

**ITEM 11
FINAL STAFF ANALYSIS
STATEWIDE COST ESTIMATE**

Public Resources Code Section 5164, Subdivisions (b)(1) and (b)(2)

Statutes 2001, Chapter 777

Local Recreational Areas: Background Screenings
01-TC-11

City of Los Angeles, Claimant

EXECUTIVE SUMMARY

The proposed statewide cost estimate includes seven fiscal years for a total of **\$2,991,331** for the *Local Recreational Areas: Background Screenings* program. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
2001-2002	58	\$167,629
2002-2003	89	\$388,890
2003-2004	95	\$380,926
2004-2005	104	\$411,549
2005-2006	119	\$508,026
2006-2007	126	\$584,239
2007-2008	122	\$550,072
TOTAL	713	\$2,991,331

Summary of the Mandate

The test claim statutes involve the employment and background screening of employees or volunteers at local operated parks, playgrounds, recreational centers or beaches used for recreation purposes.

The Commission on State Mandates (Commission) adopted the Statement of Decision for the *Local Recreational Areas: Background Screenings* program (01-TC-11). The Commission found that the test claim statute constitutes a new program or higher level of service and imposes a state-mandated program on local agencies within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514 for

Statewide Cost Estimate

Staff reviewed the claims data submitted by 142 cities, seven counties, and three park and recreation districts, and compiled by the SCO. The actual claims data showed that 713 claims

were filed between fiscal years 2001-2002 and 2007-2008 for a total of \$2,991,331. Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

Assumptions

1. *The actual amount claimed for reimbursement may increase if late or amended claims are filed.*
2. *Non-claiming local agencies did not file claims because: (1) they did not incur more than \$1000 in increased costs for this program; (2) did not have supporting documentation to file a reimbursement claim; or (3) hired no recreation and park district employees.*
3. *Based on the claims reviewed, the amounts claimed may be high.*
4. *There is a wide variation in costs for the claims filed.*
5. *Because the amounts claimed may be high, and there is a wide variation in costs claimed, an SCO audit of this program may be conducted.*
6. *The total amount of reimbursement for this program may be lower than the statewide cost estimate, because the SCO may reduce any reimbursement claim for this program.*

Methodology

Fiscal Years 2001-2002 through 2007-2008

The proposed statewide cost estimate for fiscal years 2001-2002 through 2007-2008 was developed by totaling the 713 unaudited actual reimbursement claims filed with the SCO for these years.

No projections for future fiscal years were included because funding for 2008-2009 cannot occur until fiscal year 2009-2010.

The proposed statewide cost estimate includes seven fiscal years for a total of \$2,991,331 for the *Local Recreational Areas: Background Screenings* program.

Comments on the Draft Staff Analysis

Department of Finance submitted comments on May 8, 2009, concurring with the draft staff analysis.

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of **\$2,991,331** for costs incurred in complying with the *Local Recreational Areas: Background Screenings* program.

STAFF ANALYSIS

Summary of the Mandate

The test claim statutes involve the employment and background screening of employees or volunteers at local operated parks, playgrounds, recreational centers or beaches used for recreation purposes.

The Commission on State Mandates (Commission) adopted the Statement of Decision for the *Local Recreational Areas: Background Screenings* program (01-TC-11). The Commission found that the test claim statute constitutes a new program or higher level of service and imposes a state-mandated program on local agencies within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

The claimant filed the test claim on February 8, 2002. The Commission adopted a Statement of Decision on December 9, 2005, and the parameters and guidelines on June 26, 2008. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by December 31, 2008, and late claims by December 31, 2009.

Reimbursable Activities

The Commission approved the following activities for reimbursement:

1. Have each prospective employee or volunteer who would have supervisory or disciplinary authority over minors to complete an application that inquires as to whether or not the prospective employee or volunteer has been convicted of any offense specified in Public Resources Code section 5164, subdivision (a). (Pub. Res. Code, § 5164, subd. (b)(1)). This is a one-time activity of revising and printing job applications that inquire as to the applicants' criminal history.
2. Screening, pursuant to Penal Code section 11105.3, prospective employees and volunteers who would have supervisory or disciplinary authority over minors. The screening procedure for these individuals requires submitting the following to the Department of Justice (DOJ): (1) the prospective employee's or volunteer's fingerprints, (2) any other data specified by DOJ on a DOJ-approved form, (3) for prospective employees only, paying the DOJ's fingerprint processing fee (no fee is required for a prospective volunteer). (Pub. Res. Code, § 5164, subds. (b)(1) & (b)(2)).

The Commission found that the following activities are **not** reimbursable:

1. Taking fingerprints.
2. Paying DOJ's fingerprint processing fee for a prospective volunteer.

Statewide Cost Estimate

Staff reviewed the claims data submitted by 142 cities, seven counties, and three park and recreation districts, and compiled by the SCO. The actual claims data showed that 713 claims were filed between fiscal years 2001-2002 and 2007-2008 for a total of \$2,991,331.² Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

² Claims data reported as of March 3, 2009.

Assumptions

1. *The actual amount claimed for reimbursement may increase if late or amended claims are filed.*

There are 480 cities, 58 counties, and 67 recreation and park districts in California. Of those, only 152 filed reimbursement claims for this program. If other eligible claimants file reimbursement claims or late or amended claims are filed, the amount of reimbursement claims may exceed the statewide cost estimate.

2. *Non-claiming local agencies did not file claims because: (1) they did not incur more than \$1000 in increased costs for this program; (2) did not have supporting documentation to file a reimbursement claim; or (3) hired no recreation and park district employees.*

Claimant representatives report that many cities and counties use nonprofit agencies to operate their recreation programs. Nonprofit agencies are not part of this program, and therefore, local agencies that use nonprofit agencies will not be filing reimbursement claims.

3. *Based on the claims reviewed, the amounts claimed may be high.*

The Statement of Decision for this program authorizes reimbursement for *recreational* employees and volunteers *who have supervisory or disciplinary authority over minors*. Many claimants are seeking reimbursement for all newly hired employees. For example, the City of Laguna Beach submitted reimbursement for the background process for a police records technician, laborer, maintenance workers, police cadets, and drivers. While many of these employees may come in contact with children, they most likely do not supervise or discipline minors, or work in recreation-related jobs. Therefore, the background process for these employees is not reimbursable.

4. *There is a wide variation in costs for the claims filed.*

The claims data indicates that claimants are reporting a wide variation in the time it takes to process the applications. For the ten cities we reviewed, the time to complete the reimbursable activities ranged from four minutes per application to 25.3 minutes per application.

5. *Because the amounts claimed may be high, and there is a wide variation in costs claimed, an SCO audit of this program may be conducted.*
6. *The total amount of reimbursement for this program may be lower than the statewide cost estimate, because the SCO may reduce any reimbursement claim for this program.*

If the SCO audits this program and deems any reimbursement claim to be excessive or unreasonable, it may be reduced.

Methodology

Fiscal Years 2001-2002 through 2007-2008

The proposed statewide cost estimate for fiscal years 2001-2002 through 2007-2008 was developed by totaling the 713 unaudited actual reimbursement claims filed with the SCO for these years.

No projections for future fiscal years were included because funding for 2008-2009 cannot occur until fiscal year 2009-2010.

The proposed statewide cost estimate includes seven fiscal years for a total of \$2,991,331 for the *Local Recreational Areas: Background Screenings* program. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Estimated Cost
2001-2002	58	\$167,629
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Comments on the Draft Staff Analysis

Department of Finance submitted comments on May 8, 2009, concurring with the draft staff analysis.³

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of **\$2,991,331** for costs incurred in complying with the *Local Recreational Areas: Background Screenings* program.

³ Exhibit A.

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DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1149 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 8, 2009

RECEIVED

MAY 08 2009

**COMMISSION ON
STATE MANDATES**

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Dear Ms. Higashi:

As requested in your letter of April 17, 2009, the Department of Finance (Finance) has reviewed the Commission's draft staff analysis of the proposed statewide cost estimate for Claim No. CSM-01-TC-11 "Local Recreational Areas: Background Screenings."

Finance concurs with the Commission staff recommendation to adopt the statewide cost estimate of \$2,991,331 for fiscal years 2001-02 through 2007-08. As noted in the Commission's analysis, the actual costs may be higher or lower based on the submittal of amended or late claims, the number of eligible claimants for subsequent fiscal years, and audit findings. The current claims are likely to be reduced as the Commission's staff reviews have identified activities that are not reimbursable.

As required by the Commission's regulations, a "Proof of Service" has been enclosed indicating that the parties included on the mailing list which accompanied your April 17, 2009 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Carla Castañeda, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,

Diana L. Ducay
Program Budget Manager

Enclosures

Attachment A

DECLARATION OF CARLA CASTAÑEDA
DEPARTMENT OF FINANCE
CLAIM NO. 01-TC-11

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

May 8, 2009

at Sacramento, CA

Carla Castañeda

Carla Castañeda

PROOF OF SERVICE

Test Claim Name: Local Recreational Areas: Background Screenings
Test Claim Number: CSM-01-TC 11

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, Floor, Sacramento, CA 95814.

On May 8, 2009 I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

Mr. Rick Martin
Don Pedro Recreational Agency
31 Bonds Flat Road
La Grange, CA 95329

Ms. Jocelyn Smeltzer
Folsom Aquatic Center
1200 Riley Street
Folsom, CA 95630

Ms. Annette Chinn
Cost Recovery Systems, Inc.
705-2 East Bidwell Street, #294
Folsom, CA 95630

Wellhouse and Associates
Attention: David Wellhouse
9175 Klefer Boulevard, Suite 121
Sacramento, CA 95826

Mr. Harold Fujita
City of Los Angeles
Department of Recreation and Parks
1200 W 7th Street, #310
Los Angeles, CA 90017

A-15
Ms. Susan Geanacou
Department of Finance
915 L Street, Suite 1280
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B-08
Mr. Jim Spano
State Controller's Office
Division of Audits
300 Capitol Mall, Suite 518
Sacramento, CA 95814

Ms. Jolene Tollenaar
MGT of America
455 Capitol Mall, Suite 600
Sacramento, CA 95814

A-15
Ms. Carla Castaneda
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