. Accordingly, for the purpose of estimating the average cost per FTO only the cost data from the claims that provided information on the amount claimed for activity 1., activity 2., and indirect costs and the number of FTOs are included in the calculation (see Table 1, FY 2016-2017 (85 cities' claims and 13 counties' claims); Table 2, FY 2017-2018 (61 cities' claims and 10 counties' claims); and Table 3, FY 2018-2019 (47 cities' claims and 10 counties' claims) below). These claims represent 193 claims from cities and 33 claims from counties.⁷⁰

For 2016-2017, 85 of 88 cities claimed costs for a total of 602 FTOs for activity 1., 540 FTOs for activity 2., and indirect costs, totaling \$1,295,261; and 13 of 16 counties claimed costs for 64 FTOs for activity 1., 78 FTOs for activity 2., and indirect costs, totaling \$146,663.

For 2017-2018, 61 of 64 cities claimed costs for a total of 5 FTOs for activity 1., 275 FTOs for activity 2., and indirect costs, totaling \$308,491; and for 10 of 12 counties zero claimed costs for activity 1., 69 FTOs for activity 2., and indirect costs, totaling \$78,810.

For 2018-2019, 47 of 51 cities claimed zero costs for activity 1., 176 FTOs for activity 2., and indirect costs, totaling \$205,314; and 10 of 12 counties claimed zero costs for activity 1., 66 FTOs for activity 2., and indirect costs amounting to \$62,240.

Therefore, the total costs claimed by cities that specified the number of FTOs claimed for 1,598 FTOs comes to \$1,809,066 and the total costs claimed by counties that specified the number of FTOs claimed for 277 FTOs comes to \$287,713 for the initial claiming period.⁷¹ Based on the total number of FTOs who complete the course annually provided by POST to the Senate Appropriations Committee noted earlier of 1726 in 2014-2015⁷² and on the growth rate of FTOs annually of .48 percent, the approximate number of FTOs can be estimated at 1,734 for 2015-2016, 1,743 for 2016-2017, 1,751 for 2017-2018, 1,759 for 2018-2019, and 1,768 for 2019-2020.

In its bill analysis, the Senate Committee on Appropriations estimated the costs per FTO based on the initial estimate of costs per attendee to attend the Field Training Officer Course of \$756 provided by POST to the Legislature.⁷³ However, based on the amount of actual costs claimed, the estimated number of FTOs completing the course for which costs were claimed during the initial reimbursement period for 2016-2017 for cities are 1,142 FTOs and for counties are 142 FTOs for a total of 1,284 FTOs which represents approximately 74 percent of the total estimated number of FTOs appointed or assigned that year; for 2017-2018 for cities are 280 FTOs and for counties are 69 FTOs for a total of 349 FTOs which represents approximately 20 percent of the

⁷⁰ For purposes of calculating the costs per FTO, claims that did not clearly specify the amount claimed for activity 1., activity 2., and indirect costs (7) or clearly specify the number of FTOs for which costs were claimed (10) were excluded from the tables as specified.

⁷¹ Exhibit D, Claims data reported as of May 28, 2020.

⁷² Exhibit F, Senate Committee on Appropriations, 2015-2016 Regular Session, SB 29 (Beall) – Peace Officer Training: Mental Health, Bill Analysis, Version: April 15, 2015, Hearing Date: May 28, 2015, page 3.

⁷³ Exhibit F, Senate Committee on Appropriations, 2015-2016 Regular Session, SB 29 (Beall) – Peace Officer Training: Mental Health, Bill Analysis, Version: April 15, 2015, Hearing Date: May 28, 2015, page 3.

total estimated number of FTOs required to be trained; and for 2018-2019 for cities are 176 FTOs and for counties are 66 FTOs for a total of 242 FTOs which represents approximately 14 percent of the total estimated number of FTOs assigned or appointed that year. Overall, costs for the training of 1,875 FTOs were claimed, representing approximately 36 percent of the total assumed number of 5,253 FTOs trained during the initial claiming period.

For cities, the 193 unaudited claims included in the calculation identify in total 607 FTOs completed activity 1., and 991 FTOs completed activity 2., including indirect costs and less offsetting revenue or reimbursements claimed amounts to a total of 1,598 FTOs at an average of \$1,132 per FTO for the initial claiming period. For counties, the 33 unaudited claims included in the calculation identify in total 64 FTOs completed activity 1 and 213 FTOs completed activity 2, including indirect costs and less offsetting revenue or reimbursements claimed amounts to a total of 277 FTOs at an average of \$1,039 per FTO for the initial reimbursement period. Therefore, the weighted average of cost per FTO for this program is \$1,118, which is 34 percent higher than the estimate of \$736 originally provided to the Legislature for this program. This may be in part due to the fact that indirect costs, which constitute a weighted average of 30 percent⁷⁴ of the total costs for each year in the initial claiming period, were not considered in the bill analysis. Additionally, at least some of the claims include the costs of travel and meals for the officers during the training period.

Table 1

FY 2016-2017 (98 of 104 claims)⁷⁵

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁷⁶
1	CITY OF HAYWARD	\$10,272	12	\$ -	0	\$3,176	\$13,448
2	CITY OF NEWARK	\$11,584	10	\$ -	0	\$7,839	\$11,569
3	CITY OF OAKLAND	\$3,442	4	\$4,406	5	\$2,427	\$10,275
4	CITY OF PLEASANTON	\$8,702	10	\$ -	0	\$536	\$9,238

⁷⁴ During the initial reimbursement period, for cities, the average percentage of the cost per FTO is 30 percent indirect costs; for counties, the average percentage of the indirect costs per FTO is 29 percent (see Table 4).

⁷⁵ Exhibit D, Claims Data as of May 28, 2020 (Table 1 excludes the following six claims from this table to calculate the costs per FTO for fiscal year 2016-2017 because they do not specify the amount claimed for activity 1., activity 2., and indirect costs or because the number of FTOs is not provided: City of Glendora (\$13,864), the city of Buena Park (\$5,621), the Town of Apple Valley (\$7,675), the County of San Bernardino (\$86,834), the County of Santa Barbara (\$26,733), and the County of Ventura (\$11,982)), pages 4-7.

⁷⁶ The total cost provided is less any reported offsetting revenue or other reimbursements. Of the 2016-2017 claims, two included this information that is not provided separately here: the City of Newark reported \$7,854 in offsetting revenue; and the City of Claremont reported \$4,389 in other reimbursements (see Exhibit D, Claims Data as of May 28, 2020, pages 4 and 7).

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁷⁶
5	CITY OF UNION CITY	\$2,912	4	\$2,912	4	\$1,928	\$7,752
6	CITY OF JACKSON	\$1,425	3	\$ -	0	\$943	\$2,368
7	CITY OF CHICO	\$5,858	9		0	\$2,844	\$8,702
8	CITY OF OROVILLE	\$5,711	8	\$ -	0	\$2,476	\$8,187
9	CITY OF PLEASANT HILL	\$ -	0	\$2,439	4	\$1,413	\$3,852
10	CITY OF SAN PABLO	\$981	1	\$ -	0	\$407	\$1,388
11	CITY OF CRESCENT CITY	\$2,068	3	\$ -	0	\$466	\$2,534
12	CITY OF SOUTH LAKE TAHOE	\$7,060	8	\$ -	0	\$5,866	\$12,926
13	CITY OF CLOVIS	\$1,246	2	\$ -	0	\$373	\$1,619
14	CITY OF FRESNO	\$39,133	56	\$ -	0	\$13,054	\$52,187
15	CITY OF LAKEPORT	\$1,232	3	\$ -	0	\$317	\$1,549
16	CITY OF ARCADIA	\$6,223	8	\$ -	0	\$4,512	\$10,735
17	CITY OF BELL	\$6,325	10	\$ -	0	\$1,873	\$8,198
18	CITY OF CLAREMONT	\$6,563	9	\$ -	0	\$4,760	\$6,934
19	CITY OF DOWNEY	\$17,639	22	\$ -	0	\$8,709	\$26,348
20	CITY OF EL MONTE	\$3,605	6	\$1,815	3	\$1,704	\$7,124
21	CITY OF HUNTINGTON PARK	\$3,006	4	\$2,282	3	\$3,578	\$8,866
22	CITY OF LAKEWOOD	\$4,350	4	\$ -	0	\$635	\$4,985
23	CITY OF LOS ANGELES	\$ -	0	\$368,496	428	\$176,928	\$545,424
24	CITY OF MONROVIA	\$4,441	6	\$ -	0	\$3,375	\$7,816
25	CITY OF PALMDALE	\$5,239	5	\$ -	0	\$634	\$5,873

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁷⁶
26	CITY OF RANCHO PALOS VERDES	\$5,239	5	\$ -	0	\$602	\$5,841
27	CITY OF SAN GABRIEL	\$2,192	3	\$ -	0	\$2,032	\$4,224
28	CITY OF SANTA MONICA	\$13,125	15	\$ -	0	\$4,882	\$18,007
29	CITY OF WEST COVINA	\$1,348	1	\$6,048	4	\$799	\$8,195
30	CITY OF WHITTIER	\$ -	0	\$2,616	4	\$453	\$3,069
31	CITY OF NOVATO	\$1,795	3	\$ -	0	\$424	\$2,219
32	CITY OF LOS BANOS	\$963	2	\$ -	0	\$287	\$1,250
33	CITY OF MONTEREY	\$677	1	\$4,064	6	\$964	\$5,705
34	TOWN OF TRUCKEE	\$448	1	\$448	1	\$449	\$1,345
35	CITY OF BREA	\$4,297	5	\$ -	0	\$1,776	\$6,073
36	CITY OF COSTA MESA	\$19,174	22	\$ -	0	\$10,207	\$29,381
37	CITY OF CYPRESS	\$12,683	16	\$787	1	\$3,642	\$17,112
38	CITY OF GARDEN GROVE	\$14,105	17	\$ -	0	\$5,658	\$19,763
39	CITY OF HUNTINGTON BEACH	\$ -	0	\$1,624	2	\$244	\$1,868
40	CITY OF IRVINE	\$5,750	6	\$ -	0	\$2,647	\$8,397
41	CITY OF LAGUNA NIGUEL	\$7,582	9	\$ -	0	\$4,134	\$11,716
42	CITY OF LAKE FOREST	\$9,207	9	\$ -	0	\$4,162	\$13,369
43	CITY OF NEWPORT BEACH	\$4,098	6	\$3,415	5	\$2,329	\$9,842
44	CITY OF PLACENTIA	\$3,255	5	\$ -	0	\$646	\$3,901
45	CITY OF STANTON	\$4,153	4	\$ -	0	\$1,897	\$6,050

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁷⁶
46	CITY OF TUSTIN	\$2,773	4	\$ -	0	\$2,482	\$5,255
47	CITY OF ROCKLIN	\$4,542	7	\$ -	0	\$2,590	\$7,132
48	CITY OF ROSEVILLE	\$11,109	17	\$ -	0	\$10,520	\$21,629
49	CITY OF BANNING	\$3,197	5	\$ -	0	\$2,950	\$6,147
50	CITY OF BEAUMONT	\$2,658	5	\$ -	0	\$895	\$3,553
51	CITY OF HEMET	\$18,362	50	\$16,199	0	\$15,552	\$50,113
52	CITY OF INDIO	\$ -	0	\$5,449	7	\$1,877	\$7,326
53	CITY OF FOLSOM	\$5,144	7	\$ -	0	\$962	\$6,106
54	CITY OF CHINO	\$1,383	2	\$ -	0	\$1,198	\$2,581
55	CITY OF FONTANA	\$ -	0	\$11,483	18	\$3,081	\$14,564
56	CITY OF HESPERIA	\$3,844	5	\$ -	0	\$2,640	\$6,484
57	CITY OF MONTCLAIR	\$8,236	13	\$ -	0	\$4,878	\$13,114
58	CITY OF RANCHO CUCAMONGA	\$10,762	14	\$ -	0	\$6,716	\$17,478
59	CITY OF REDLANDS	\$2,962	4	\$ -	0	\$742	\$3,704
60	CITY OF SAN BERNARDINO	\$6,566	9	\$4,200	6	\$4,068	\$14,834
61	CITY OF CARLSBAD	\$12,551	17	\$763	1	\$5,379	\$18,693
62	CITY OF CORONADO	\$745	1	\$4,366	6	\$2,046	\$7,157
63	CITY OF EL CAJON	\$ -	0	\$3,118	5	\$1,143	\$4,261
64	CITY OF ENCINITAS	\$12,986	17	\$ -	0	\$9,662	\$22,648
65	CITY OF OCEANSIDE	\$3,882	6	\$647	1	\$1,214	\$5,743
66	CITY OF SAN MARCOS	\$4,583	6	\$ -	0	\$3,209	\$7,792
67	CITY OF STOCKTON	\$3,606	6	\$5,409	9	\$2,959	\$11,974

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁷⁶
68	CITY OF ARROYO GRANDE	\$ -	0	\$788	1	\$275	\$1,063
69	CITY OF EL PASO DE ROBLES	\$ -	0	\$3,363	4	\$1,229	\$4,592
70	CITY OF FOSTER CITY	\$ -	0	\$1,938	2	\$803	\$2,741
71	CITY OF SAN MATEO	\$4,458	6	\$803	1	\$2,273	\$7,534
72	CITY OF SANTA BARBARA	\$3,639	5	\$1,044	3	\$1,363	\$6,046
73	CITY OF MORGAN HILL	\$9,336	12	\$2,248	3	\$2,479	\$14,063
74	CITY OF SANTA CLARA	\$6,404	6	\$ -	0	\$854	\$7,258
75	CITY OF SUNNYVALE	\$4,482	4	\$ -	0	\$778	\$5,260
76	CITY OF ANDERSON	\$3,510	7	\$ -	0	\$1,383	\$4,893
77	CITY OF FAIRFIELD	\$735	2	\$ -	0	\$267	\$1,002
78	CITY OF SUISUN CITY ⁷⁷	\$ -	0	\$1,509	3	\$951	\$2,460
79	CITY OF VACAVILLE ⁷⁸	\$814	1	\$ -	0	\$230	\$1,044
80	CITY OF COTATI	\$2,156	3	\$ -	0	\$487	\$2,643
81	CITY OF SANTA ROSA	\$6,961	9	\$ -	0	\$1,370	\$8,331
82	CITY OF OAKDALE	\$1,609	3	\$ -	0	\$609	\$2,218
83	CITY OF RED BLUFF	\$2,929	6	\$ -	0	\$875	\$3,804

⁷⁷ Based on a review of the claims filed for the initial claiming period, the amount claimed for activity 1., for fiscal year 2016-2017 for Suisun City should be zero but specifies the amount actually claimed for activity 2., and the amount claimed for activity 2., incorrectly specifies the amount claimed for indirect costs. Zero should be the total for activity 1., \$1,509 should be the total for activity 2., and \$951 should be the total for indirect costs (see Exhibit D, Claims Data as of May 28, 2020, page 6).

⁷⁸ Exhibit D, Claims Data as of May 28, 2020 (The Controller notes that the claimant combined grant funding into total and omitted offsetting revenue in calculation), pages 6-7.

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁷⁶
84	CITY OF WOODLAKE	\$1,158	2	\$ -	0	\$314	\$1,472
85	CITY OF MARYSVILLE	\$2,295	4	\$ -	0	\$1,030	\$3,325
	TOTAL CITY 2016-2017	\$439,485	602	\$464,679	540	\$403,340	\$1,295,261
1	COUNTY OF ALAMEDA	\$ -	0	\$987	1	\$447	\$1,434
2	COUNTY OF CALAVERAS	\$1,862	4	\$463	1	\$1,070	\$3,395
3	COUNTY OF DEL NORTE	\$ -	0	\$1,536	3	\$786	\$2,322
4	COUNTY OF MENDOCINO	\$7,482	9	\$1,019	1	\$3,391	\$11,892
5	COUNTY OF NEVADA	\$ -	0	\$6,321	9	\$3,753	\$10,074
6	COUNTY OF ORANGE	\$3,389	4	\$2,561	3	\$3,082	\$9,032
7	COUNTY OF RIVERSIDE	\$9,162	13	\$ -	0	\$3,740	\$12,902
8	COUNTY OF SACRAMENTO	\$ -	0	\$18,825	25	\$8,413	\$27,238
9	COUNTY OF SAN JOAQUIN	\$9,979	14	\$13,095	8	\$6,170	\$29,244
10	COUNTY OF SANTA CLARA	\$15,839	15	\$ -	0	\$5,189	\$21,028
11	COUNTY OF TEHAMA	\$ -	0	\$2,127	4	\$924	\$3,051
12	COUNTY OF TUOLUMNE	\$2,657	5	\$461	1	\$1,183	\$4,301
13	COUNTY OF YOLO	\$ -	0	\$7,344	12	\$3,406	\$10,750
	TOTAL COUNTY 2016-2017	\$50,370	64	\$54,739	78	\$41,554	\$146,663
	TOTAL 2016-2017	\$489,855	666	\$519,418	618	\$444,894	\$1,441,924

Table 2FY 2017-2018 (71 of 76 claims)⁷⁹

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸⁰
1	CITY OF FREMONT	\$ -	0	\$2,464	3	\$723	\$3,187
2	CITY OF HAYWARD	\$ -	3	\$2,421	0	\$814	\$3,235
3	CITY OF OAKLAND	\$ -	0	\$831	1	\$279	\$1,110
4	CITY OF PLEASANTON	\$ -	0	\$2,979	3	\$918	\$3,897
5	CITY OF CHICO	\$ -	0	\$3,907	5	\$1,584	\$5,491
6	CITY OF PLEASANT HILL	\$ -	0	\$1,639	3	\$1,039	\$2,678
7	CITY OF SAN PABLO	\$ -	0	\$2,815	3	\$1,165	\$3,980
8	CITY OF WALNUT CREEK	\$ -	0	\$2,089	3	\$1,145	\$3,234
9	CITY OF CLOVIS	\$ -	0	\$1,293	2	\$481	\$1,774
10	CITY OF FIREBAUGH ⁸¹	\$1,149	2	\$574	1	\$709	\$2,432
11	CITY OF HANFORD	\$ -	0	\$966	2	\$604	\$1,570
12	CITY OF ALHAMBRA	\$ -	0	\$881	1	\$339	\$1,220
13	CITY OF ARCADIA	\$ -	0	\$1,713	2	\$1,182	\$2,895
14	CITY OF DOWNEY	\$ -	0	\$8,633	11	\$4,527	\$13,160

⁷⁹ Exhibit D, Claims Data as of May 28, 2020 (Table 2 excludes the following five claims from this table to calculate the costs per FTO for fiscal year 2017-2018 because the claim does not specify the amount claimed for activity 1., activity 2., and indirect costs or because the number of FTOs is not provided in the claim: City of Chino (\$8,401), City of Huntington Park (\$2,211), the City of Pasadena (\$5,676), the County of San Bernardino (\$89,420), and the County of Ventura (\$35,765)), pages 8-10.

⁸⁰ Exhibit D, Claims Data as of May 28, 2020 (None of the claims filed for fiscal year 2017-2018 identified offsetting revenue or reimbursements for this program), pages 8-10.

⁸¹ Exhibit D, Claims Data as of May 28, 2020, pages 8 and 10. The Controller notes that the cost for reimbursable activity (1) filed by the City of Firebaugh is outside the fiscal year as it is filed in 2017-2018 reimbursable period and that the claim is for further review and may be reduced.

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸⁰
15	CITY OF LAKEWOOD	\$ -	0	\$2,175	2	\$328	\$2,503
16	CITY OF MANHATTAN BEACH	\$ -	0	\$8,072	8	\$3,197	\$11,269
17	CITY OF MONROVIA	\$ -	0	\$2,915	5	\$2,152	\$5,067
18	CITY OF PALMDALE	\$ -	0	\$6,525	6	\$880	\$7,405
19	CITY OF RANCHO PALOS VERDES	\$ -	0	\$3,346	3	\$341	\$3,687
20	CITY OF SAN GABRIEL	\$ -	0	\$656	1	\$704	\$1,360
21	CITY OF SANTA MONICA	\$ -	0	\$1,921	2	\$605	\$2,526
22	CITY OF WEST HOLLYWOOD	\$ -	0	\$3,262	5	\$571	\$3,833
23	CITY OF WHITTIER	\$ -	0	\$1,338	2	\$250	\$1,588
24	CITY OF MADERA	\$ -	0	\$2,448	3	\$554	\$3,002
25	CITY OF SAN RAFAEL	\$ -	0	\$5,822	6	\$1,979	\$7,801
26	CITY OF MONTEREY	\$ -	0	\$820	1	\$235	\$1,055
27	CITY OF BREA	\$ -	0	\$2,222	3	\$612	\$2,834
28	CITY OF BUENA PARK	\$ -	0	\$3,201	4	\$1,778	\$4,979
29	CITY OF COSTA MESA	\$ -	0	\$4,423	5	\$2,449	\$6,872
30	CITY OF GARDEN GROVE	\$ -	0	\$3,570	4	\$1,393	\$4,963
31	CITY OF HUNTINGTON BEACH	\$ -	0	\$7,889	10	\$1,066	\$8,955
32	CITY OF IRVINE	\$ -	0	\$3,299	4	\$1,339	\$4,638
33	CITY OF LAGUNA NIGUEL	\$ -	0	\$4,561	4	\$1,980	\$6,541
34	CITY OF SAN JUAN CAPISTRANO	\$ -	0	\$3,421	3	\$2,025	\$5,446

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸⁰
35	CITY OF STANTON	\$ -	0	\$3,274	3	\$1,673	\$4,947
36	CITY OF TUSTIN	\$ -	0	\$659	1	\$531	\$1,190
37	CITY OF ROSEVILLE	\$ -	0	\$4,080	6	\$3,766	\$7,846
38	CATHEDRAL CITY	\$ -	0	\$1,524	2	\$909	\$2,433
39	CITY OF HOLLISTER	\$ -	0	\$4,770	7	\$1,567	\$6,337
40	TOWN OF APPLE VALLEY	\$ -	0	\$3,176	4	\$1,823	\$4,999
41	CITY OF FONTANA	\$ -	0	\$3,196	5	\$856	\$4,052
42	CITY OF HESPERIA	\$ -	0	\$2,382	3	\$1,398	\$3,780
43	CITY OF MONTCLAIR	\$ -	0	\$1,947	3	\$1,186	\$3,133
44	CITY OF RANCHO CUCAMONGA	\$ -	0	\$1,588	2	\$846	\$2,434
45	CITY OF REDLANDS	\$ -	0	\$6,722	9	\$1,747	\$8,469
46	CITY OF SAN BERNARDINO	\$ -	0	\$9,127	12	\$3,172	\$12,299
47	CITY OF CARLSBAD	\$ -	0	\$12,792	18	\$4,848	\$17,640
48	CITY OF CORONADO	\$ -	0	\$2,030	3	\$1,031	\$3,061
49	CITY OF ENCINITAS	\$ -	0	\$4,049	5	\$3,012	\$7,061
50	CITY OF NATIONAL CITY	\$ -	0	\$8,712	12	\$3,051	\$11,763
51	CITY OF OCEANSIDE	\$ -	0	\$2,544	4	\$656	\$3,200
52	CITY OF SAN MARCOS	\$ -	0	\$3,239	4	\$2,264	\$5,503
53	CITY OF MANTECA	\$ -	0	\$1,530	2	\$425	\$1,955
54	CITY OF STOCKTON	\$ -	0	\$17,880	26	\$7,123	\$25,003
55	CITY OF ARROYO GRANDE	\$ -	0	\$784	1	\$284	\$1,068

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸⁰
56	CITY OF SAN MATEO	\$ -	0	\$1,508	2	\$703	\$2,211
57	CITY OF SAN JOSE	\$ -	0	\$9,886	9	\$2,512	\$12,398
58	CITY OF SANTA CLARA	\$ -	0	\$2,199	2	\$288	\$2,487
59	CITY OF SANTA ROSA	\$ -	0	\$914	1	\$173	\$1,087
60	CITY OF TURLOCK	\$ -	0	\$2,347	4	\$861	\$3,208
61	CITY OF YUBA CITY	\$ -	0	\$2,097	4	\$643	\$2,740
	TOTAL CITY 2017-2018	\$1,149	5	\$220,047	275	\$87,295	\$308,491
1	COUNTY OF ALAMEDA	\$ -	0	\$7,831	8	\$3,324	\$11,155
2	COUNTY OF DEL NORTE	\$ -	0	\$4,956	8	\$2,512	\$7,468
3	COUNTY OF KINGS	\$ -	0	\$1,002	2	\$574	\$1,576
4	COUNTY OF MENDOCINO	\$ -	0	\$1,025	1	\$298	\$1,323
5	COUNTY OF NEVADA	\$ -	0	\$1,208	2	\$613	\$1,821
6	COUNTY OF RIVERSIDE	\$ -	0	\$1,190	2	\$353	\$1,543
7	COUNTY OF SACRAMENTO	\$ -	0	\$16,507	22	\$7,565	\$24,072
8	COUNTY OF SAN JOAQUIN	\$ -	0	\$2,240	3	\$589	\$2,829
9	COUNTY OF SANTA CLARA	\$ -	0	\$6,322	6	\$2,412	\$8,734
10	COUNTY OF SONOMA	\$ -	0	\$14,605	15	\$3,684	\$18,289
	TOTAL COUNTY 2017-2018	\$ -	0	\$56,886	69	\$21,924	\$78,810
	TOTAL 2017-2018	\$1,149	5	\$276,933	344	\$109,219	\$308,491

Table 3FY 2018-2019 (57 of 63 claims)⁸²

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸³
1	CITY OF FREMONT	\$ -	0	\$3,319	4	\$1,151	\$4,470
2	CITY OF OAKLAND	\$ -	0	\$3,956	4	\$1,238	\$5,194
3	CITY OF CHICO	\$ -	0	\$3,512	4	\$1,271	\$3,793
4	CITY OF CLOVIS	\$ -	0	\$2,962	4	\$782	\$3,744
5	CITY OF FIREBAUGH	\$ -	0	\$941	2	\$284	\$1,225
6	CITY OF KERMAN	\$ -	0	\$1,273	3	\$949	\$2,222
7	CITY OF HANFORD	\$ -	0	\$894	2	\$575	\$1,469
8	CITY OF EL SEGUNDO	\$ -	0	\$3,003	3	\$1,250	\$4,253
9	CITY OF HUNTINGTON PARK	\$ -	0	\$2,701	4	\$633	\$3,334
10	CITY OF LAKEWOOD	\$ -	0	\$3,346	3	\$525	\$3,871
11	CITY OF MONROVIA	\$ -	0	\$631	1	\$449	\$1,080
12	CITY OF PALMDALE	\$ -	0	\$5,577	5	\$786	\$6,363
13	CITY OF SANTA FE SPRINGS	\$ -	0	\$781	1	\$419	\$1,200
14	CITY OF WEST COVINA	\$ -	0	\$5,920	6	\$1,480	\$7,400
15	CITY OF WEST HOLLYWOOD	\$ -	0	\$5,577	3	\$1,009	\$6,586

⁸² Exhibit D, Claims Data as of May 28, 2020 (Table 3 excludes the following six claims from this table to calculate the costs per FTO for fiscal year 2018-2019 because the claim does not specify the amount claimed for activity 1., activity 2., and indirect costs or the number of FTOs is not provided in the claim: City of Brentwood (\$27,235), City of Claremont (\$1,372), City of Downey (\$3,815), City of Yreka (\$2,537), County of San Bernardino (\$46,414), and the County of Ventura (\$24,129)), pages 11-13.

⁸³ Exhibit D, Claims Data as of May 28, 2020 (The total cost provided is less any reported offsetting revenue or other reimbursements. Of the 2018-2019 claims, one included this information that is not provided separately here: the City of Chico reported \$990 in offsetting revenue), pages 11 and 13.

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸³
16	CITY OF SAN RAFAEL	\$ -	0	\$7,102	7	\$2,520	\$9,622
17	CITY OF MONTEREY	\$ -	0	\$1,788	2	\$662	\$2,450
18	TOWN OF TRUCKEE	\$ -	0	\$1,270	2	\$639	\$1,909
19	CITY OF COSTA MESA	\$ -	0	\$1,514	2	\$843	\$2,357
20	CITY OF GARDEN GROVE	\$ -	0	\$6,592	7	\$2,276	\$8,868
21	CITY OF HUNTINGTON BEACH	\$ -	0	\$1,046	1	\$120	\$1,166
22	CITY OF IRVINE	\$ -	0	\$4,838	5	\$1,930	\$6,768
23	CITY OF LAGUNA NIGUEL	\$ -	0	\$7,167	6	\$3,002	\$10,169
24	CITY OF LAKE FOREST	\$ -	0	\$1,193	1	\$483	\$1,676
25	CITY OF NEWPORT BEACH	\$ -	0	\$1,378	2	\$496	\$1,874
26	CITY OF PLACENTIA	\$ -	0	\$2,973	5	\$801	\$3,774
27	CITY OF STANTON	\$ -	0	\$3,435	3	\$1,515	\$4,950
28	CITY OF TUSTIN	\$ -	0	\$2,048	3	\$1,567	\$3,615
29	CITY OF ROCKLIN	\$ -	0	\$1,040	1	\$556	\$1,596
30	CATHEDRAL CITY	\$ -	0	\$762	1	\$503	\$1,265
31	CITY OF DESERT HOT SPRINGS	\$ -	0	\$2,027	4	\$761	\$2,788
32	CITY OF HOLLISTER	\$ -	0	\$820	1	\$287	\$1,107
33	TOWN OF APPLE VALLEY	\$ -	0	\$1,657	2	\$987	\$2,644
34	CITY OF FONTANA	\$ -	0	\$4,142	7	\$1,075	\$5,217
35	CITY OF HESPERIA	\$ -	0	\$2,474	3	\$1,520	\$3,994

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸³
36	CITY OF RANCHO CUCAMONGA	\$ -	0	\$5,856	7	\$3,139	\$8,995
37	CITY OF REDLANDS	\$ -	0	\$3,990	5	\$948	\$4,938
38	CITY OF ENCINITAS	\$ -	0	\$8,583	10	\$5,939	\$14,522
39	CITY OF NATIONAL CITY	\$ -	0	\$5,430	7	\$1,712	\$7,142
40	CITY OF OCEANSIDE	\$ -	0	\$2,022	3	\$512	\$2,534
41	CITY OF EL PASO DE ROBLES	\$ -	0	\$1,782	2	\$407	\$2,189
42	CITY OF SANTA BARBARA	\$ -	0	\$1,638	4	\$459	\$2,097
43	CITY OF MORGAN HILL	\$ -	0	\$2,230	3	\$724	\$2,954
44	CITY OF SANTA CLARA	\$ -	0	\$10,020	9	\$1,347	\$11,367
45	CITY OF FAIRFIELD	\$ -	0	\$1,280	2	\$408	\$1,688
46	CITY OF VACAVILLE	\$ -	0	\$3,529	4	\$858	\$4,387
47	CITY OF VALLEJO	\$ -	0	\$6,499	6	\$1,989	\$8,488
	TOTAL CITY 2018-2019	\$ -	0	\$179,753	176	\$53,786	\$205,314
1	COUNTY OF BUTTE	\$ -	0	\$4,344	7	\$1,993	\$6,337
2	COUNTY OF KINGS	\$ -	0	\$1,063	2	\$571	\$1,634
3	COUNTY OF LASSEN	\$ -	0	\$3,368	8	\$1,555	\$4,923
4	COUNTY OF MADERA	\$ -	0	\$6,082	13	\$3,625	\$9,707
5	COUNTY OF ORANGE	\$ -	0	\$1,846	2	\$595	\$2,441
6	COUNTY OF SACRAMENTO	\$ -	0	\$4,048	5	\$1,832	\$5,880
7	COUNTY OF SAN JOAQUIN	\$ -	0	\$1,503	2	\$448	\$1,951
8	COUNTY OF SANTA CLARA	\$ -	0	\$1,068	1	\$439	\$1,507

	Claimant	1 Before 1/1/2017	FTO	2 After 1/1/2017	FTO	Indirect Costs	Total Cost⁸³
9	COUNTY OF SONOMA	\$ -	0	\$5,335	6	\$1,445	\$6,780
10	COUNTY OF SUTTER	\$ -	0	\$14,033	20	\$7,047	\$21,080
	TOTAL COUNTY 2018-2019	\$ -	0	\$42,690	66	\$19,550	\$62,240
	TOTAL 2018-2019	\$ -	0	\$222,443	242	\$73,336	\$267,554

Table 4

FY 2016-2017 - 2018-2019 (198 of 203 claims for cities and 33 of 40 claims for counties provided FTO information)⁸⁴

	Claimant	FTO 1	FTO 2	Total FTO	Total Indirect Costs	Total Cost	Avg. Cost Per FTO
	TOTAL CITY 2016-2017	602	540	1,142	\$403,340	\$1,295,261	\$1,134
	TOTAL CITY 2017-2018	5	275	280	\$87,295	\$308,491	\$1,102
	TOTAL CITY 2018-2019	0	176	176	\$53,786	\$205,314	\$1,167
	TOTAL CITIES 2016-2017-2018-2019	607	991	1,598	\$544,421	\$1,809,066	\$1,132
	TOTAL COUNTY 2016-2017	64	78	142	\$41,554	\$146,663	\$1,033
	TOTAL COUNTY 2017-2018	0	69	69	\$21,924	\$78,810	\$1,142
	TOTAL COUNTY 2018-2019	0	66	66	\$19,550	\$62,240	\$943
	TOTAL COUNTIES 2016-2017-2018-2019	64	213	277	\$82,398	\$287,713	\$1,039

⁸⁴ Exhibit D, Claims Data as of May 28, 2020 (For purposes of calculating the costs per FTO, claims that did not clearly specify the amount claimed for activity 1., activity 2., and indirect costs or clearly specify the number of FTOs for which costs were claimed were excluded from the tables: City of Glendora, City of Buena Park, and the Town of Apple Valley (2016-2017), City of Huntington Park (2017-2018), the City of Pasadena (2017-2018), City of Chino (2017-2018), City of Brentwood (2018-2019), City of Claremont (2018-2019), City of Downey (2018-2019), and the City of Yreka (2018-2019), the County of San Bernardino (2016-2017, 2017-2018, and 2018-2019), County of Santa Barbara (2016-2017), and the County of Ventura (2016-2017, 2017-2018, 2018-2019) for a total of \$399,684).

Claimant	FTO 1	FTO 2	Total FTO	Total Indirect Costs	Total Cost	Avg. Cost Per FTO
PROGRAM TOTAL	671	1,204	1,875	\$626,819	\$2,096,779	\$1,118⁸⁵

Thus, to calculate the weighted average cost per each FTO appointed or assigned, based on the claims that specified costs for activity 1., activity 2., and indirect costs and included the number of FTOs trained, the total unaudited cost of these activities for the initial reimbursement period for cities of \$1,809,066 is divided by 1,598 FTOs identified by the claimants in 193 claims during the initial reimbursement period, to arrive at the weighted average of \$1,132 per each FTO; for counties the total unaudited cost is \$287,713 and is divided by 277 FTOs identified by the claimants in 33 claims, to arrive at the average of \$1,039 per each FTO. Therefore, the total cost to comply with activity 1., and activity 2., and indirect costs and less reported offsetting revenue for fiscal years 2016-2017, 2017-2018, 2018-2019 is \$2,096,779, with 193 claims from cities that include FTO information and 33 claims from counties that include FTO information to arrive at the weighted average cost of \$1,118 per FTO assigned.

Additionally, to calculate the weighted average indirect costs per each FTO assigned, based on the number of claims that included the number of FTOs trained, the total unaudited indirect costs claimed that includes the indirect costs for activity 1., activity 2., for the initial reimbursement period for cities the amount claimed of \$544,421 is divided by the total costs claimed of \$1,809,066, in 193 claims during the initial reimbursement period to arrive at the average indirect costs of 30 percent; for counties the total unaudited indirect cost is \$82,398 and is divided by the total costs claimed of \$287,713 in 33 claims during the initial reimbursement period to arrive at an average of 29 percent. Therefore, the total weighted average percentage of indirect costs claimed to comply with activity 1., and activity 2., for fiscal years 2016-2017, 2017-2018, 2018-2019 is 30 percent per FTO for this program during the initial reimbursement period.

Finally, to calculate the number of FTOs that have not been claimed yet the number of FTOs assumed to be included but not specified in the initial reimbursement claims that either did not specify the number of FTOs claimed or did not segregate costs by activity 1., activity 2., and indirect costs totaling \$399,684 is divided by the weighted average cost of \$1,118 representing a total of approximately 357 FTOs. Therefore, the total number of FTOs specified in the initial reimbursement claims of 1,875 is added to the unspecified estimate also included of 357 for a total number of FTOs claimed of 2,232 FTOs and subtracted from the total estimated number of FTOs during the initial reimbursement period of 5,253 the estimated number of FTOs still requiring training is 3,021 FTOs.

- *The average cost per FTO will vary based the salary rates and indirect costs of the sworn officers who are appointed or assigned.*

This estimate is based on the claims data for activity 1., activity 2., and indirect costs. It is possible that some agencies may experience higher rates of turnover than estimated, or turnover of FTOs with higher salaries than average, and others may determine that additional FTOs need

⁸⁵ Since there are only 193 cities' claims and 33 counties' claims in the set of claims used to calculate costs per FTO, \$1,118 is the weighted average FTO cost claimed by all filers who clearly identified the amount claimed for activity 1., activity 2., and indirect costs and the number of FTOs trained on their claims during the initial reimbursement period.

to be assigned based on departmental need in excess of the .36-.5 percent rate already estimated in this document. These data are unknown.

Draft Proposed Statewide Cost Estimate

On July 1, 2020, Commission staff issued the Draft Proposed Statewide Cost Estimate.⁸⁶ No comments were filed on the Draft Proposed Statewide Cost Estimate.

Conclusion

On July 24, 2020, the Commission adopted this Statewide Cost Estimate of \$2,496,463 to \$5,294,316 for the initial reimbursement period of fiscal years 2016-2017, 2017-2018, and 2018-2019 and the estimated cost for fiscal year 2019-2020 and following of \$323,993 - \$1,992,536, plus the .48 percent annual growth rate and the implicit price deflator.

⁸⁶ Exhibit E, Draft Proposed Statewide Cost Estimate.

Adopted December 4, 2020

STATEWIDE COST ESTIMATE

\$1,547,455- \$5,576,255⁸⁷

(For the Initial Claiming Period of 2017-2018 and 2018-2019)

(Estimated Annual Costs for Fiscal Year 2019-2020 and Following Is

\$548,610 - \$2,169,774

Plus the Implicit Price Deflator)⁸⁸

Education Code Section 35292.6 as added by Statutes 2017, Chapter 687 (AB 10)

Public School Restrooms: Feminine Hygiene Products

18-TC-01

The Commission on State Mandates (Commission) adopted this Statewide Cost Estimate on consent during a regularly scheduled hearing on December 4, 2020 as follows:

Member	Vote
Lee Adams, County Supervisor	Yes
Jeannie Lee, Representative of the Director of the Office of Planning and Research	Yes
Gayle Miller, Representative of the Director of the Department of Finance, Chairperson	Yes
Sarah Olsen, Public Member	Yes
Carmen Ramirez, City Council Member	Yes
Andre Rivera, Representative of the State Treasurer, Vice Chairperson	Yes
Jacqueline Wong-Hernandez, Representative of the State Controller	Yes

STAFF ANALYSIS

Background and Summary of the Mandate

This Statewide Cost Estimate addresses the State’s liability for the subvention of costs for the mandated activities arising from Education Code section 35292.6, added by Statutes 2017, chapter 687 (test claim statute). The Commission found that the test claim statute imposes a reimbursable state-mandated program under article XIII B, section 6 of the California Constitution, beginning January 1, 2018, for school districts with schools that: (1) maintain any combination of classes from grade 6 through grade 12, inclusive; *and* (2) meet the 40 percent pupil poverty threshold required to operate a schoolwide program pursuant to section

⁸⁷ The high end of this range includes potential late and amended claims that may be filed until June 23, 2021, less a 10 percent late filing penalty.

⁸⁸ The high end of this range estimates the maximum cost if all school districts in California with schools required to comply with the mandate file reimbursement claims.

6314(a)(1)(A) of Title 20 of the United States Code, in that the school is eligible for Title I, Part A funds, and not less than 40 percent of the children enrolled in the school are from low-income families, to stock 50 percent of the schools' restrooms with feminine hygiene products (defined as tampons and sanitary napkins) at all times at no cost to pupils.⁸⁹

The Decision and Parameters and Guidelines for claiming costs incurred beginning January 1, 2018, were adopted on November 22, 2019.⁹⁰

The State Controller's Office (Controller) issued claiming instructions on February 24, 2020.⁹¹ Eligible claimants were required to file initial reimbursement claims with the Controller for costs incurred in fiscal year 2017-2018, beginning January 1, 2018, and in fiscal year 2018-2019, by June 23, 2020.⁹² Late initial reimbursement claims may be filed until June 23, 2021, but will incur a 10 percent late filing penalty of the total amount of the initial claim without limitation.⁹³ Annual reimbursement claims for subsequent fiscal years, starting with fiscal year 2019-2020, must be filed with the Controller by February 15 following the fiscal year in which costs were incurred.⁹⁴ Annual claims filed more than one year after the deadline will not be accepted, and late claims filed within one year of the deadline will incur a 10 percent late filing penalty not to exceed \$10,000.⁹⁵

During the test claim process, the claimant filed evidence to support its alleged increased costs of \$61,615.72 to comply with the mandate in fiscal year 2017-2018. This amount includes costs for developing and implementing policies and procedures, training, purchasing and installing dispensers, purchasing sanitary napkins and tampons, and labor to stock the products.⁹⁶ The claimant's estimated costs alleged for the 2018-2019 fiscal year, based on the 2017-2018 costs, amounted to \$43,988.22, including \$39,629.38 for stocking the restrooms with feminine hygiene products.⁹⁷

The claimant also estimates that the annual statewide cost to implement the alleged mandate is \$5,000,000.⁹⁸

Eligible Claimants and Period of Reimbursement

Any "school district" as defined in Government Code section 17519, except for community college districts, is eligible to claim reimbursement for increased costs incurred as a result of this mandate, for the district's schools that meet the following criteria:

⁸⁹ Exhibit B, Test Claim Decision, adopted May 24, 2019, page 21.

⁹⁰ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019.

⁹¹ Exhibit D, Controller's Claiming Instructions 2020-02, Program No. 374, dated February 24, 2020, page 1.

⁹² Exhibit D, Controller's Claiming Instructions 2020-02, Program No. 374, dated February 24, 2020, page 2.

⁹³ Government Code sections 17561(d)(3), 17568.

⁹⁴ Government Code section 17560(a).

⁹⁵ Government Code section 17568.

⁹⁶ Exhibit A, Test Claim, filed December 7, 2018, page 3.

⁹⁷ Exhibit A, Test Claim, filed December 7, 2018, page 3.

⁹⁸ Exhibit A, Test Claim, filed December 7, 2018, page 3.

- Maintain any combination of classes from grade six to grade 12, inclusive; *and*
- Meet the 40 percent pupil poverty threshold required to operate a schoolwide program pursuant to section 6314(a)(1)(A) of Title 20 of the United States Code, in that:
 - 1) the school is eligible for Title I, Part A funds by either servicing an eligible school attendance area or by being a participating Title I, Part A school, *and*
 - 2) not less than 40 percent of the children enrolled in the school are from low-income families. (Ed. Code §35292.6, Stats. 2017, ch. 687.)

Government Code section 17557(e) states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for reimbursement for that fiscal year. The claimant filed the Test Claim on December 7, 2018, establishing eligibility for reimbursement for the 2017-2018 fiscal year, beginning July 1, 2017. However, Statutes 2017, chapter 687 became effective on January 1, 2018, establishing the period of reimbursement beginning January 1, 2018.⁹⁹

Reimbursable Activities

The Parameters and Guidelines authorize reimbursement for the following ongoing activities:

- A. Stock 50 percent of the school’s restrooms with feminine hygiene products (defined only as tampons and sanitary napkins) at all times at no cost to pupils. (Ed. Code §35292.6, Stats. 2017, ch. 687.)

To support the actual cost for labor and materials incurred as a result of this mandate, claimants must identify in their reimbursement claims the schools required to implement the mandated activity, the number of restrooms in each of these schools, and each school’s total enrollment of female pupils in grades 6 to 12 in the claim year.

The sufficient amount of tampons and sanitary napkins necessary to comply with the mandate may be determined based on the school’s total enrollment of female pupils in grades 6 to 12 in the claim year.

Reimbursement is not required to stock more than 50 percent of the school’s restrooms with feminine hygiene products or to stock any menstrual products other than tampons and sanitary napkins.

- B. Purchase and install (or retrofit or repair) a sufficient number of suitable dispensers for feminine hygiene products (defined only as tampons and sanitary napkins) in 50 percent of the school’s restrooms.

The sufficient number of dispensers necessary to stock 50 percent of the restrooms with feminine hygiene products at all times and at no cost to the pupils may be determined based on the total number of restrooms and the school’s total enrollment of female pupils in grades 6 to 12 in the claim year.

Reimbursement to purchase and install new dispensers is required to the extent that a school is not already equipped with a sufficient number of dispensers in their

⁹⁹ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 23.

*restrooms to comply with the mandate, or cannot repair or retrofit a sufficient number of existing dispensers to comply with the mandate, whichever is more cost effective.*¹⁰⁰

Offsetting Revenues and Reimbursements

The Parameters and Guidelines contain the following boilerplate language:

Any offsetting revenue 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 source, including but not limited to, service fees collected, federal funds, and other applicable state funds, shall be identified and deducted from any claim submitted for reimbursement.¹⁰¹

There are no known sources of offsetting revenues, and no offsetting revenues were identified in the initial reimbursement claims.

Statewide Cost Estimate

Commission staff reviewed the 169 reimbursement claims (97 for 2017-2018 and 72 for 2018-2019) submitted by 115 school districts¹⁰² for 1,140 schools and data compiled by the Controller.¹⁰³ The unaudited reimbursement claims request reimbursement for a total \$922,121 for fiscal year 2017-2018, beginning January 1, 2018, and \$625,334 for fiscal year 2018-2019, totaling \$1,547,455 for the initial reimbursement period, with the total cost segregated by activity as follows:

\$664,260¹⁰⁴ Activity A. Stock 50 percent of the school's restrooms with feminine hygiene products (defined only as tampons and sanitary napkins) at all times at no cost to pupils.

¹⁰⁰ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, pages 24-25.

¹⁰¹ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 26.

¹⁰² Of the 115 school districts that filed claims during the initial claim period, 54 districts filed claims for both fiscal years, 43 districts filed claims for just fiscal year 2017-2018, and 18 districts filed claims for just 2018-2019. (Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 1-2.)

¹⁰³ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 1-2; Exhibit G, Excerpt, List of Schools from 2017-2018 Reimbursement Claims; Exhibit G, Excerpt, List of Schools from 2018-2019 Reimbursement Claims. Some claims listed the "District Office" under the list of schools required to comply with the mandate. The total number of schools (1,140) does not include the "District Offices" because the mandate applies only to those *schools* that meet the criteria in Education Code section 35292.6.

¹⁰⁴ The Controller's Summary of Claims, for 2018-2019, shows total costs claimed for Activity A. of \$448,567. However, this amount does not include the costs claimed for Activity A. by Merced City School District of \$7,704. (The Controller's Summary of Claims identifies this District as "Merced Elementary School District, but the District's correct name, as identified on the reimbursement claims filed, is Merced City School District.) Instead, the Controller's summary mistakenly identifies the total amount of feminine hygiene products purchased by Merced at 7,704 products. (Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 10.) However, the reimbursement claim filed by Merced City School

\$827,260	Activity B. Purchase and install, or retrofit or repair, a sufficient number of suitable dispensers for feminine hygiene products in 50 percent of the school's restrooms. ¹⁰⁵
\$56,750	Indirect Costs
\$0	Offsetting Revenues or Other Reimbursements ¹⁰⁶
(\$815)	Less 10 Percent Late Filing Penalty
\$1,547,455	Total Costs Claimed¹⁰⁷

Initial Reimbursement Period, Fiscal Years 2017-2018, 2018-2019

The statewide cost for the initial reimbursement period is estimated to range from \$1,547,455, the total amount of unaudited filed reimbursement claims, to \$5,576,255, the total estimated cost for school districts with schools subject to the mandate for fiscal years 2017-2018 and 2018-2019, less a 10 percent late filing penalty, based on the assumptions outlined in the analysis, with costs segregated by activity as follows:

\$664,260 - \$2,610,841	Activity A. Stock 50 percent of the school's restrooms with feminine hygiene products (defined only as tampons and sanitary napkins) at all times at no cost to pupils. ¹⁰⁸
\$827,260 - \$3,182,154	Activity B. Purchase and install (or retrofit and repair) a sufficient number of suitable dispensers for feminine hygiene products (defined only as tampons and sanitary napkins) in 50 percent of the school's restrooms. ¹⁰⁹

District claims costs of \$7,704 for Activity A., and did not identify the amount of product purchased. (Exhibit G, Excerpt from Merced City School District's 2018-2019 Reimbursement Claim.) Thus, the total amount claimed for Activity A. for fiscal year 2018-2019 should total \$456,271, instead of \$448,567 (a \$7,704 difference), as indicated on page 12 of Exhibit E. The correct amount claimed for 2018-2019 of \$456,271, plus the costs claimed for Activity A. for 2017-2018 of \$207,989, totals \$664,260.

¹⁰⁵ This amount represents costs actually claimed for Activity B.1. (purchase and install dispensers) of \$826,309 and for Activity B.2. (retrofit and repair dispensers) of \$951, for a total of \$827,260.

¹⁰⁶ There are no known or reported offsetting revenues at this time.

¹⁰⁷ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 6-8, 10, 12, indicate that a desk review is in progress for the reimbursement claims submitted by Merced City School District, Santa Ana Unified School District, Guadalupe Union Elementary School District, and Yosemite Unified School District; that the summary reduces an amount claimed by Jurupa Unified School District; and that the claims data for Merced City School District was incomplete and that a revised claim would be filed.

¹⁰⁸ The low end of the range represents costs actually claimed for Activity A. of \$664,260. The high end of the range represents all potential costs that could be claimed for Activity A. including in late or amended claims filed by school districts with schools required to comply with the mandate, for a total of \$2,610,841.

¹⁰⁹ The low end of the range represents costs actually claimed for Activity B.1. (purchase and install dispensers) of \$826,309 and for Activity B.2. (retrofit and repair dispensers) of \$951, for a

\$56,750 - \$231,720	Indirect Costs ¹¹⁰
\$0	Offsetting Revenues ¹¹¹
(\$815 - \$448,460)	Less 10 Percent Late Filing Penalty ¹¹²
\$1,547,455 - \$5,576,255	Total Estimated Costs

Fiscal Year 2019-2020 and Following

Future statewide annual costs beginning fiscal year 2019-2020 are estimated to range from \$548,610 - \$2,169,774, plus the implicit price deflator, based on the assumptions outlined in the analysis, with the range of costs segregated by activity as follows:

\$444,784 - \$1,746,260	Activity A. Stock 50 percent of the school's restrooms with feminine hygiene products (defined only as tampons and sanitary napkins) at all times at no cost to pupils.
\$82,726 - \$340,061	Activity B. Purchase and install (or retrofit and repair) a sufficient number of suitable dispensers for feminine hygiene products (defined only as tampons and sanitary napkins) in 50 percent of the school's restrooms.
\$21,100 - \$83,453	Indirect Costs
(\$0)	Offsetting Revenues ¹¹³
\$548,610 - \$2,169,774	Total Estimated Future Costs

total of \$827,260. The high end of the range represents all potential costs that could be claimed for Activity B. including in late or amended claims filed by school districts with schools required to comply with the mandate, for a total of \$3,182,154.

¹¹⁰ The low end of the range represents the indirect costs actually claimed. The high end of the range is the average of the indirect cost rates claimed in the unaudited initial claims multiplied by the estimated direct costs.

¹¹¹ The high end of the projected potential costs for the initial reimbursement period makes no assumptions regarding offsetting revenues or reimbursements. There are no known or reported offsetting revenues at this time.

¹¹² The low end of the range represents penalties already recognized by the Controller's Office. The high end includes the penalty based on the estimated costs that may still be claimed in late or amended claims for the initial claiming period (\$6,024,715 in total estimated statewide direct and indirect costs that may yet be claimed - \$1,548,270 in costs actually claimed to date = \$4,476,445 x 10% = \$447,645 + (\$815 penalties imposed on costs actually claimed) = \$448,460).

¹¹³ No assumptions are made on offsetting revenues. There are no known or reported offsetting revenues at this time.

Assumptions

Based on the claims data and other publicly available information, staff made the following assumptions and used the following methodology to develop the Statewide Cost Estimate for this program.

- *The total amount claimed for the initial reimbursement period may increase as a result of late or amended initial claims.*

There are 1,037 school districts and 10,588 schools in the State of California¹¹⁴ and, as explained below, there are approximately 5,653 schools in fiscal year 2017-2018; 5,630 schools in fiscal year 2018-2019; and 5,579 schools in 2019-2020 that are mandated to comply with this program because these schools:

- Maintain any combination of classes from grade 6 to grade 12, inclusive; *and*
- Meet the 40 percent pupil poverty threshold required to operate a schoolwide program pursuant to section 6314(a)(1)(A) of Title 20 of the United States Code, in that:
 - 1) the school is eligible for Title I, Part A funds by either servicing an eligible school attendance area or by being a participating Title I, Part A school, *and*
 - 2) not less than 40 percent of the children enrolled in the school are from low-income families. (Ed. Code §35292.6, Stats. 2017, ch. 687.)¹¹⁵

Only 115 school districts filed reimbursement claims (97 filed for 2017-2018 and 72 filed for 2018-2019) with the Controller during the initial reimbursement period, and have identified costs incurred by a total of 1,140 schools within their districts. However, 1,140 schools is just 20 percent of the schools in the State required to comply with the mandated program. Accordingly, several more late claims may be filed. If all eligible school districts file late or amended initial claims, the amount claimed will exceed the lower end of the Statewide Cost Estimate. Late claims for the initial period of reimbursement may be filed until June 23, 2021, but will be reduced by a 10 percent late filing penalty without limitation.¹¹⁶

There may be several reasons why eligible school districts did not file reimbursement claims by the June 23, 2020 deadline, including but not limited to the following: (1) disruptions due to the COVID-19 pandemic prevented the district from preparing and filing a reimbursement claim by the deadline; (2) the district did not incur costs exceeding the \$1,000 minimum threshold; or (3) the district had a relatively low number of schools that meet both the Title I, Part A requirement *and* the requirement that at least 40 percent of the pupils enrolled in the school are from low-income families or relatively low costs and, thus, the district determined that it was not cost-effective to participate in the reimbursement claim process.

It is likely that there will be an unusually high number of late initial claims for this program due to the challenges in filing timely reimbursement claims during the COVID-19 pandemic, with many employees taking sick and family leave and most who are primarily teleworking without regular access to any paper documentation that may have been maintained for claiming purposes and with other, higher priority, duties to attend to.

¹¹⁴ Exhibit G, California Department of Education, Fingertip Facts on Education in California – *CalEdFacts*, <https://www.cde.ca.gov/ds/sd/cb/ceffingertipfacts.asp> (accessed on June 30, 2020).

¹¹⁵ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 23.

¹¹⁶ Government Code sections 17561(d)(3), 17568.

Thus, the total amount claimed for the initial reimbursement period may increase as a result of late or amended initial claims.

- *The future annual costs for this program may increase or decrease based on the number of schools within a school district that are Title I, Part A eligible and meet the 40 percent pupil poverty threshold mandating them to comply with the reimbursable activities, the number of enrolled females, and the increase or decrease in the cost of materials and employee salaries.*

There are several factors that drive the future annual costs of this program, and dependent upon their correlation, the program costs may increase or decrease. If more students in the future become eligible for free or reduced priced meals under federal law, or are otherwise determined to meet the pupil poverty threshold, then more schools may have to comply with the mandate, resulting in increased statewide costs. As a measure of pupil poverty, schools can participate in Community Eligibility Provision (CEP) if their Identified Student Percentage (ISP) for the school, group of schools, or district is at least 40 percent.¹¹⁷ Eligibility to participate in the CEP is based on the percentage of students receiving benefits from the Supplemental Nutrition Assistance Program (formerly food stamps) or other specific means-tested programs, which is known as the ISP. Based on its streamlined application process and goal to increase access to school meals for children in low-income areas while reducing the burden associated with collecting household applications, the CEP allows these schools to offer free meals to *all* students,¹¹⁸ thereby potentially increasing the likelihood that more schools may be required to comply with the mandated program.¹¹⁹

Future program costs also depend on the increase or decrease in female pupil enrollment in grades six through 12. According to the Department of Finance (Finance), K-12 enrollment is projected to decline by 2028-2029 as follows:

State enrollment has experienced the fifth consecutive decrease in total public K-12 enrollment in the 2018-2019 school year (-25,000 students), enrolling 6,185,200. . . Over the next ten years, if current trends in fertility and migration

¹¹⁷ Exhibit G, *Characteristics of School Districts Offering Free School Meals to All Students Through the Community Eligibility Provision of the National School Lunch Program*, by Stephanie Rogus, Joanne Guthrie, Katherine Ralston, <https://www.ers.usda.gov/webdocs/publications/89948/err255-summary.pdf?v=1215.1> (accessed on August 17, 2020).

¹¹⁸ Exhibit G, *Characteristics of School Districts Offering Free School Meals to All Students Through the Community Eligibility Provision of the National School Lunch Program*, by Stephanie Rogus, Joanne Guthrie, Katherine Ralston, <https://www.ers.usda.gov/webdocs/publications/89948/err255-summary.pdf?v=1215.1> (accessed on August 17, 2020).

¹¹⁹ Exhibit G, *Characteristics of School Districts Offering Free School Meals to All Students Through the Community Eligibility Provision of the National School Lunch Program*, by Stephanie Rogus, Joanne Guthrie, Katherine Ralston, <https://www.ers.usda.gov/webdocs/publications/89948/err255-summary.pdf?v=1215.1> (accessed on August 17, 2020).

hold, a further decline of 425,700 in total enrollment is projected, resulting in total enrollment of 5,759,500 by 2028-29.¹²⁰

The Public Policy Institute of California cites to Finance which projects an enrollment decline in K-12 of seven percent between 2020-2021 and 2027-2028.¹²¹ For purposes of this analysis, it is assumed that the projected enrollment decline is spread evenly across grades. Thus, a one percent yearly decline is assumed in each future year beginning fiscal year 2020-2021.

In addition, as a result of COVID-19, there were school closures during the spring of the 2019-2020 school year and through at least the fall of the 2020-2021 school year for most districts, which will likely result in a temporary reduction of costs claimed, particularly for the 2020-2021 school year. These particular temporary savings are not included in the cost estimate, but should be noted as an explanation for the likely reason that the 2020-2021 claims may be lower than even the low end of the estimate.

Statewide costs may increase if the cost of materials and supplies and labor increases. For example, a Google search for the cost of dispensers shows a wide variation in costs, depending on the size and brand purchased. Costs can range from what the test claimant paid (\$157 to \$170 per unit), to as high as \$508 (for the EVOGEN Sanitary Napkin/Tampon Dispenser).¹²² The assumption is that the newer, advanced dispensers that have a modern, streamlined design, provide an Americans with Disabilities Act compliant push button dispenser, and have a front adjustable tampon channel to accommodate future product opportunities, are more expensive and will increase program costs. Moreover, employee salaries may increase or decrease in the future, thereby increasing or decreasing labor costs to comply with the mandate.

Therefore, the assumption is that future annual costs for this program may increase or decrease based on the number of schools within a school district that are Title 1, Part A eligible and meet the 40 percent pupil poverty threshold mandating them to implement the reimbursable activities, the number of enrolled females in grades six through 12, and the increase or decrease in the cost of materials and supplies and labor.

- *The total amount for this program may be lower than the Statewide Cost Estimate based on the Controller's audit findings.*

¹²⁰ Exhibit G, *California Public K-12 Graded Enrollment and High School Graduate Projections by County — 2019 Series*, Department of Finance, http://www.dof.ca.gov/Forecasting/Demographics/Projections/Public_K-12_Graded_Enrollment/ (accessed on June 30, 2020).

¹²¹ Exhibit G, *Declining Enrollment in California Schools: Fiscal Challenges and Opportunities in the Coming Decade*, Public Policy Institute of California, February 2020 (Citing to the Department of Finance), <https://www.ppic.org/wp-content/uploads/declining-enrollment-in-california-schools-fiscal-challenges-and-opportunities-in-the-coming-decade.pdf> (accessed on October 1, 2020), page 7.

¹²² Exhibit A, Test Claim, filed December 7, 2018, pages 21, 23 (Declaration of Jordan Aquino, Chief Business Officer, Desert Sands USD), and 26 (purchase order for the 2017-2018 purchase of dispensers); Exhibit G, Google search for feminine hygiene dispensers, https://www.google.com/search?q=ab+10+dispensers+for+feminine+hygiene+products&rlz=1C1CHBF_enUS891US891&source=univ&tbm=shop&tbo=u&sa=X&ved=2ahUKewj-wOiTy-bpAhUWIDQIHdXXBwIQsxh6BAgMECs&biw=1920&bih=969 (accessed on July 1, 2020).

Pursuant to Government Code section 17561, the Controller may conduct audits and reduce any claim it deems to be excessive or unreasonable. Therefore, costs may be lower than the Statewide Cost Estimate based on the Controller's audit findings.

- *The future annual costs for this program may be lower than the Statewide Cost Estimate if this program is added to the K-12 Mandate Block Grant and school districts voluntarily participate in the Block Grant.*

If this mandated program is added to the K-12 Mandate Block Grant *and* a school district voluntarily participates in the block grant program, then costs cannot be claimed through the State's reimbursement process.¹²³ A school district that receives block grant funding is not eligible to submit claims to the Controller for reimbursement pursuant to Government Code section 17560 for any costs of any state mandates included in the statutes and executive orders identified in Government Code section 17581.6(c)(3).¹²⁴ The block grant allows school districts to receive a per pupil allocation to carry out reimbursable mandated activities. As a result, the future annual costs of this program may be lower than the Statewide Cost Estimate.

- *The estimated number of schools, statewide, required to comply with the mandate is 5,653 for fiscal year 2017-2018; 5,630 for fiscal year 2018-2019; and 5,579 for fiscal year 2019-2020.*

The actual number of schools, statewide, that maintain any combination of classes from grade six to grade 12, inclusive, which meet both threshold requirements mandating them to implement the reimbursable activities (the school is eligible for Title I, Part A funds and at least 40 percent of the children enrolled in the school are from low-income families) is unknown.

The legislative history for the test claim statute estimated that 3,093 schools are required to comply with the mandated program.¹²⁵ However, the analysis does not explain how that number was estimated.

California Department of Education (CDE) publishes a list of all K-12 schools in California receiving Title 1, Part A funds, which shows that a total of 6,949 K-12 schools received Title 1, Part A funds in 2017-2018¹²⁶ and 7,068 K-12 schools received these funds in 2018-2019.¹²⁷ These numbers, however, do not identify which of these schools also have at least 40 percent of the children enrolled from low-income families or what grade levels the schools maintain. The mandate applies to all schools that maintain grades six to 12 and, therefore, the mandated program applies to elementary schools that go up to grade six, middle schools, and high schools.

¹²³ Government Code section 17581.6(b).

¹²⁴ Government Code section 17581.6(c)(3).

¹²⁵ Exhibit G, Senate Committee on Education, Analysis of AB 10 (2017-2018), June 28, 2017, page 3.

¹²⁶ Exhibit G, California Department of Education, Title 1, Part A School Allocations, Fiscal Year 2017-2018 (XLSX), <https://www.cde.ca.gov/sp/sw/t1/schoolallocations.asp> (accessed on June 30, 2020).

¹²⁷ Exhibit G, California Department of Education, Title 1, Part A School Allocations, Fiscal Year 2018-2019 (XLSX), <https://www.cde.ca.gov/sp/sw/t1/schoolallocations.asp> (accessed on June 30, 2020).

Thus, a better measure can be taken from CDE's Student Poverty Free and Reduced Price Meals (FRPM) reports.¹²⁸ These reports contain the data pertaining to students who are eligible for Free or Reduced Price Meals, which is certified by local educational agencies as part of the California Longitudinal Pupil Achievement Data System (CALPADS) Fall 1 data submission.¹²⁹ Under federal law, local educational agencies can use several measures of poverty to determine a school's eligibility for Title 1, Part A funds, one of which is the number of students enrolled and eligible for the free or reduced price lunch program.¹³⁰ CDE's Student Poverty FRPM reports provide unduplicated data for fiscal years 2017-2018, 2018-2019, and 2019-2020, by school, with the grade levels identified, and the percentage of students enrolled on Census Day (the first Wednesday in October) eligible to receive free or reduced price meals under federal law, which were filtered to exclude non-public, nonsectarian schools; preschool, kindergarten, and adult schools; schools that do not maintain grade levels six to 12, inclusive; and schools in which less than 40 percent of the students are eligible for free or reduced price meals.¹³¹ The data was then totaled and shows that 5,653 schools in fiscal year 2017-2018; 5,630 schools in fiscal year 2018-2019; and 5,579 schools in fiscal year 2019-2020 maintained grades six to 12 and had at least 40 percent of the children enrolled eligible for free or reduced price meals.¹³²

Therefore, based on CDE's Student Poverty FRPM reports, the estimated number of schools statewide that are required to comply with the mandated program, and may still file late or amended claims for the initial reimbursement period and a claim for 2019-2020, is estimated to be 5,653 for fiscal year 2017-2018; 5,630 for fiscal year 2018-2019; and 5,579 for fiscal year 2019-2020.

- *The estimated number of female pupils enrolled in grades six to 12 in the schools*

¹²⁸ Exhibit G, California Department of Education, Student Poverty – Free or Reduced Price Meals Data, <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020).

¹²⁹ Exhibit G, California Department of Education, Student Poverty – Free or Reduced Price Meals Data, <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020).

¹³⁰ 20 United States Code section 6313(a)(5)(A).

¹³¹ Exhibit G, California Department of Education, 2017-18 (Filtered) Unduplicated Student Poverty – Free or Reduced Price Meals Data (XLSX; 2MB; Revised 25-May-2018), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020); Exhibit G, California Department of Education, 2018-19 (Filtered) Unduplicated Student Poverty – Free or Reduced Price Meals Data (XSLX; 2MB Posted 28-Mar-2019), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020); Exhibit G, California Department of Education, 2019-20 (Filtered) Unduplicated Student Poverty – Free or Reduced Price Meals Data (XSLX; 2MB; Posted 13-Apr-2020), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020).

¹³² Exhibit G, California Department of Education, 2017-18 (Filtered) Unduplicated Student Poverty – Free or Reduced Price Meals Data (XLSX; 2MB; Revised 25-May-2018), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020); Exhibit G, California Department of Education, 2018-19 (Filtered) Unduplicated Student Poverty – Free or Reduced Price Meals Data (XSLX; 2MB Posted 28-Mar-2019), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020); Exhibit G, California Department of Education, 2019-20 (Filtered) Unduplicated Student Poverty – Free or Reduced Price Meals Data (XSLX; 2MB; Posted 13-Apr-2020), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020).

mandated to comply with the program is assumed to be 938,276 for fiscal year 2017-2018; 924,742 for fiscal year 2018-2019; and 919,084 for 2019-2020.

The annual cost of this program has a direct correlation with the number of female pupils in grades six through 12, who are enrolled in the schools required to comply with the mandated program. The actual number of female pupils in the schools required to comply with the mandated program is unknown.

However, CDE's Student Poverty FRPM reports identify total enrollment in those schools that have students eligible for the FRPM program, and when filtered to exclude non-public, nonsectarian schools; adult schools; schools that do not offer grades six to 12; and schools that have less than 40 percent of the students eligible for free and reduced price meals, the *total enrollment* in the schools required to comply with the mandated program is as follows:

In fiscal year 2017-2018, total enrollment in the schools required to comply with the mandate is 3,475,098.¹³³

In fiscal year 2018-2019, total enrollment in the schools required to comply with the mandate is 3,424,969.¹³⁴

In fiscal year 2019-2020, total enrollment in the schools required to comply with the mandate is 3,404,015.¹³⁵

These reports, however, do not identify enrollment by grade level or by the number of *female* students in grades six to 12 in schools required to comply with the mandate.

Thus, to determine the estimated number of female pupils in grades six to 12 in the schools mandated to comply with the program, we calculate the percentage of total statewide enrollment comprised of female pupils in grades six to 12 in fiscal years 2017-2018, 2018-2019, and 2019-2020, and then multiply that percentage by the total enrollment in the schools required to comply with the mandate as follows:

¹³³ Exhibit G, California Department of Education, 2017-2018 (Filtered) Unduplicated Student Poverty - Free and Reduced Price Meals Data (XLSX; 2MB; Revised 25-May-2018), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020).

¹³⁴ Exhibit G, California Department of Education, 2018-2019 (Filtered) Unduplicated Student Poverty - Free and Reduced Price Meals Data (XSLX; 2MB; Posted 28-Mar-2019), <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020).

¹³⁵ Exhibit G, California Department of Education, 2019-2020 (Filtered) Unduplicated Student Poverty - Free and Reduced Price Meals Data (XSLX; 2MB; Posted 13-Apr-2020) <https://www.cde.ca.gov/ds/sd/sd/filessp.asp> (accessed on July 2, 2020).

Fiscal Year	Total Statewide Enrollment	Statewide Female Enrollment in Grades 6 to 12	Percentage of Total Statewide Enrollment Comprised of Females in Grades 6-12	Total Enrollment in Schools Required to Comply with the Mandate	Estimated Number of Female Pupils in Grades 6 to 12 in Schools Required to Comply with the Mandate (i.e. 27% of total enrollment)
2017-2018	6,220,413 ¹³⁶	1,650,276 ¹³⁷	27%	3,475,098	938,276
2018-2019	6,186,278 ¹³⁸	1,647,704 ¹³⁹	27%	3,424,969	924,742
2019-2020	6,163,001 ¹⁴⁰	1,646,066 ¹⁴¹	27%	3,404,015	919,084

Thus, the estimated number of female pupils in grades 6 through 12 in the schools mandated to comply with the program is assumed to be 938,276 for fiscal year 2017-2018; 924,742 for fiscal year 2018-2019; and 919,084 for 2019-2020, and these estimates are used throughout this Statewide Cost Estimate.

- *The estimated cost of feminine hygiene products could increase if each pupil enrolled in grades six to 12 uses three products per day for five days a week for each month of the*

¹³⁶ Exhibit G, California Department of Education, DataQuest, 2017-2018 Statewide Enrollment by Grade (with county data), <https://dq.cde.ca.gov/dataquest/dqcensus/EnrGrdLevels.aspx?cds=00&aggllevel=state&year=2017-18> (accessed on July 2, 2020).

¹³⁷ Exhibit G, California Department of Education, DataQuest, Female Statewide Enrollment Multi-Year Summary by Grade, <https://dq.cde.ca.gov/dataquest/dqcensus/EnrGrdYears.aspx?cds=00&aggllevel=state&year=2019-20> (accessed on July 2, 2020).

¹³⁸ Exhibit G, California Department of Education, DataQuest, 2018-2019 Statewide Enrollment by Grade (with county data), <https://dq.cde.ca.gov/dataquest/dqcensus/EnrGrdLevels.aspx?cds=00&aggllevel=state&year=2018-19> (accessed on July 2, 2020).

¹³⁹ Exhibit G, California Department of Education, DataQuest, Female Statewide Enrollment Multi-Year Summary by Grade, <https://dq.cde.ca.gov/dataquest/dqcensus/EnrGrdYears.aspx?cds=00&aggllevel=state&year=2019-20> (accessed on July 2, 2020).

¹⁴⁰ Exhibit G, California Department of Education, DataQuest, 2019-2020 Statewide Enrollment by Grade (with county data), <https://dq.cde.ca.gov/dataquest/dqcensus/EnrGrdLevels.aspx?cds=00&aggllevel=state&year=2019-20> (accessed on July 2, 2020).

¹⁴¹ Exhibit G, California Department of Education, DataQuest, Female Statewide Enrollment Multi-Year Summary by Grade, <https://dq.cde.ca.gov/dataquest/dqcensus/EnrGrdYears.aspx?cds=00&aggllevel=state&year=2019-20> (accessed on July 2, 2020).

school year, or 138 products per pupil per year, assuming each product costs \$.11 per pupil.

The actual number of products needed per year and the annual cost of tampons and sanitary napkins per pupil is unknown. However, based on the following information, it is estimated that each female pupil in grades six through 12 could use 138 products per school year.

Education Code section 46100 provides that the “governing board of each school district shall, subject to the provisions of this chapter, fix the length of the school day for the several grades and classes of the schools maintained by the district.” However, as a condition of apportionment, each school shall offer 180 school days per year and is required to maintain the following minimum number of instructional minutes in a school year: 54,000 minutes for grades four to eight, and 64,800 minutes for grades nine through 12.¹⁴² However, recess, lunch, and other breaks are not included as instructional time and are assumed to account for an average of an additional hour per day. With these numbers, it is estimated that the average school day for grades six through eight is six hours¹⁴³ and the average school day for grades nine through 12 is seven hours.¹⁴⁴ However, with after-school activities, especially in middle school and high school, the hours when pupils are on campus and the restrooms remain open may be longer than six or seven hours per day.

According to the Food and Drug Administration (FDA) and Planned Parenthood, tampons should be changed every four to eight hours, or as often as needed to prevent toxic shock syndrome.¹⁴⁵ Sanitary pads should be changed at least every three or four hours.¹⁴⁶ Therefore, assuming a six to seven hour school day, it is estimated that a sufficient amount of product used by female students in grades six through 12 could be three products for each day for five days each month during a school year.¹⁴⁷

Generally, California schools have set their academic calendars to begin sometime in August and conclude sometime in June. Thus, it is estimated that each female pupil in grades six through 12 could need approximately 138 products per full school year in fiscal years 2018-2019 and 2019-

¹⁴² Education Code section 46200 et seq., 46207.

¹⁴³ 54,000 minutes divided by 60 minutes equals 900 hours per year; 180 minimum days per year divided by 900 hours per year equals five hours per day for grades six through eight.

¹⁴⁴ 64,800 minutes divided by 60 minutes equals 1080 hours per year; 1,080 hours divided by 180 minimum days per year equals six hours per day, plus one hour for lunch, recess and other breaks equal seven hours per day for grades nine through 12.

¹⁴⁵ Exhibit G, *The Facts on Tampons – and How to Use Them Safely*, Federal Food and Drug Administration, <https://www.fda.gov/consumers/consumer-updates/facts-tampons-and-how-use-them-safely> (accessed on June 29, 2020); *How do I use tampons, pads, period underwear, and menstrual cups?*, Planned Parenthood, <https://www.plannedparenthood.org/learn/health-and-wellness/menstruation/how-do-i-use-tampons-pads-and-menstrual-cups> (accessed on July 1, 2020).

¹⁴⁶ Exhibit G, *Kids Health, Pads and Tampons*, Nemours, <https://kidshealth.org/en/kids/pads-tampons.html#:~:text=You%20might%20wonder%20how%20often,may%20get%20saturated%20more%20quickly> (accessed on June 29, 2020).

¹⁴⁷ Exhibit G, *Kids Health, All About Periods*, Nemours, “Periods usually last about 5 days. But a period can be shorter or last longer.” <https://kidshealth.org/en/teens/menstruation.html> (accessed on June 30, 2020).

2020 (three products per day for five days equal 15 products per month, multiplied by 9.2 months, totals 138), and half that amount, or 69 products per pupil is estimated, for fiscal year 2017-2018, since the program was effective beginning January 1, 2018.

The total cost of feminine hygiene products can vary depending on the vendor and the product purchased. However, the purchase orders provided in the Test Claim show that sanitary pads were purchased in a box of 250 pads at \$24.62 per box, which makes each pad roughly \$0.10 per pad; tampons were purchased in a box of 500 at \$52.50 per box, which makes each tampon roughly \$0.11 per tampon.¹⁴⁸ Two of the reimbursement claims filed with the Controller's Office include invoices that are consistent with these estimates. For example, ABC Unified School District attached an invoice to its fiscal year 2017-2018 reimbursement claim showing a purchase of 1,000 tampons at \$103, or \$.10 per tampon.¹⁴⁹ An invoice attached to the claim filed by Anaheim Union High School District shows the purchase of 250 sanitary pads at \$27.51, or \$.11 per pad.¹⁵⁰

At \$0.11 per product, the cost of tampons and sanitary napkins for each pupil in fiscal year 2017-2018 can reach \$7.59 (if each pupil uses an estimated 69 products from January 1, 2018, to June 30, 2018 multiplied by \$0.11 equal \$7.59), and \$15.18 per pupil for a full fiscal year beginning in fiscal year 2018-2019 (if each pupil uses an estimated 138 products per year multiplied by \$0.11 equals \$15.18). This amount does not account for the labor costs to purchase and stock the product.

Thus, if all female pupils in grades six to 12 in the schools required to comply with the mandate use 69 products in fiscal year 2017-2018, and use 138 products in a full fiscal year beginning 2018-2019, total statewide costs of the feminine hygiene products could increase as follows:

FY 2017-2018 - $\$7.59 \times 938,276$ estimated statewide enrollment of female pupils in grades six to 12 in schools required to comply with the mandate = \$7,121,515

FY 2018-2019 - $\$15.18 \times 924,742$ estimated statewide enrollment of female pupils in grades six to 12 in schools required to comply with the mandate = \$14,037,584

FY 2019-2020 - $\$15.18 \times 919,084$ estimated statewide enrollment of female pupils in grades six to 12 in schools required to comply with the mandate = \$13,951,695

However, as discussed below, the actual costs claimed for feminine hygiene products in the initial claims is far lower than these estimates, although the documentation does support the estimated cost per product. There are several reasons why this might be the case including but not limited to the possibility that the schools have not been actually providing a *sufficient* number of feminine hygiene products *at all times*, many of the female pupils may have and prefer to use their own feminine hygiene products based on brand preference, or other reasons, and so fewer of the products being provided by the schools are actually being used, or, pupils may be using fewer feminine hygiene products than the number recommended by the FDA and Planned Parenthood.

¹⁴⁸ Exhibit A, Test Claim, filed December 7, 2018, page 25.

¹⁴⁹ Exhibit G, Purchase Order, ABC Unified School District, 2017-2018 Reimbursement Claim.

¹⁵⁰ Exhibit G, Purchase Order, Anaheim Union High School District, 2017-2018 Reimbursement Claim.

- *Although a sufficient number of suitable dispensers to comply with the mandate is unknown, and will vary by school district, it is assumed that the dispensers purchased and retrofitted during the initial period of reimbursement was determined to be the number necessary and sufficient to comply with the mandate.*

A sufficient number of dispensers to comply with the mandate is unknown. The Parameters and Guidelines state that “[t]he sufficient number of dispensers necessary to stock 50 percent of the restrooms with feminine hygiene products at all times and at no cost to the pupils may be determined based on the total number of restrooms and the school’s total enrollment of female pupils in grades 6 to 12 in the claim year.”¹⁵¹ The Test Claim Decision found that a “restroom” is commonly understood as “a room or suite of rooms in a public space provided with lavatory, toilet, and other facilities . . .”¹⁵² Accordingly, no matter how many lavatories or toilets are in a room or suite of rooms, the mandate is to stock with feminine hygiene products in 50 percent of the rooms provided for that purpose at a school site. If a school has two sets of restrooms, one for men or boys and one for women or girls, it would be required to stock one restroom with tampons and sanitary napkins – and that would be the one for women or girls consistent with the spirit of the law. Likewise, if the school had 10 restrooms, five for men or boys and five for women or girls, it would be required to stock five restrooms. In addition, CDE recommends that separate toilets be provided for staff for safety and liability reasons.¹⁵³

Based on the requirement “to stock 50 percent of the restrooms with feminine hygiene products at all times,”¹⁵⁴ there are enough dispensers in 50 percent of the restrooms if they can hold a sufficient number of products to make feminine hygiene products available at all times. Dispensers generally hold between 12 and 15 sanitary napkins or pads, and 19 and 22 tampons.¹⁵⁵ A school may choose to place multiple dispensers in each restroom required to be stocked, if it determines that multiple dispensers are necessary for the school to comply with the mandate to stock the feminine hygiene products at all times. If restrooms are stocked multiple times a day, fewer dispensers per restroom would be required. However, if they are only stocked one or two times per day, more dispensers might be necessary, especially in multi-stall restrooms in larger schools.

The reimbursement claims and the Controller’s Summary of Claims identify the number of schools required to comply with the mandate, the number of restrooms in each school required to be stocked with feminine hygiene products, and the total number of dispensers purchased or retrofitted to comply with the mandate. For fiscal year 2017-2018, 923 schools were identified

¹⁵¹ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 26.

¹⁵² Exhibit B, Test Claim Decision, adopted May 24, 2019, page 13.

¹⁵³ Exhibit G, California Department of Education, K-12 Toilet Requirement Summary – School Facility Design, <https://www.cde.ca.gov/ls/fa/sf/toiletrequire.asp#:~:text=California%20Code%20of%20Regulations%2C%20Title,or%20in%20the%20kindergarten%20complex.&text=CDE%20recommends%20that%20the%20location,the%20campus%20to%20ensure%20access> (accessed January 23, 2020).

¹⁵⁴ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 25.

¹⁵⁵ Exhibit G, Google search for feminine hygiene dispensers, https://www.google.com/search?q=ab+10+dispensers+for+feminine+hygiene+products&rlz=1C1CHBF_enUS891US891&source=univ&tbm=shop&tbo=u&sa=X&ved=2ahUKEwj-wOiTy-bpAhUWIDQIHdXXBwIQsxh6BAgMECs&biw=1920&bih=969 (accessed on July 1, 2020).

by the claimants as having to comply with the mandate.¹⁵⁶ The Controller's Summary of Claims identifies 9,494 restrooms that were required to be stocked with feminine hygiene products.¹⁵⁷ This number of restrooms needs to be adjusted, however, because the Controller's Summary of Claims for 2017-2018 transposes numbers identified by Little Lake City School District. The Controller's Summary of Claims states that Little Lake City School District reported 750 restrooms.¹⁵⁸ However, Little Lake City School District actually reported seven restrooms (for two schools required to comply with the mandate), a difference of 743 restrooms.¹⁵⁹ Deducting 743 restrooms from the total number of restrooms identified in the Controller's Summary of Claims results in 8,751 restrooms required to be stocked with feminine hygiene products in 2017-2018. In addition, a total of 8,187 dispensers were purchased and installed.¹⁶⁰ Thus, based on the claims data, the schools have an average of nine and a half restrooms each that are required to be stocked with feminine hygiene products (8,751 restrooms divided by 923 schools= 9.5 restrooms per school); and the claimants purchased and installed almost one dispenser per restroom to comply with the mandate (8,187 dispensers divided by 8,751 restrooms = .9 dispensers per restroom) in fiscal year 2017-2018.

Although it can be presumed that each of the restrooms required to be stocked now has at least one dispenser in place and able to comply with the mandate, the claims data does not identify how many dispensers were already in place and able to comply with the mandate without any retrofitting at all. As indicated in the Parameters and Guidelines, reimbursement to purchase and install new dispensers is required only to the extent that a school is not already equipped with a sufficient number of dispensers in their restrooms to comply with the mandate, or cannot repair or retrofit a sufficient number of existing dispensers to comply with the mandate.¹⁶¹

For fiscal year 2018-2019, 891 schools identified as having to comply with the mandate claimed costs to stock 7,547 restrooms with feminine hygiene products;¹⁶² and 871 dispensers were purchased or retrofitted by these schools to comply with the mandate.¹⁶³ Most of the school districts that filed claims for 2017-2018 also filed claims for 2018-2019, and reported roughly the same number of restrooms required to be stocked with feminine hygiene products in the

¹⁵⁶ Exhibit G, Excerpt, List of Schools from 2017-2018 Reimbursement Claims.

¹⁵⁷ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 8.

¹⁵⁸ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 5.

¹⁵⁹ Exhibit G, Excerpt from Little Lake City School District's 2017-2018 Reimbursement Claim, page 2. Female enrollment in grades six to 12 was reported as 750 pupils.

¹⁶⁰ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 8. Although 15 dispensers were identified as having been retrofitted in fiscal year 2017-2018 by Little Lake City School District to comply with the mandate, the reimbursement claim filed by Little Lake City School District shows that the district purchased and installed 15 dispensers. (Exhibit G, Excerpt from Little Lake City School District's 2017-2018 Reimbursement Claim, page 2.)

¹⁶¹ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, pages 24-25.

¹⁶² Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 12; Exhibit G, Excerpt, List of Schools from 2018-2019 Reimbursement Claims.

¹⁶³ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 12. Although 120 dispensers were identified as having been retrofitted in fiscal year 2018-2019 to comply with the mandate, only the costs for three dispensers were specifically claimed for this activity.

second year of claiming.¹⁶⁴ But the number of dispensers purchased or retrofitted per restroom decreased significantly in the second year of the mandate: 89 percent fewer dispensers were claimed in 2018-2019 compared to the prior year (871 divided by 8,187 dispensers = 11%).

Accordingly, although a sufficient number of dispensers to comply with the mandate statewide is not known, and will vary by school district, it is assumed that the dispensers purchased and retrofitted during the initial period of reimbursement (8,187 in 2017-2018¹⁶⁵ and 871 in 2018-2019¹⁶⁶) was determined to be the number necessary and sufficient for the schools for which costs were claimed to comply with the mandate.

- *The future annual costs for Activity B. will likely decrease after the initial claiming period once a sufficient number of dispensers have been purchased and installed or retrofitted or repaired to comply with the mandate.*

The Commission found that “[r]eimbursement to purchase and install new dispensers is required to the extent that a school is not already equipped with a sufficient number of dispensers in their restrooms to comply with the mandate, or cannot repair or retrofit a sufficient number of existing dispensers to comply with the mandate, whichever is more cost effective.”¹⁶⁷ Thus, schools will either retrofit or repair, or purchase and install new dispensers, whichever is more cost effective to comply with the mandate. Once the schools have a sufficient number of coin-free dispensers purchased and installed or retrofitted, however, future costs will likely decrease.

The claims data shows an 89 percent decrease in the number of dispensers purchased and installed or repaired or retrofitted in the second year of the mandate. The useful life span of a metal dispenser is estimated at approximately 10 years, if considered as “machinery and equipment.”¹⁶⁸ However, according to a sanitary maintenance industry magazine article,

¹⁶⁴ See Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, pages 1-3. There are some minor differences, however. For example, ABC Unified School District identified 142 restrooms required to be stocked with feminine hygiene products in 2017-2018 and 143 restrooms in 2018-2019. (Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, pages 4, 9.) Antelope Valley Union High School District identified 274 restrooms required to be stocked with feminine hygiene products in 2017-2018 and 273 restrooms in 2018-2019. (Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, pages 4, 9.) Sacramento Unified School District identified 274 restrooms required to be stocked with feminine hygiene products in 2017-2018 and 262 restrooms in 2018-2019. (Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, pages 6, 11.)

¹⁶⁵ Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, page 8. Although 15 dispensers were identified as having been retrofitted in fiscal year 2017-2018 by Little Lake City School District to comply with the mandate, the reimbursement claim filed by Little Lake City School District shows that the district purchased and installed 15 dispensers. (Exhibit G, Excerpt from Little Lake City School District’s 2017-2018 Reimbursement Claim, page 2.)

¹⁶⁶ Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, page 12. Although 120 dispensers were identified as having been retrofitted in fiscal year 2018-2019 to comply with the mandate, only the costs for three dispensers were specifically claimed for this activity.

¹⁶⁷ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, pages 24-25.

¹⁶⁸ Exhibit G, *Estimated Useful Life and Depreciation of Assets*, AssetWorks, <https://www.assetworks.com/useful-life-and-depreciation/> (accessed on August 12, 2020).

feminine hygiene “[d]ispensers typically last 20 or more years with very minimal maintenance.”¹⁶⁹ The article also indicates theft and vandalism of the dispensers may occur.¹⁷⁰

Thus, while dispensers will need repair or replacement if vandalized or stolen, it is expected that ongoing costs to purchase or repair dispensers will significantly decrease following the initial reimbursement period. Assuming a 10-year useful lifespan, it is assumed that ongoing annual costs for Activity B. will be approximately 10 percent of the annual costs for the initial claim period.

Estimated Costs and Cost Factors for Each Reimbursable Activity

For the purpose of estimating statewide costs incurred for this program during the initial reimbursement period and the following years, the annual cost of each reimbursable activity has been estimated based on the assumptions discussed above.

A. Activity A.: Stock 50 Percent of the School’s Restrooms with Feminine Hygiene Products (Defined only as Tampons and Sanitary Napkins) at All Times at No Cost to Pupils.

Activity A. requires schools to stock 50 percent of the school’s restrooms with feminine hygiene products (defined only as tampons and sanitary napkins) at all times at no cost to pupils.

Based on the assumptions and methodology discussed herein, the estimated statewide cost for Activity A., for the initial reimbursement period is estimated to be between \$664,260 and \$2,610,841. The cost for fiscal year 2019-2020 and following is estimated to be between \$444,784 to \$1,746,260, plus the implicit price deflator.

FY 2017-2018 and 2018-2019:

\$664,260 = (costs actually claimed for Activity A. in the unaudited claims filed for the initial reimbursement period) to \$2,610,841 = (costs actually claimed for Activity A. in the unaudited claims filed for the initial reimbursement period plus all potential costs that may be claimed for this activity in late or amended claims filed by school districts with schools required to comply with the mandate).

FY 2019-2020 and following:

\$444,784 to \$1,746,260, plus the implicit price deflator = (The low end of the range assumes costs will continue to be claimed only by those school districts that filed claims in the initial reimbursement period, adjusted by a one percent decline in enrollment. The high estimate assumes that costs will be claimed by all California school districts with schools required to comply with the mandated program).

1. *The statewide cost for Activity A. for the initial reimbursement period is estimated at \$664,260 - \$2,610,841.*

For the initial reimbursement period (one and one half fiscal years), 115 school districts filed a total of 151 reimbursement claims for costs totaling \$664,260 to stock 50 percent of the schools’

¹⁶⁹ Exhibit G, *Feminine Hygiene: The Untapped Market*, Clean Link, posted June 3, 2009, <https://www.cleanlink.com/sm/article/Feminine-Hygiene-The-Untapped-Market--11000> (accessed September 29, 2020), page 3.

¹⁷⁰ Exhibit G, *Feminine Hygiene: The Untapped Market*, Clean Link, posted June 3, 2009, <https://www.cleanlink.com/sm/article/Feminine-Hygiene-The-Untapped-Market--11000> (accessed September 29, 2020), page 3.

restrooms with feminine hygiene products (\$207,989 for 2017-2018 and \$456,271 for 2018-2019).¹⁷¹

As discussed above, it is assumed that in fiscal year 2017-2018 (with the mandate beginning January 1, 2018) a sufficient amount of tampons and sanitary napkins necessary to comply with the mandate is 69 products per female pupil in grades six to 12, and 138 products per female pupil in grades six to 12 in fiscal year 2018-2019. The Parameters and Guidelines and the Controller's claiming instructions requested the claimants to identify the total enrollment of female pupils in grades six to 12 in each school subject to the mandate and the total amount of feminine hygiene products purchased for each claim year. However, not all school districts that claimed costs for Activity A. identified these factors, and many claims only identified the total cost of the feminine hygiene products but not the amount purchased. Thus, the actual number of products used by female pupils during the initial reimbursement period cannot be calculated based on the claims data.

Since the claims data does not indicate how many products were purchased or used per pupil during the initial reimbursement period, and the costs of the product may vary, a better estimate of statewide costs can be determined by using the average cost claimed per pupil enrolled in grades six to 12 in the schools that claimed costs for Activity A. (which includes material and labor costs).

For fiscal year 2017-2018, the Controller's Summary of Claims states that \$207,989 was claimed for Activity A. by 84 school districts with 249,980 female pupils in grades six to 12.¹⁷²

However, to determine a per pupil amount, these numbers need to be adjusted. First, the \$2,725 in costs claimed for Activity A. by Merced City School District, are deducted from the total costs claimed for Activity A. because this school district did not report female enrollment.¹⁷³ This leaves the total costs claimed for Activity A. in fiscal year 2017-2018 at \$205,264.

In addition, the following school districts claimed no costs for Activity A. in fiscal year 2017-2018: Anaheim Union High School District (with 10,244 female pupils in grades six through 12), Center Joint Unified School District (with 1,153 female pupils in grades six through 12), Ceres Unified School District (with 3,078 female pupils in grades six through 12), Coachella Valley Unified School District (with 762 female pupils in grades six through 12), Cucamonga Unified School District (with 374 female pupils in grades six through 12), Oroville City Elementary School District (with 351 female pupils in grades six through 12), and West Contra Costa Unified School District (with 2,327 female pupils in grades six through 12).¹⁷⁴ Thus, the population of female pupils in grades six through 12 reported by these districts (18,289) is excluded from the population count identified in the Controller's Summary of Claims.

Finally, the Controller's Summary of Claims for 2017-2018 transposes numbers identified and claimed by Little Lake City School District. The Controller reports that Little Lake City had 7,403 female pupils enrolled in grades six through 12, had 750 total restrooms, and claimed costs

¹⁷¹ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 8, 12.

¹⁷² Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 8.

¹⁷³ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 6. Please note that the Controller's Summary of Claims identifies this district as "Merced Elementary School District," but the reimbursement claim identifies the district as "Merced City School District." This analysis uses "Merced City School District," since that is the name of the district.

¹⁷⁴ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 4-8.

for Activity A. totaling \$728.¹⁷⁵ However, a review of the fiscal year 2017-2018 reimbursement claim filed by Little Lake City shows that 7,403 was the total dollar amount claimed for that year; and that total female enrollment in grades six through 12 was 750.¹⁷⁶ Thus, to account for Little Lake City, female pupils enrolled in grades six through 12 in fiscal year 2017-2018 was adjusted by 6,653 pupils (7,403 shown in Controller's Summary of Claims, less 750 actual enrollment = 6,653). With these adjustments, the female enrollment in grades six through 12 in the school districts that claimed costs for Activity A. totals 225,038 (249,980 minus 18,289 = 231,691, minus 6,653 enrollment adjustment for Little Lake City = 225,038).

Thus, for fiscal year 2017-2018, per pupil costs for Activity A. amounts to \$.91 as follows: \$205,264 (total costs claimed, except for Merced City School District) divided by 225,038 females enrolled in grades six through 12 in the districts that claimed costs = \$.91 per pupil enrolled in grades six to 12 in the school districts that claimed costs for Activity A.

At \$.91 per pupil, total statewide costs could be as high as \$853,831 in fiscal year 2017-2018 if all school districts in California with schools required to comply with the mandate claim costs for Activity A. (\$.91 multiplied by 938,276 total estimated female pupils enrolled in grades six through 12 in schools required to comply with the mandate = \$853,831).

Therefore, for fiscal year 2017-2018, statewide costs for Activity A. to stock 50 percent of the school's restrooms with feminine hygiene products at all times at no cost to pupils, ranges from \$207,989 (costs claimed to date) to \$853,831.

Similarly, for fiscal year 2018-2019, \$456,271 was claimed for Activity A. by 67 school districts. The Controller's summary report specifies the total enrollment of female pupils in grades six to 12, as identified in the claims data for fiscal year 2018-2019, to be 243,807.¹⁷⁷ However, to determine an average cost per pupil for Activity A., the data for school districts that did not report female enrollment in grades six-12 and data for schools that did not claim costs for Activity A. are also excluded. Merced City School District is excluded since it did not report female enrollment and therefore the costs for the 66 school districts who did claim for Activity A. is reduced by the \$7,704 costs claimed by Merced City (\$456,271 - \$7,704 = \$448,567).¹⁷⁸ In addition, the data for the following districts that did not claim costs for Activity A. for fiscal year 2018-2019 are excluded from this calculation: Jurupa Unified School District (4,821 female pupils in grades six through 12); Santa Cruz (988 female pupils in grades six through 12); and Westside Union Elementary School District (1,536 female pupils in grades six through 12).¹⁷⁹ With these adjustments, the female enrollment in grades six through 12 in the school districts that claimed costs for Activity A. in fiscal year 2018-2019 totals 236,462 (243,807 - 7,345 = 236,462).

¹⁷⁵ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 5.

¹⁷⁶ Exhibit G, Excerpt from Little Lake City School District's 2017-2018 Reimbursement Claim, page 2.

¹⁷⁷ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 12.

¹⁷⁸ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 10. Please note that the Controller's Summary of Claims identifies this district as "Merced Elementary School District," but the reimbursement claim identifies the district as "Merced City School District." This analysis uses "Merced City School District," since this is the name of the district.

¹⁷⁹ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 10-12.

Thus, for fiscal year 2018-2019, the per pupil cost for Activity A. amounts to \$1.90 as follows: \$448,567 (total costs claimed by the 66 districts that included the number of female pupils in grades six through 12) divided by 236,462 females enrolled in grades six through 12 in the districts that claimed costs= \$1.90 per pupil. It is noteworthy that this represents the estimated cost for less than 18 products per female pupil in grades six through 12 per year (at 11 cents per product, and not accounting for any labor costs), which is far fewer than the estimated 138 products per year that a pupil is estimated to need during school hours over the course of a fiscal year according to FDA and Planned Parenthood recommendations.

At \$1.90 per female pupil in grades six through 12, total statewide costs could be as high as \$1,757,010 for fiscal year 2018-2019 if all school districts in California with schools required to comply with the mandate claim costs for Activity A. (\$1.90 multiplied by 924,742 total estimated female pupils enrolled in grades six through 12 in schools required to comply with the mandate = \$1,757,010).

Therefore, for fiscal year 2018-2019, statewide costs for Activity A. to stock 50 percent of the school's restrooms with feminine hygiene products at all times at no cost to pupils, ranges from \$456,271 (costs claimed to date) to \$1,757,010.

- 2. The estimated future annual cost for Activity A. is \$444,784 to \$1,746,260, plus the implicit price deflator beginning fiscal year 2019-2020, and is expected to decrease slightly based on a projected one percent annual decline in enrollment from 2020-2021 through 2027-2028.*

As indicated above, a total of 115 school districts filed reimbursement claims with the State Controller's Office during the initial reimbursement period (97 for 2017-2018 and 72 for 2018-2019), and have identified costs incurred by a total of 1,140 schools within their districts, representing just 20 percent of the schools in the State estimated to be required to comply with this program. In addition, not all of the 115 school districts requested reimbursement for Activity A. for both 2017-2018 and 2018-2019; 84 districts claimed costs for Activity A. for fiscal year 2017-2018, and 67 school districts claimed costs for Activity A. for fiscal year 2018-2019. However, the enrollment of female pupils in grades six to 12 in the school districts that filed reimbursement claims for Activity A. for fiscal year 2018-2019 and the cost of Activity A. per pupil for fiscal year 2018-2019 are higher than the enrollment and cost per pupil in fiscal year 2017-2018, primarily because the mandate was only in effect for the last half of fiscal year in 2017-2018. It is assumed that reimbursement claims for Activity A. will continue to be claimed in the future similarly to those claimed in fiscal year 2018-2019, except that female enrollment in those school districts is projected to decrease by one percent in fiscal year 2019-2020 (assuming a 1% decline of enrollment per year, based on Finance's projection that enrollment will decline by 7% between 2020-2021 and 2027-2028). Therefore, assuming that only the districts that filed claims during the initial claiming period continue to file claims, that the cost of Activity A. per pupil remains \$1.90, and that female enrollment in grades six to 12 in the school districts that continue to file claims in fiscal year 2019-2020 is 234,097 (236,462 - 2,365 = 234,097), then future costs for Activity A. are estimated at \$444,784, plus the implicit price deflator and will decrease with a one percent reduction in enrollment each year beginning 2020-2021.

However, if all school districts with schools required to comply with the mandate file reimbursement claims for Activity A. for fiscal year 2019-2020, then costs could increase to \$1,746,260, plus the implicit price deflator. As indicated above, the estimated number of female pupils in grades six through 12 in all California schools mandated to comply with the program is 919,084 for 2019-2020. If the cost per pupil to stock 50 percent of the schools' restrooms with

feminine hygiene products remains at \$1.90 per pupil, then the estimated costs, beginning in fiscal year 2019-2020, is \$1,746,260, plus the implicit price deflator.

Accordingly, the estimated future annual costs beginning fiscal year 2019-2020 for Activity A. is \$444,784 to \$1,746,260, plus the implicit price deflator.

B. Activity B.: Purchase and Install (or Retrofit or Repair) a Sufficient Number of Suitable Dispensers for Feminine Hygiene Products (Defined only as Tampons and Sanitary Napkins) in 50 Percent of the School's Restrooms.

Activity B. provides ongoing reimbursement to purchase and install (or retrofit or repair) a sufficient number of suitable dispensers for feminine hygiene products (defined only as tampons and sanitary napkins) in 50 percent of the school's restrooms. The Parameters and Guidelines further state the following:

The sufficient number of dispensers necessary to stock 50 percent of the restrooms with feminine hygiene products at all times and at no cost to the pupils may be determined based on the total number of restrooms and the school's total enrollment of female pupils in grades 6 to 12 in the claim year.

*Reimbursement to purchase and install new dispensers is required to the extent that a school is not already equipped with a sufficient number of dispensers in their restrooms to comply with the mandate, or cannot repair or retrofit a sufficient number of existing dispensers to comply with the mandate, whichever is more cost effective.*¹⁸⁰

Total costs claimed in the initial reimbursement period to purchase and install and repair and retrofit dispensers is \$827,260 (\$826,309 to purchase and install 8,938 dispensers, and \$951 to retrofit three dispensers).

As recognized in the Parameters and Guidelines Decision, some schools may already be equipped with a sufficient number of suitable dispensers in their restrooms to comply with the mandate and, thus, would not need to incur increased costs to purchase new dispensers.¹⁸¹ In addition, based on information publicly available, some schools may have existing dispensers, including coin dispensers, that can be repaired or modified to provide the feminine hygiene products at no cost to the pupils and at a fraction of the cost to purchase new dispensers.¹⁸² Under these circumstances, it would only be necessary to repair or retrofit the dispensers to comply with the mandate, and would not be necessary to incur increased costs to buy all new dispensers.¹⁸³ The Parameters and Guidelines only allow reimbursement to purchase and install new dispensers if it is more cost effective than to retrofit or repair.¹⁸⁴

It is assumed that the dispensers purchased and installed or retrofitted in the initial claim years was determined by the claimants to be the necessary number of dispensers sufficient to comply with the mandate to stock the product at all times at no cost to the pupils. It is further assumed that the annual cost to purchase and install, or retrofit and

¹⁸⁰ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 26.

¹⁸¹ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 18.

¹⁸² Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 18.

¹⁸³ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 19.

¹⁸⁴ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 26.

repair dispensers will decrease in future years to ten percent of the annual costs for the first year of the mandate 2017-2018.

Based on the assumptions and methodology discussed herein, the total cost for Activity B., for the initial reimbursement period is estimated to be between \$827,260 and \$3,182,154. The cost for fiscal year 2019-2020 and following is estimated to be between \$82,726 and \$340,061, plus the implicit price deflator.

FY 2017-2018 and 2018-2019:

\$827,260 = (Costs actually claimed for Activity B. in the unaudited timely filed claims for the initial reimbursement period) to \$3,182,154 = (Costs actually claimed for Activity B. in the unaudited timely filed claims for the initial reimbursement period plus all potential costs that may be claimed for this activity in late or amended claims filed by school districts with schools required to comply with the mandate).

FY 2019-2020 and following:

\$82,726 = (Assumes that only those districts that have already filed reimbursement claims will continue to claim 10% of the costs claimed for Activity B. for the initial claim period for fiscal year 2019-2020 and following) to \$340,061, plus the implicit price deflator = (Assumes that all school districts with schools required to comply with the mandate will claim 10% of the average cost of dispensers per pupil in the initial claiming period for fiscal year 2019-2020 and following).

- 1. The statewide costs for Activity B. (purchase and install [or retrofit or repair] dispensers) for the initial reimbursement period, fiscal years 2017-2018 and 2018-2019, is estimated to be between \$827,260 and \$3,182,154.*

For the initial claiming period, there were 125 claims submitted by 106 school districts for labor and material costs for 986 schools to comply with Activity B.1. to purchase and install dispensers totaling \$826,309 (\$683,908 for 2017-2018 and \$142,401 for 2018-2019).¹⁸⁵ The Controller's Summary of Claims shows that the costs of 8,187 dispensers were claimed for fiscal year 2017-2018, and 751 dispensers were claimed for fiscal year 2018-2019, representing a decrease of 92 percent in the number of dispensers claimed for the second year of the mandate.¹⁸⁶

Also, for the initial claiming period, seven school districts indicated that they repaired or retrofitted a total of 120 dispensers, all in 2018-2019.¹⁸⁷ However, only one district, Santa Maria

¹⁸⁵ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 8, 12. A total of only 106 school districts claimed costs for Activity B.1. in the initial claiming period: 88 for fiscal year 2017-2018 and 37 for fiscal year 2018-2019.

¹⁸⁶ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 8, 12. Note that although the Controller's Summary of Claims Reported as of June 30, 2020 indicates that Little Lake City School District repaired or retrofitted 15 dispensers in fiscal year 2017-2018, Little Lake City's reimbursement claim indicates that those new Evogen dispensers were purchased and installed and not retrofitted and the costs were claimed under B.1., not B.2. (Excerpt from Little Lake City School District's 2017-2018 Reimbursement Claim, page 2.)

¹⁸⁷ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 9-11 (The following districts indicated they repaired or retrofitted dispensers: Beaumont, Ceres, Riverdale, Santa Maria Joint Union High School District, Visalia, Vista, and Westside). Note that although the Controller's Summary of Claims Reported as of June 30, 2020 indicates that Little Lake City

Joint Union High School District, properly claimed costs under activity B.2. to repair or retrofit three dispensers for a total of \$951 and all of the other district's costs were either not claimed, were claimed under another activity (such as under B.1.) or were not segregated by activity, as required.¹⁸⁸ Additionally, with respect to retrofitted dispensers, the Controller's Summary of Claims indicates that Santa Maria Joint Union High School District repaired three dispensers, and Santa Maria's claim form states that three dispensers were repaired.¹⁸⁹ The invoice attached to the claim form shows that 15 hours of labor were claimed for "Stainless Steel Dispensers Labor and additional welding" at a rate of \$58.50 per hour for a total of \$877.50, and three "3/16 x 1 304 SS Strip [stainless steel strips]" were claimed at \$22.53 each for a total of \$67.59, for grand total of \$950.50; the amount claimed by Santa Maria under Activity B.2.¹⁹⁰ And, as mentioned, none of the other six districts that, together with Santa Maria, indicated they retrofitted or repaired a total of 120 dispensers, correctly claimed costs for that activity under Activity B.2. Thus, we are limited to only Santa Maria's average cost of \$316.83 per unit to retrofit dispensers for purposes of this analysis. Unfortunately, due to a lack of data, it is unclear whether Santa Maria's costs are actually typical. And additionally, since they are the costs to retrofit rather than repair, it is unclear to what extent these costs would be reflective of future costs for repairs on existing dispensers which do not need to be retrofitted.

With \$827,260 in total costs claimed for the initial period of reimbursement to purchase and install (or retrofit or repair) a total of 9,058 dispensers (8,938 purchased and installed and 120 retrofitted or repaired), the average labor and material cost per dispenser during the initial claim period is \$91.33. This is less than expected since the test claimant's costs were \$157 to \$170 per unit, and regular retail prices for such dispensers range from as low as \$187.82 to \$800 or more.¹⁹¹ Perhaps vendor discounts were provided and perhaps some of the costs to retrofit or repair (which may have been lower than costs incurred by Santa Maria) were inadvertently claimed under Activity B.1. instead of Activity B.2.

Overall, however, a total of 112 school districts identified 9,058 dispensers which were either purchased and installed or retrofitted or repaired during the initial claiming period.¹⁹² And, because of the claiming issues and the uncertainty regarding whether it will be most cost

School District repaired or retrofitted 15 dispensers in fiscal year 2017-2018, Little Lake City's reimbursement claim indicates that those new Evogen dispensers were purchased and installed and not retrofitted and the costs were claimed under B.1., not B.2.

¹⁸⁸ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 11.

¹⁸⁹ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 11; Exhibit G, Excerpt from Santa Maria Joint Union High School District's 2018-2019 Reimbursement Claim, page 1.

¹⁹⁰ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 11; Exhibit G, Excerpt from Santa Maria Joint Union High School District's 2018-2019 Reimbursement Claim, page 1.

¹⁹¹ Exhibit A, Test Claim, filed December 7, 2018, pages 21, 23 (Declaration of Jordan Aquino, Chief Business Officer, Desert Sands USD), and 26 (purchase order for the 2017-2018 purchase of dispensers); Exhibit G, Google search for feminine hygiene dispensers, https://www.google.com/search?q=ab+10+dispensers+for+feminine+hygiene+products&rlz=1C1CHBF_enUS891US891&source=univ&tbm=shop&tbo=u&sa=X&ved=2ahUKEwj-wOiTy-bpAhUWIDQIHdXXBwIQsxh6BAgMECs&biw=1920&bih=969 (accessed on July 1, 2020).

¹⁹² Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, pages 4-12.

effective to repair or to purchase and install dispensers as they become damaged, this analysis combines the costs for Activity B.1. and Activity B.2. for purposes of calculating the average cost per pupil for Activity B. to use for estimating the potential costs for late and amended initial claims and future costs.

As indicated above, it is estimated that 5,653 schools in fiscal year 2017-2018 and 5,630 schools in fiscal year 2018-2019 are required to comply with the mandate, and may still file late claims. The Parameters and Guidelines and claiming instructions require school districts to report the total number of restrooms in the schools required to comply with the mandate, and the number of dispensers purchased or retrofitted or repaired. Although there is no information about how many dispensers the schools already had and were able to use for this mandate, the number of dispensers repaired, retrofitted or purchased and installed provides some indication of how many dispensers the schools determined were sufficient to comply with the mandate and what the cost for those dispensers was.

To estimate statewide costs for Activity B., the average cost claimed for Activity B. per female pupil enrolled in grades six through 12 in the school districts that filed reimbursement claims was multiplied by the estimated number of female pupils in grades six through 12 in schools statewide that are required to comply with the mandate. Thus, for fiscal year 2017-2018, the Controller's Summary of Claims shows that \$683,908 was claimed for Activity B. for 8,187 dispensers.¹⁹³ For fiscal year 2017-2018, the total enrollment of female pupils in grades six to 12 in the districts that filed reimbursement claims was 243,327.¹⁹⁴ With costs totaling \$683,908 claimed for Activity B. for fiscal year 2017-2018, a per pupil amount to purchase and install dispensers totals \$2.81 ($\$683,908 \div 243,327 = \2.81).

At \$2.81 per pupil, total statewide costs could be as high as \$2,636,556 for fiscal year 2017-2018 if all school districts with schools required to comply with the mandate claim costs for Activity B. (\$2.81 multiplied by 938,276, total estimated female pupils enrolled in grades six through 12 in schools required to comply with the mandate in fiscal year 2017-2018). Therefore, for fiscal year 2017-2018, statewide costs for Activity B. range from \$683,908 to \$2,636,556.

Similarly, for fiscal year 2018-2019, the Controller's Summary of Claims shows that \$143,352 was claimed for Activity B. for 871 dispensers, and that the total enrollment of female pupils in grades six to 12 in the districts that filed reimbursement claims was 243,807. With \$143,352 claimed for Activity B. for fiscal year 2018-2019, a per pupil amount to purchase and install or repair or retrofit dispensers totals \$.59 ($\$143,352 \div 243,807 = \$.59$).

At \$.59 per pupil, total statewide costs could be as high as \$545,598 for fiscal year 2018-2019 if all school districts in California with schools required to comply with the mandate claim costs for Activity B. (\$.59 multiplied by 924,742, total estimated female pupils enrolled in grades six through 12 in schools required to comply with the mandate in fiscal year 2018-2019.) Therefore, for fiscal year 2018-2019, the statewide cost for Activity B. is estimated to be between \$143,352 to \$545,598.

¹⁹³ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 8.

¹⁹⁴ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 6. Note that the Summary of Claims shows the enrollment of female pupils in grades six to 12 at 249,980 due to a transposing of the numbers for Little Lake City School District to indicate that there were 7,403 female pupils enrolled in grades six through 12,750 restrooms required to be stocked, and costs for Activity A. of \$728, when actually it should say that there are 750 female pupils enrolled in grades six through 12,728 restrooms, and cost of \$7,403 claimed for Activity A.

Accordingly, the statewide cost for Activity B. for the initial reimbursement period, fiscal years 2017-2018 and 2018-2019, is estimated to be between \$827,260 to \$3,182,154.

2. *The estimated future annual costs beginning fiscal year 2019-2020 for Activity B. to maintain a sufficient number of dispensers to comply with the mandate, is estimated to be between \$82,726 and \$340,061, plus the implicit price deflator.*

As indicated in the assumptions above, it is expected that the costs for Activity B. (to purchase and install, or retrofit and repair a sufficient number of dispensers) will decrease significantly after the initial reimbursement period. The useful life span of a metal dispenser is estimated at 10 years and can last significantly longer, thus, the ongoing costs will be limited to minimal repairs or the occasional replacement if that is more cost effective.¹⁹⁵

Given the estimated long life of a metal dispenser, and that school districts purchased and installed or retrofitted and repaired a sufficient number of dispensers to comply with the mandate in the initial years of the mandate, it is expected that costs claimed for Activity B. in future fiscal years to maintain a sufficient number of dispensers to comply with the mandate beginning in fiscal year 2019-2020 will decrease to ten percent of the total costs claimed for Activity B. in the initial reimbursement period. Thus, assuming that ten percent of the costs will be claimed in the future, that reimbursement claims for Activity B. will continue to be claimed by the same school districts that filed reimbursement claims for the initial claims years, and that the costs to purchase and install or retrofit or repair dispensers remains the same as the initial claim years, then future costs are estimated at \$82,726, plus the implicit price deflator (total costs of \$827,260 x 10% = \$82,726). The decrease in the number of dispensers claimed for under B. in the second claim year is consistent with and supports the assumption that once a sufficient number of dispensers have been retrofitted, repaired or purchased and installed, the on-going cost per pupil for repair or replacement will constitute approximately 10 percent of the cost per pupil to initially retrofit, repair, or purchase and install a sufficient number of dispensers.

However, if all school districts with schools required to comply with the mandate file reimbursement claims for Activity B. in fiscal year 2019-2020, then costs could increase to \$340,061, plus the implicit price deflator. As indicated above, the estimated number of female pupils in grades six through 12 in all schools mandated to comply with the program is estimated at 919,084 for 2019-2020. If the average cost claimed to purchase and install or retrofit and repair dispensers in the initial claiming period remains at \$91.33 per dispenser (\$827,260 total costs claimed for Activity B. divided by 9,058 dispensers purchased and installed or retrofitted and repaired); and that .04 dispensers per pupil is sufficient to comply with the mandate as determined by the school districts that claimed costs (9,058 total dispensers purchased and installed or retrofitted or repaired, divided by 243,807 female pupils enrolled in grades six to 12 in fiscal year 2018-2019 in the school districts that filed reimbursement claims)¹⁹⁶; then the cost per pupil for a sufficient number of dispensers to comply with the mandate in the initial claiming period is \$3.65 (\$91.33 x .04). Assuming that future costs to maintain a sufficient number of dispensers to comply with the mandate is ten percent of the cost per pupil in the initial claiming period, the cost would be .37 cents per pupil (\$3.65 x .10). With 919,084 female pupils in grades

¹⁹⁵ Exhibit G, *Estimated Useful Life and Depreciation of Assets*, AssetWorks, <https://www.assetworks.com/useful-life-and-depreciation/> (accessed on August 12, 2020); Exhibit G, California School Accounting Manual, 2019, <https://www.cde.ca.gov/Fg/ac/sa/documents/csam2019complete.pdf> (accessed on August 12, 2020), page 2.

¹⁹⁶ Exhibit E, Controller's Summary of Claims Reported as of June 30, 2020, page 12.

six to 12 in all schools mandated to comply with the program in fiscal year 2019-2020, the high end of the cost range is estimated at \$340,061 to purchase and install, or retrofit or repair a sufficient number of dispensers to comply with the mandate in 2019-2020 and future years.

Accordingly, the statewide cost estimate for Activity B. for the fiscal years 2019-2020 and following, is estimated to be between \$82,726 and \$340,061.

C. Indirect Costs

The Parameters and Guidelines authorize claimants to claim reimbursement for indirect costs as follows:

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs may include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs; and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

School districts must use the California Department of Education approved indirect cost rate for the year that funds are expended.¹⁹⁷

Based on the assumptions and methodology discussed herein, the estimated indirect costs for the initial reimbursement period between \$56,750 to \$231,720, and for 2019-2020 and following is \$21,100 to \$83,453.

FY 2017-2018 and 2018-2019:

\$56,750 to \$231,720 (The low estimate includes total indirect costs claimed in the unaudited timely filed reimbursement claims. The high estimate assumes indirect costs will be claimed by all California school districts with schools required to comply with the mandate at a rate of 4%).

FY 2019-2020 and following:

\$21,100 to \$83,453 (The low estimate assumes costs claimed in fiscal year 2018-2019 per pupil will continue to be claimed in future annual years, adjusted by a 1% decline in enrollment, and that indirect costs will continue to be claimed at an average rate of 4%. The high estimate assumes that the average direct cost per pupil claimed in fiscal year 2018-2019 will be claimed in 2019-2020 by all school districts with schools required to comply with the mandate and that the indirect costs of 4%, the average indirect cost rate claimed in the timely unaudited initial claims, are claimed).

- 1. The statewide indirect costs for the initial reimbursement period, fiscal years 2017-2018 and 2018-2019, are estimated to be between \$56,750 to \$231,720.*

During the initial period of reimbursement, fiscal years 2017-2018 and 2018-2019, \$56,750 was claimed as indirect costs, which constitutes an average indirect cost rate of four percent (\$56,750 divided by total direct costs of \$1,491,520 claimed for Activities A. and B.). If all school

¹⁹⁷ Exhibit C, Decision and Parameters and Guidelines, adopted November 22, 2019, page 27.

districts with schools required to comply with the mandate file late or amended reimbursement claims for fiscal years 2017-2018 and 2018-2019, then statewide indirect costs will increase. This increase can be determined by calculating the average indirect cost rate claimed by the school districts that filed timely claims and multiplying that by the estimated direct costs of the program if all school districts with schools required to comply with the mandate filed reimbursement claims for fiscal years 2017-2018 and 2018-2019 ($\$5,792,995 \times 4\% = \$231,720$).

Accordingly, statewide indirect costs for the initial reimbursement period, fiscal years 2017-2018 and 2018-2019, are estimated to be between \$56,750 and \$231,720.

2. *The estimated future annual statewide indirect costs beginning fiscal year 2019-2020 are estimated to be between \$21,100 and \$83,453.*

As indicated above, total estimated future annual statewide direct costs beginning fiscal year 2019-2020 are between \$527,510 (based on the assumption that the costs for Activities A. and B. will continue to be claimed in the future only by those school districts that filed claims in the initial reimbursement period, adjusted by a 1% decline in enrollment) and \$2,086,321 (assuming that the average direct cost per pupil claimed for Activities A. and B. in fiscal year 2018-2019 will be claimed in 2019-2020 by all school districts with schools required to comply with the mandated program). Assuming the average indirect cost rate remains at four percent, then future annual indirect costs are estimated to be between \$21,100 ($\$527,510 \times 4\%$) and \$83,453 ($\$2,086,321 \times 4\%$).

D. Late Claim Penalties for Fiscal Years 2017-2018 and 2018-2019 Are Estimated to Be Between \$815 and \$448,460.

Government Code section 17561(C)(3) states that “Any claim for initial reimbursement filed after the filing deadline shall be reduced by 10 percent of the amount that would have been allowed had the claim been timely filed.” In fiscal year 2017-2018, the Controller’s Summary of Claims shows that penalties amounting to \$523 were taken for the following late claims:

Enterprise Elementary School District - \$24 (.5% late claim penalty on \$4,170)¹⁹⁸

Golden Plains Unified School District - \$331 (10% late claim penalty on \$3,310)¹⁹⁹

Reef Sunset Unified School District - \$168 (10% late claim penalty on \$1,675)²⁰⁰

The late claim penalty imposed on Enterprise Elementary School District is unusual, since the amount is much less than the ten percent required to be taken pursuant to Government Code section 17561 and this claim was dated July 15, 2020, later than the other late claims - though perhaps there were extenuating circumstances.

For fiscal year 2018-2019, Golden Plains Unified School District received a late claim penalty of \$292, based on the \$2,921 claimed. Thus, during the initial claim period, late claim penalties totaled \$815.

As indicated above, the reimbursement claims filed by 115 school districts represents just 20 percent of the schools in the State estimated to be required to comply with this program during the initial period of reimbursement and, thus, late claims are likely to be filed. Thus, estimated late claim penalties are based on the estimated statewide direct and indirect costs for those school

¹⁹⁸ Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, page 4.

¹⁹⁹ Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, page 5.

²⁰⁰ Exhibit E, Controller’s Summary of Claims Reported as of June 30, 2020, page 6.

districts with schools required to comply with the mandate that may still file late or amended claims for the initial claiming period, less the costs that have been claimed, times ten percent, resulting in \$448,460 total estimated late claim penalties for fiscal years 2017-2018 and 2018-2019 (\$6,024,715 in estimated statewide direct and indirect costs that may yet be claimed - \$1,548,270 in costs claimed = \$4,476,445 x 10% = \$447,645 + \$815 in penalties already assessed).

Thus, late claim penalties for the initial reimbursement period are estimated between \$815-\$448,460.

Draft Proposed Statewide Cost Estimate

On November 2, 2020, Commission staff issued the Draft Proposed Statewide Cost Estimate.²⁰¹ No comments were filed on the Draft Proposed Statewide Cost Estimate.

Conclusion

On December 4, 2020, the Commission adopted this Statewide Cost Estimate of \$1,547,455 - \$5,576,255 for the initial reimbursement period of fiscal years 2017-2018 and 2018-2019, and the estimated cost for fiscal year 2019-2020 and following of \$548,610 - \$2,169,774 plus the implicit price deflator.

²⁰¹ Exhibit F, Draft Proposed Statewide Cost Estimate, issued November 2, 2020.