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State Mandates*

**BETTY T. YEE**  
California State Controller

**LATE FILING**

September 4, 2015

Heather Halsey  
Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

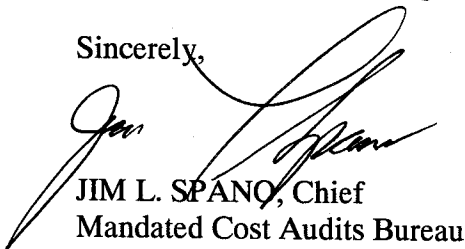
Re: Incorrect Reduction Claim (IRC)  
*Animal Adoption*, 13-9811-I-02  
Civil Code Sections 1834 and 1846 and  
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003  
Statutes 1998, Chapter 752; Statutes 2004, Chapter 313  
Fiscal Years: 1998-1999, 1999-2000, 2000-01, 2001-2002, 2002-2003, 2005-2006,  
2006-2007, and 2007-2008  
City of Los Angeles, Claimant

Dear Ms. Halsey:

The State Controller's Office is transmitting our response to the above-named IRC.

If you have any questions, please contact me by telephone at (916) 323-5849.

Sincerely,



JIM L. SPANO, Chief  
Mandated Cost Audits Bureau  
Division of Audits

JS/lb

16005

**RESPONSE BY THE STATE CONTROLLER'S OFFICE  
TO THE INCORRECT REDUCTION CLAIM (IRC) BY  
THE CITY OF LOS ANGELES**

**Animal Adoption Program**

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Note: References to Exhibits relate to the city's IRC filed on April 7, 2014, as follows:

- Exhibit A – City of Los Angeles Written Narrative of Issues – PDF pg. 9
- Exhibit B – Local Agencies Mandated Costs Manual (September 2002) – PDF Pg. 21
- Exhibit C – SCO Costs Claiming Instructions (May 7, 2002) – PDF Pg. 61
- Exhibit D – Local Agencies Mandated Costs Manual (September 2003) – PDF Pg. 87
- Exhibit E – SCO Costs Claiming Instructions (May 7, 2002) – PDF Pg. 131
- Exhibit F – SCO Costs Claiming Instructions (September 30, 2005) – PDF Pg. 159
- Exhibit G – School Mandated Costs Manual (September 2004) – PDF Pg. 172
- Exhibit H – SCO Costs Claiming Instructions (May 7, 2002) – PDF Pg. 193
- Exhibit I – Local Agencies Mandated Costs Manual (December 2005) – PDF Pg. 219
- Exhibit J – SCO Costs Claiming Instructions (May 7, 2002) – PDF Pg. 267
- Exhibit K – Local Agencies Mandated Costs Manual (December 2006) – PDF Pg. 293
- Exhibit L – SCO Costs Claiming Instructions (April 3, 2006) – PDF Pg. 342
- Exhibit M – Local Agencies Mandated Costs Manual (October 2007) – PDF Pg. 371
- Exhibit N – SCO Costs Claiming Instructions (April 3, 2006) – PDF Pg. 419
- Exhibit O – Local Agencies Mandated Costs Manual (February 2009) – PDF Pg. 448
- Exhibit P – SCO Costs Claiming Instructions (January 30, 2009) – PDF Pg. 498
- Exhibit Q – Local Agencies Mandated Costs Manual (October 2009) – PDF Pg. 527
- Exhibit R – SCO Costs Claiming Instructions (October 26, 2009) – PDF Pg. 571
- Exhibit S – Local Agencies Mandated Costs Manual (October 2010) – PDF Pg. 602
- Exhibit T – School Mandated Cost Manual (November 2010) – PDF Pg. 623
- Exhibit U – SCO Costs Claiming Instructions (November 15, 2010) – PDF Pg. 633
- Exhibit V – SCO Audit Report (April 2011) – PDF Pg. 664
- Exhibit W – Claim for Payment (FY 1998-99) – PDF Pg. 737
- Exhibit X – Claim for Payment (FY 1999-00) – PDF Pg. 763
- Exhibit Y – Claim for Payment (FY 2000-01) – PDF Pg. 779
- Exhibit Z – Claim for Payment (FY 2001-02) – PDF Pg. 794
- Exhibit AA – Claim for Payment (FY 2002-03) – PDF Pg. 821
- Exhibit AB – Claim for Payment (FY 2005-06) – PDF Pg. 869
- Exhibit AC – Claim for Payment (FY 2006-07) – PDF Pg. 894
- Exhibit AD – Claim for Payment (FY 2007-08) – PDF Pg. 940
- Exhibit AE – Claim for Payment (FY 2008-09) – PDF Pg. 957
- Exhibit AF – Declarations of Services by Email / Mailing List – PDF Pg. 983

# **Tab 1**



1 **OFFICE OF THE STATE CONTROLLER**

3301 C Street, Suite 725

2 Sacramento, CA 95816

3 Telephone No.: (916) 324-8907

4 BEFORE THE

5 COMMISSION ON STATE MANDATES

6 STATE OF CALIFORNIA

7  
8  
9  
10 INCORRECT REDUCTION CLAIM (IRC)  
ON:

No.: IRC 13-9811-I-02

11 *Animal Adoption Program*

AFFIDAVIT OF BUREAU CHIEF

12 Civil Code Sections 1834 and 1846 and  
13 Food and Agriculture Code  
14 Sections 31108, 31752, 31752.5, 31753,  
15 32001, and 32003  
(Chapter 752, Statutes of 1998; and  
Chapter 313, Statutes of 2004)

16 CITY OF LOS ANGELES, Claimant  
17

18 I, Jim L. Spano, make the following declarations:

- 19 1) I am an employee of the State Controller's Office (SCO) and am over the age of  
20 18 years.
- 21 2) I am currently employed as a bureau chief, and have been so since April 21, 2000.  
Before that, I was employed as an audit manager for two years and three months.
- 22 3) I am a California Certified Public Accountant.
- 23 4) I reviewed the work performed by the SCO auditor.
- 24 5) Any attached copies of records are true copies of records, as provided by the City of Los  
25 Angeles or retained at our place of business.

- 1 6) The records include claims for reimbursement, along with any attached supporting  
2 documentation, explanatory letters, or other documents relating to the above-entitled IRC.
- 3 7) A field audit of the claims for fiscal year (FY) 1998-99, FY 1999-2000, FY 2000-01, FY 2001-  
4 02, FY 2002-03, FY 2005-06, FY 2006-07, and FY 2007-08 commenced on April 7, 2009,  
5 (entrance start letter date) and was completed on April 6, 2011 (issuance of final audit report)  
6 (Tab 15).

7 I do declare that the above declarations are made under penalty of perjury and are true and  
8 correct to the best of my knowledge, and that such knowledge is based on personal  
9 observation, information, or belief.

10 Date: September 4, 2015

11 OFFICE OF THE STATE CONTROLLER

12 By: 

13 Jim L. Spano, Chief  
14 Mandated Cost Audits Bureau  
15 Division of Audits  
16 State Controller's Office  
17  
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**Tab 2**

**STATE CONTROLLER'S OFFICE ANALYSIS AND RESPONSE  
TO THE INCORRECT REDUCTION CLAIM BY  
THE CITY OF LOS ANGELES**

**For Fiscal Year (FY) 1998-99, FY 1999-2000, FY 2000-01, FY 2001-02, FY 2002-03,  
FY 2005-06, FY 2006-07, and FY 2007-08**

**Animal Adoption Program  
Civil Code Sections 1834 and 1846 and Food and Agriculture Code  
Sections 31108, 31752, 31752.5, 31753, 32001, and 32003  
(Chapter 752, Statutes of 1998; and Chapter 313, Statutes of 2004)**

**SUMMARY**

The following is the State Controller's Office's (SCO) response to the Incorrect Reduction Claim (IRC) that the City of Los Angeles submitted on April 7, 2014. The SCO audited the city's claims for costs of the legislatively mandated Animal Adoption Program for the period of July 1, 1998, through June 30, 2008, excluding July 1, 2003, through June 30, 2005. The SCO issued its final report on April 6, 2011 (**Tab 3**).

The city submitted reimbursement claims totaling \$13,368,151—\$759,353 for fiscal year (FY) 1998-99 (**Exhibit W**), \$2,081,935 for FY 1999-2000 (**Exhibit X**), \$2,172,046 for FY 2000-01 (**Exhibit Y**), \$2,670,168 for FY 2001-02 (**Exhibit Z**), \$978,114 for FY 2002-03 (**Exhibit AA**), \$1,463,827 for FY 2005-06 (**Exhibit AB**), \$1,826,701 for FY 2006-07 (**Exhibit AC**), and \$1,416,007 for FY 2007-08 (**Exhibit AD**). Subsequently, the SCO audited these claims and determined that \$7,942,338 is allowable and \$5,425,813 is unallowable because the city claimed ineligible costs, claimed estimated costs, claimed unsupported costs, understated the number of non-medical records, understated the annual animal census data, overstated the number of eligible animals, understated productive hourly rates, and misstated indirect cost rates.

The following table summarizes the audit results:

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable Per Audit</u>	<u>Audit Adjustments</u>
<u>July 1, 1998, through June 30, 1999</u>			
Direct costs:			
Training	\$ 9,468	\$ 563	\$ (8,905)
Computer Software	1,855	1,062	(793)
Care and maintenance of dogs and cats	186,383	-	(186,383)
Care and maintenance of other animals	5,510	3,156	(2,354)
Increased holding period	337,191	90,266	(246,925)
Lost and found lists	12,655	3,852	(8,803)
Non-medical records	47,236	56,834	9,598
Necessary and prompt veterinary care	50,984	25,409	(25,575)
Total direct costs	651,282	181,142	(470,140)
Indirect costs	108,071	133,057	24,986
Total program costs	<u>\$ 759,353</u>	314,199	<u>\$ (445,154)</u>
Less amount paid by the State <sup>1</sup>		(314,199)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Training	\$ 5,357	\$ 3,897	\$ (1,460)
Computer Software	131,896	45,453	(86,443)
Care and maintenance of dogs and cats	577,369	375,062	(202,307)
Care and maintenance of other animals	40,450	7,031	(33,419)
Increased holding period	754,105	201,949	(552,156)
Lost and found lists	26,185	8,615	(17,570)
Non-medical records	140,516	127,181	(13,335)
Necessary and prompt veterinary care	129,149	56,834	(72,315)
Total direct costs	1,805,027	826,022	(979,005)
Indirect costs	276,908	299,826	22,918
Total program costs	<u>\$ 2,081,935</u>	1,125,848	<u>\$ (956,087)</u>
Less amount paid by the State <sup>1</sup>		(1,125,848)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Training	\$ 3,521	\$ 2,572	\$ (949)
Computer Software	145,193	54,313	(90,880)
Care and maintenance of dogs and cats	463,535	487,021	23,486
Care and maintenance of other animals	13,107	7,157	(5,950)
Increased holding period	784,231	211,205	(573,026)
Lost and found lists	30,373	9,008	(21,365)
Non-medical records	126,793	135,995	9,202
Necessary and prompt veterinary care	308,004	67,504	(240,500)
Total direct costs	1,874,757	974,775	(899,982)
Indirect costs	297,289	362,228	64,939
Total program costs	<u>\$ 2,172,046</u>	1,337,003	<u>\$ (835,043)</u>
Less amount paid by the State <sup>1</sup>		(1,337,003)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Training	\$ 3,070	\$ 2,261	\$ (809)
Computer Software	123,836	72,576	(51,260)
Care and maintenance of dogs and cats	686,106	307,530	(378,576)
Care and maintenance of other animals	21,184	7,358	(13,826)
Increased holding period	805,160	213,025	(592,135)
Lost and found lists	79,450	9,087	(70,363)
Non-medical records	26,714	131,162	104,448
Necessary and prompt veterinary care	244,864	51,839	(193,025)
Total direct costs	1,990,384	794,838	(1,195,546)
Indirect costs	701,641	268,017	(433,624)
Total direct and indirect costs	2,692,025	1,062,855	(1,629,170)
Less late penalty	(21,857)	(21,857)	-
Total program costs	<u>\$ 2,670,168</u>	<u>1,040,998</u>	<u>\$ (1,629,170)</u>
Less amount paid by the State <sup>1</sup>		(1,040,998)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Training	\$ 1,130	\$ 550	\$ (580)
Computer Software	58,826	29,413	(29,413)
Care and maintenance of dogs and cats	291,737	228,809	(62,928)
Care and maintenance of other animals	12,018	5,642	(6,376)
Increased holding period	115,785	218,413	102,628
Lost and found lists	9,371	9,318	(53)
Non-medical records	23,921	124,455	100,534
Necessary and prompt veterinary care	226,389	38,753	(187,636)
Procuring equipment	78,179	12,932	(65,247)
Total direct costs	817,356	668,285	(149,071)
Indirect costs	160,758	197,216	36,458
Total program costs	<u>\$ 978,114</u>	<u>865,501</u>	<u>\$ (112,613)</u>
Less amount paid by the State <sup>1</sup>		(865,501)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Training	\$ 2,735	\$ 4,590	\$ 1,855
Computer Software	30,522	27,261	(3,261)
Care and maintenance of dogs and cats	244,197	233,359	(10,838)
Care and maintenance of other animals	37,227	15,318	(21,909)
Increased holding period	246,783	295,417	48,634
Lost and found lists	12,237	12,600	363
Non-medical records	30,738	155,122	124,384
Necessary and prompt veterinary care	379,918	40,823	(339,095)
Total direct costs	984,357	784,490	(199,867)
Indirect costs	479,470	358,986	(120,484)
Total program costs	<u>\$ 1,463,827</u>	1,143,476	<u>\$ (320,351)</u>
Less amount paid by the State <sup>1</sup>		(1,143,476)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Training	\$ 5,936	\$ 5,625	\$ (311)
Computer Software	33,385	28,693	(4,692)
Care and maintenance of dogs and cats	193,875	196,262	2,387
Care and maintenance of other animals	99,093	17,929	(81,164)
Increased holding period	550,209	308,794	(241,415)
Lost and found lists	13,016	13,364	348
Non-medical records	20,871	156,162	135,291
Necessary and prompt veterinary care	391,374	40,429	(350,945)
Total direct costs	1,307,759	767,258	(540,501)
Indirect costs	518,942	298,681	(220,261)
Total program costs	<u>\$ 1,826,701</u>	1,065,939	<u>\$ (760,762)</u>
Less amount paid by the State <sup>1</sup>		(1,065,939)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Training	\$ 2,928	\$ 4,647	\$ 1,719
Computer Software	-	12,000	12,000
Care and maintenance of dogs and cats	194,118	231,063	36,945
Care and maintenance of other animals	44,252	19,581	(24,671)
Increased holding period	293,501	302,164	8,663
Lost and found lists	12,206	13,270	1,064
Non-medical records	51,878	178,308	126,430
Necessary and prompt veterinary care	462,329	43,577	(418,752)
Total direct costs	1,061,212	804,610	(256,602)
Indirect costs	354,795	244,764	(110,031)
Total program costs	<u>\$ 1,416,007</u>	1,049,374	<u>\$ (366,633)</u>
Less amount paid by the State <sup>1</sup>		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,049,374</u>	

Cost Elements	Actual Costs	Allowable	Audit
	Claimed	Per Audit	Adjustments
<u>Summary: July 1, 1998, through June 30, 2008</u>			
Direct costs:			
Training	\$ 34,145	\$ 24,705	\$ (9,440)
Computer Software	525,513	270,771	(254,742)
Care and maintenance of dogs and cats	2,837,320	2,059,106	(778,214)
Care and maintenance of other animals	272,841	83,172	(189,669)
Increased holding period	3,886,965	1,841,233	(2,045,732)
Lost and found lists	195,493	79,114	(116,379)
Non-medical records	468,667	1,065,219	596,552
Necessary and prompt veterinary care	2,193,011	365,168	(1,827,843)
Procuring equipment	78,179	12,932	(65,247)
Total direct costs	10,492,134	5,801,420	(4,690,714)
Indirect costs	2,897,874	2,162,775	(735,099)
Total direct and indirect costs	13,390,008	7,964,195	(5,425,813)
Less late penalty	(21,857)	(21,857)	-
Total program costs	<u>\$ 13,368,151</u>	7,942,338	<u>\$ (5,425,813)</u>
Less amount paid by the State <sup>1</sup>		(6,892,964)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,049,374</u>	

<sup>1</sup> Payment information current as of August 18, 2015.



## I. ANIMAL ADOPTION PROGRAM CRITERIA

### Adopted Parameters and Guidelines—February 28, 2002

Food and Agriculture Code sections 31108, 31752, 31753, 32001, and 32003 (added and amended by Chapter 752, Statutes of 1998) attempted to end the euthanasia of adoptable and treatable animals. It expressly identifies the state policy that no adoptable animal should be euthanized if it can be adopted into a suitable home, and that no treatable animal should be euthanized. The legislation also increases the holding period for stray and abandoned dogs, cats, and other specified animals. It also requires public or private shelters to:

- Verify the temperament of feral cats;
- Post lost-and-found lists;
- Maintain records for impounded animals; and
- Ensure that impounded animals receive necessary and prompt veterinary care.

The Commission on State Mandates (Commission) determined that Chapter 752, Statutes of 1998, imposed a state mandate reimbursable under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The Commission adopted the parameters and guidelines on February 28, 2002 (**Tab 5**) and corrected them on March 20, 2002 (**Tab 6**). In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated-program reimbursable costs. The parameters and guidelines are applicable to the city's FY 1998-99, FY 1999-2000, FY 2000-01, FY 2001-02 and FY 2002-03 claims.

For FY 2003-04, the Legislature suspended the Animal Adoption Program.

### Amended Parameters and Guidelines –January 26, 2006

On January 26, 2006, the Commission adopted amended parameters and guidelines for the Animal Adoption program (**Tab 7**). In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated-program reimbursable costs. The amended parameters and guidelines are applicable to the city's FY 2005-06, FY 2006-07, and FY 2007-08 claims.

The amended parameters and guidelines clarify the source documentation requirements by defining the terms "actual costs" and "source documents." In addition, these parameters and guidelines state that corroborating documents cannot be substituted for source documents.

The amended parameters and guidelines also provide a specific formula for claimants to use when calculating costs under the Acquiring Space and Facilities, and the Remodeling/Renovating cost components. The eligible costs for both components take into account the increased holding period as a result of the mandate relative to the animal census (the total days an animal is impounded).

### SCO Claiming Instructions

The SCO annually issues mandated cost claiming instructions, which contain filing instructions for mandated cost programs. The May 7, 2002 claiming instructions (**Exhibit C**) are believed to be, for the purposes and scope of the audit period, substantially similar to the version extant at the time the city filed its FY 1998-99, FY 1999-2000, FY 2000-01, FY 2001-02, and FY 2002-03 mandated cost claims. The SCO issued amended claiming instructions on April 3, 2006 (**Exhibit L**). These claiming

instructions are believed to be, for the purposes and scope of the audit period, substantially similar to the version extant at the time the city filed its FY 2005-06, FY 2006-07, and FY 2007-08, mandated cost claims.

## II. MISAPPLICATION OF PURIFOY V. HOWELL

### (Finding 3: Overstated Care and Maintenance Costs)

#### Issue

The SCO determined that the city overstated care and maintenance costs by \$967,883 for the audit period (Tab 10). The SCO concluded that the city claimed unallowable costs because the city incorrectly reported annual expenditures attributed to the care and maintenance function, incorrectly calculated the yearly census of dogs and cats and other animals, and subsequently overstated the claimed costs per animal per day in each fiscal period. In addition, the SCO found that the city incorrectly calculated the number of eligible stray dogs and cats and other animals that died during the increased holding period or were ultimately euthanized. The SCO also found that the city used an incorrect number of reimbursable days for this component.

In an IRC filed on April 7, 2015, the city disagreed with the SCO's application of the First District Court of Appeal decision in the matter of *Purifoy v. Howell, supra*, for the entire audit period. The court determined that Saturday was not a business day for purposes of determining the required holding period for a dog. For the purposes of determining allowable costs in our audit report, we did not consider Saturday to be a business day consistent with the Appellate Court decision cited above. However, the city believes that Saturday should be considered a business day when calculating reimbursable costs.

The following table summarizes the claimed, allowable, and audit adjustment amounts related to audit Finding 3:

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments	
Care and maintenance of dogs and cats	\$ 2,837,320	\$ 2,059,106	\$ (778,214)	Finding 3
Care and maintenance of other animals	272,841	83,172	(189,669)	Finding 3
	\$ 3,110,161	\$ 2,142,278	\$ (967,883)	

#### **SCO Analysis:**

The city believes that application of the Appellate Court decision in the case of *Purifoy et al v. Howell*, should not apply to the audit period. In that case, Saturday was determined **not** to be a business day for the purposes of determining the required holding period for dogs. For the purposes of our audit, this affected the allowable cost calculations for unallowable care and maintenance costs (Finding 3).

The SCO contends that the court decision clarifies the legal definition of a business day for the required holding period as of the date that the applicable statute was enacted in 1998.

## City's Response

### **I. Misapplication Of Purifoy v. Howell**

#### Finding 3: Overstated Care and Maintenance Costs

During the pendency of the SCO audit of the City, a decision came down from the First District Court of Appeal in the matter of *Purifoy v. Howell, supra*. At issue before the court was the definition of a business day for purposes of the animal holding period under the Hayden Bill. This holding period forms the basis for reimbursable activities under the Animal Adoption mandate. This Commission was silent as to the definition of business day. The court held that although the Hayden Bill requires animal shelters to hold animals longer or be open for business on a weekday evening or Saturday, Saturday is not a business day for the purposes of calculating how long to hold an animal before it can be released for adoption or disposal. While the decision, published on March 26, 2010, is likely applicable to all future claims, the SCO in seeking to apply the court's holding to current audits overlooks whether such application is proper. The City argues that it is not.

First, the SCO is jumping the gun. *Purifoy* is not a decision of the Commission nor is it a decision to which the Commission was a party. There has been no change to the Commission's Statement of Decision or Ps & Gs in the Animal Adoption mandate nor has there been any proposed amendment to the Ps & Gs or request for a new test claim decision, under the new test claim process. Thus, the effect of this decision on the Ps & Gs has not been addressed by this Commission and until that is the case, the 2002 and 2006 Ps & Gs remain in full force and effect. Moreover, were such a request brought before this Commission and the decision found applicable, the effective date of any change to the Ps & Gs or Statement of Decision would be the filing date of the request which would, in any case, not be retroactive back to 1998 as the SCO is now attempting.

Second, neither this Commission nor the courts would support retroactivity of *Purifoy*. In 1989, the California Supreme Court set forth the rule for retroactive application of judicial decisions in *Newman v. Emerson Radio Corp.* (1989) 48 Cal.3d 973, 978, which states: "The general rule that judicial decisions are given retroactive effect is basic in our legal tradition." The Court explains that the historic rationale for retroactivity lies in "the idea adhered to by Blackstone that "judges do not 'create,' but instead 'find' the law. A decision interpreting the law, therefore, does no more than declare what the law had always been."

This rule, however, has exceptions which favor prospective application and which reflect considerations of "fairness", "public policy" (*Newman v. Emerson Radio Corp.* (1989) 48 Cal.3d 973, 983-984 [258 Cal.Rptr. 592].), and "hardship" (*Moradi-Shalal v. Fireman's Fund Ins. Companies* (1988) 46 Cal.3d 287, 305 [250 Cal.Rptr. 116].) to the parties. As the Court defined a few years later:

Several factors are relevant in determining whether an exception to the general rule of retroactivity is warranted, including: "the reasonableness of the parties' reliance on the former rule, the nature of the change as substantive or procedural, retroactivity's effect on the administration of justice, and the purposes to be served by the new rule. [Citations.]" (*Camper v. Workers' Comp. Appeals Bd.* (1992) 3 Cal.4th 679, 688 [12 Cal.Rptr. 101].)<sup>1</sup>

The SCO appears to have relied upon the general rule that *Purifoy* should be applied retroactively to the audit. The City argues it falls within the stated exceptions.

The parties' reliance on the old rule was reasonable: The purpose of the Hayden Bill was, in part, to ensure that shelters were open for business outside of normal working hours to allow owners to retrieve their pets. To that end, the Bill required shelters to remain open either later on a weekday or on Saturday. Thus as the shelter was open to transact business, it was reasonable to assume Saturday was a business day. Local governments filed claims for reimbursement based upon this reliance. This Commission saw no issue with the term "business day", the trial court found Saturday was a business day and SCO had presumed as much when beginning its audits. Moreover, trying to recreate what would have happened years ago if the current law had been in existence during the time the claim was filed will cause undue hardship on claimants who relied upon the old rule for calculating the date upon which an animal could be euthanized. Reliance on the old rule and the unforeseeability of change support prospective application.

The change is procedural: This new rule changes the manner in which shelters will do business by altering holding periods. Generally, substantive changes are applied retroactively while procedural changes are applied prospectively. This is due in part because procedural changes can determine the rights of the parties, especially in setting a statute of limitations. (*Camper v. Workers' Comp. Appeals Bd.*, *supra*, at p. 689.)<sup>2</sup> Although the change is substantive on its face, in this case, the retroactive application of the law will affect the rights of claimants as reimbursement can only be had for those animals euthanized after the holding period. Extending the holding period years later means that reimbursement will be unavailable to claimants complying with the law as it was understood at the time. Ensuring recovery to claimants in procedural compliance with a mandate program supports prospective application.

Retroactive application will produce unjust results: Judicial decisions are routinely applied retroactively so as to resolve pending cases where the parties are similarly situated and all unfiled cases. In this instance, however, the decision is being applied retroactively to audits of claims which may date back over a decade. The new rule will not be dispositive as to all claimants and will ensure unequal application of the rule to only those who are being audited. The administration of justice in a consistent manner supports prospective application.

The new rule will extend holding periods: The purpose of the new rule set forth in *Purifoy* is to clarify statutory provisions to ensure that the spirit of the Hayden Bill, adequate time for owner retrieval of pets, is promoted. This objective is not compromised by prospective application of the new rule. (*Woods v. Young* (1991) 53 Cal.3d 315, 331 [279 Cal.Rptr. 613].) The retroactive application will not increase the holding period for animals long ago retrieved.

Although the general rule is a judicial decision is given retroactive effect, the weighing of relevant factors balances in favor of an exception to the general rule and supports a prospective application of the *Purifoy* decision.

Were the above-stated analysis not enough to support the City's position, the Legislature has recently concurred through the enactment of AB 222<sup>3</sup> which, *inter alia*, provided the following addition to Food and Agriculture Code section 31108:

- (d) As used in this division, a "business day" includes any day that a public or private shelter is open to the public for at least four hours, excluding state holidays.

The analysis of the Senate Agriculture Committee<sup>4</sup> explained the reason for the statutory change as follows:

According to the author's office, AB 222 clarifies the definition of "business day" when determining how long a shelter holds a dog or cat. A recent court decision on *Veena Purifoy, et. al., v. Glenn Howell, et. al.*, by the First Appellate District, Court of Appeals stated that Saturday is not a "business day" when determining the holding periods. Defining a business day as any day the shelter is open for at least four hours provides clarity to shelters and the public on shelter holding periods of dogs and cats.

The City submits that the above-stated argument provides sufficient reason for the Commission to reverse the SCO as to the retroactive application of the *Purifoy* case to the instant audit and reimburse any and all attendant costs.

<sup>1</sup> See also, *Gentis v. Safeguard Business Systems, Inc.* (1998) 60 Cal.App.4th 1294, *Rose v. Hudson* (2007) 153 Cal.App.4th 641.

<sup>2</sup> See also, *Woods v. Young* (1991) 53 Cal.3d 315.

<sup>3</sup> Stats. 2011, ch. 97.

<sup>4</sup> See attached.

### SCO's Comment

The city addresses the same general argument already discussed in the audit report. The city has not provided any additional support showing why Saturday should be considered a business day since the final audit report was issued.

The city disagrees with our application of the Appellate Court decision in the case of *Purifoy et al. v. Howell*. In that case, Saturday was determined *not* to be a business day for the purposes of determining the required holding period for a dog. The city also contends that enactment of Assembly Bill (AB) 222 (Saturday business day issue) and AB 12 support its position. The SCO addressed this issue in the final audit report under the "Other Issues – Audit Findings and the Audit Process" (Tab 3). The SCO's position is that the court decision clarifies the legal definition of a business day for the required holding period and that no changes to the audit findings are necessary.

### Appellate Court Decision in *Purifoy et al v. Howell*

The city's IRC reiterated the following reasons as to why the SCO should not apply the court's decision retroactively:

- The Commission was not a party to the decision and there has been no change to the Commission's statement of decision or parameters and guidelines.
- While retroactive application of judicial decisions is the general rule, prospective application is warranted in this instance because the nature of the decision qualifies as an exception to the general rule.
- Claimants' assumption that Saturday was to be treated as a business day was reasonable in light of the requirements of the Hayden Bill.
- The court decision provides for a procedural change in law rather than a substantive change and procedural changes are applied prospectively.
- Retroactive application is unjust because it will be applied only to claims audited by the SCO.
- Retroactive application will not increase the holding period for animals long ago retrieved.

A considerable amount of public records are related to this mandated program, including, but not limited to, the initial test claim, statement of decision (Tab 4), the adopted parameters and guidelines (Tabs 5, 6, and 7), Commission draft and final staff analyses, and comments made by various local agencies and other interested parties. These documents did not define what specific days of the week were considered to be business days. Therefore, we followed the decision of the Appellate Court, which opined that Saturday is not to be treated as a business day for the purposes of determining the required holding period (Tab 8).

The city is correct in stating that the Commission was not a party to the *Purifoy et al. v. Howell* court case and there has been no change to the Commission's adopted statement of decision or the parameters and guidelines. However, a proposed amendment to the statement of decision or the parameters and guidelines would not be warranted in this instance. The court decision did not make changes to the test claim statutes on which the mandated program is based. The court case clarified what the statutes mean. Therefore, the clarification would apply to all of the city's Animal Adoption claims within the audit period.

We acknowledge that many animal shelters were operating under the assumption that they could count Saturday as a business day to calculate the holding period of an animal. However, the court's decision declared that this assumption was incorrect. We looked specifically at the language the court used in its opinion, which stated in part:

In short, if the Legislature, having provided an incentive for shelters to remain open on weekend days, had also intended to permit shelters to count Saturdays as "business days" (thus further shortening the total number of calendar days in the holding period), we would expect a clearer expression of such an intention in the statute. More broadly, a construction of "business days" that includes Saturdays would both (1) shorten the holding period, and (2) reduce the opportunities for redemption and adoption. It thus would fail to achieve the dual purposes reflected in the legislative findings.

Accordingly, in the absence of a clear expression of legislative intent to treat Saturdays as "business days," and in light of our obligation to choose a construction that most closely comports with the Legislature's intent and promotes, rather than defeats, the statute's general purposes (see *Smith, supra*, 39 Cal.4th at p. 83; *California Highway Patrol, supra*, 135 Cal.App.4th at pp. 496-497), we conclude that "business days" in section 31108(a) means Monday through Friday, the meaning most commonly used in ordinary discourse. (Tab 8, page 16)

The court decision did not change the audit criteria used to audit the claims; the decision clarified the legal definition of a business day for the required holding period as of the date that the applicable statute was enacted in 1998. The city did not support its opinion with any language from the administrative record related to the Animal Adoption Program that supports a definition for a "business day" other than the ordinary meaning, which excludes Saturdays, Sundays, and legal holidays.

**The definition of a "business day" for the purpose of the Animal Adoption Program is clarified in Assembly Bill (AB) 222.**

The usual and ordinary meaning of the term "business days" remains Monday through Friday, and excluding Saturdays, Sundays, and legal holidays. However, for the purpose of determining the holding period for the Animal Adoption Program, AB 222 (Chapter 97, Statutes of 2011) was enacted on July 25, 2011. This bill was a non-urgency bill and took effect January 1, 2012 (Tab 9). This bill states that a "business day" includes any day that a public or private animal shelter is open to the public for at least four hours, excluding state holidays.

The Legislature acknowledged the Appellate Court's interpretation of Food and Agriculture Code section 31108, subdivision (a), and made the necessary changes in AB 222 to redefine prospectively a "business day."

#### **Calculations of allowable care and maintenance costs**

The city argues that all care and maintenance costs should be reinstated. However, the city fails to address all of the elements that determine allowable costs for the Care and Maintenance cost component, aside from the definition of a business day. The city's actual expenditures and animal census data are the main components necessary to determine the allowable costs.

The city provided expenditure information for the Care and Maintenance cost component, including Animal Care Technicians and Supervisor labor and overhead costs and materials and supplies costs. These annual expenditures, along with the total annual animal census data, determine the average care and maintenance cost per animal per day. Allowable care and maintenance costs are then determined by multiplying the average care and maintenance cost per animal per day times eligible population of animals per the requirements of the parameters and guidelines times increased number of days for the required holding period per the requirements of the parameters and guidelines. The SCO used the city-provided expenditure and animal census information to calculate allowable costs for this costs component using the formula outlined in the parameters and guidelines (Tab 10). It would be

unreasonable to reinstate care and maintenance costs, as requested by the city, because allowable costs calculated during the audit represent actual allowable costs for this component calculated using the city's data and using the calculation methodology outlined per the requirements of this program.

### **III. MISINTERPRETATION OF THE PARAMATERS AND GUIDELINES**

#### **(Finding 4: Overstated Holding Period Costs)**

##### **Issue**

The SCO determined that the city overstated increased holding period costs by \$2,045,732 for the audit period (**Tab 11**). The SCO concluded that the city claimed unallowable costs because the city included costs for employee classifications that were not reimbursable under this cost component, misstated the number of allowable hours per each position, and understated productive hourly rates.

In an IRC filed on April 7, 2015, the city stated that it believes that additional costs should be reimbursable under the mandated program.

##### **SCO Analysis:**

The parameters and guidelines allow reimbursement under this category for the costs associated with holding shelters open to the public on one weekend day, one weekday evening, or under certain circumstances, for costs incurred in establishing an after-hours redemption process. We believe that labor costs related to staff that did not perform the activity of making animals available for owner redemption should not be included as allowable costs under this cost component.

Costs for staff on duty during Saturdays are already reimbursable within other cost components of the mandated program. Shelter employees' time devoted to feeding animals, cleaning cages, duties related to the care of animals, performing lost-and-found list activities, processing non-medical records, performing initial physical examinations, and administering wellness vaccines are already allowable costs reimbursable in their respective components. Reimbursing the city for these same staff costs under the Holding Period cost component would constitute reimbursing the city twice for the same costs.

We believe that other animal services, such as animal control officer duties, euthanasia, spay and neutering procedures, implanting microchips, licensing, processing animal adoptions, and certain other animal services, are not reimbursable activities.

##### **City's Response**

#### **II. Misinterpretation of the Parameters and Guidelines**

##### **Finding 4: Overstated Holding Period Costs**

**SCO Finding:** The city claimed \$3,886,965 for increased holding period costs for the audit period. We determined that \$1,841,233 is allowable and \$2,045,732 is unallowable. The unallowable costs occurred because the city overstated allowable hours and the number of allowable positions (\$2,172,695) and understated productive hourly rates (\$126,963).

The City objects to the SCO's determination that when the shelter is open to the public on Saturdays, only a portion of its staff time and costs are reimbursable. The City contends that the Animal Adoption mandate requires the local agency to be open on Saturdays for normal business operations that are reasonably required by the Hayden Bill which is not limited to the redemption of animals.

In arguing that the City should not be reimbursed for all the staff present on Saturday, the SCO places too much emphasis on the choice of wording in the Ps & Gs concluding that the costs for only those staff members involved with making animals available for redemption should be reimbursable. The SCO mistakes the term "making the animal available for owner redemption" as a limitation on reimbursement rather than as a mere explanation for why the shelter is open for extended hours. Moreover, Food and Agriculture Code sections 31108, 31752 and 31753 set forth the requirement that the shelter be open on a weekday evening or a Saturday without any direction as to how that is to be accomplished. Finally, this Commission in its Statement of Decision left the implementation of this up the shelters. The City should be allowed to staff its shelter as it sees fit to accomplish the goals set forth in statute. If the state wishes to set limits, it should do so not through the SCO but through the Legislature.

### SCO's Comments

The city is disputing the SCO's determination that only a portion of the city's staff time and costs are reimbursable under the Holding Period cost component. The city has not provided any additional information to consider since our final audit report was issued. The SCO responded to this same issue in our final audit report (Tab 3).

Section IV.B.5 of the parameters and guidelines allows reimbursement under this category for the costs associated with keeping shelters open to the public on one weekend day, one weekday evening or, under certain circumstances, for costs incurred in operating an after-hours animal redemption process. We believe that labor costs related to staff that did not perform the activity of making animals available for owner redemption should not be included as allowable costs under this cost component.

The SCO is relying on language in the parameters and guidelines stating that the reason the shelter should be open extra hours is to make animals available for owner redemption on one weekday evening until 7:00 p.m. or on one weekend day. Therefore, this is the criterion we used to determine the actual costs associated with this cost component, which is to make animals available for owner redemption. Our audit report notes the additional employee classifications that performed this activity during the audit period. All salary, benefit, and related indirect costs incurred for the employees that performed this activity at the city's animal shelters on Saturdays were allowable costs in the final audit report (Tab 3).

Our audit report addressed the fact that other shelter staff on duty during Saturdays are already reimbursable within other cost components of the mandated program. For example, the Animal Care Technicians not involved with duties under the Holding Period cost component perform activities allowable under the Care and Maintenance cost component. In addition, costs incurred for these and other employee classifications on duty during Saturdays are also reimbursable for performing lost-and-found list activities, processing non-medical records, performing initial physical examinations, and administering wellness vaccines. To conclude that costs for these employees are reimbursable under these other cost components and again under the Holding Period cost component would result in the city being reimbursed twice for the same mandated costs.

In addition, some staff on duty on Saturdays performed activities not reimbursable under the mandated program. Just because the mandated program requires agencies to be open extra hours one weekday evening or on one weekend day to make animals available for owner redemption does not make activities such as euthanasia, spay and neutering procedures, implanting microchips, licensing, processing animal adoptions, and other unallowable activities, reimbursable for that time period. These activities are not reimbursable under any cost component of the mandated program at any time. Our finding identifies allowable costs under the mandated program per the requirements of the adopted parameters and guidelines.



#### IV. MISINTERPRETATION OF THE PARAMATERS AND GUIDELINES

##### (Finding 7: Overstated Necessary and Prompt Veterinary Care Costs)

###### Issue

The SCO determined that the city overstated necessary and prompt veterinary care costs by \$1,827,843 for the audit period (**Tab 12**). The SCO concluded that the city claimed unallowable costs because the city claimed estimated materials and supplies costs (\$488,137), claimed unsupported materials and supplies costs (\$608,849), claimed misstated and unallowable hours (\$732,515), and understated productive hourly rates (\$1,658).

In an IRC filed on April 7, 2015, the city stated that it believes that costs the SCO determined to be unsupported were appropriate and should be allowable under this component.

###### **SCO Analysis:**

The parameters and guidelines allow reimbursement under this category for the costs associated with providing specific activities attributed to necessary and prompt veterinary care for stray and abandoned animals that die during the holding period or are ultimately euthanized during the holding period specified in Statutes of 1998, Chapter 752. The parameters and guidelines specify four reimbursable activities, population exclusions, and veterinary procedure exclusions.

The city claimed costs that were co-mingled with non-reimbursable costs in the documentation provided. The city did not provide any analysis or additional documentation to determine whether unsupported costs in question were incurred for any reimbursable activities and whether the costs took place during the holding period for the animals that died during the holding period and animals that were euthanized after the required holding period as specified in the parameters and guidelines.

We believe that the city's materials and supplies costs claimed are not allowable because the city did not determine what portion of the costs actually related to the eligible animals and allowable treatments that took place during the required holding period.

###### City's Response

##### **II. Misinterpretation of the Parameters and Guidelines**

###### Finding 7: Overstated Necessary and Prompt Veterinary Care Costs

**SCO Finding:** The city claimed \$2,193,011 under the cost component of Necessary and Prompt Veterinary Care during the audit period. We determined that \$365,168 is allowable and \$1,827,843 is unallowable. The costs were unallowable because the city claimed estimated materials and supplies costs (\$488,137), claimed unsupported materials and supplies costs (\$608,849), claimed misstated and unallowable hours (\$732,515), and understated productive hourly rates (\$1,658).

The City challenges the SCO's disallowance of some of the costs associated with Necessary and Prompt Veterinary Care in Finding 7. The provisions at issue are contained in original March 20, 2002, Ps & Gs which govern the reimbursement of costs for the period from January 1, 1998, to June 30, 2005. The amended Ps & Gs are not at issue here.

The City objects to the SCO's determination that it did not submit the proper documentation to support the Necessary and Prompt Veterinary Care materials and supply cost. During the audit, the SCO requested additional documentation for medical costs incurred and the City submitted expenses within expenditure account 3190 medical supplies (\$2,086,819).

## SCO's Comments

The city is disputing the SCO's determination that it did not submit the proper documentation to support the necessary and prompt veterinary care materials and supplies costs. The city has not provided any additional information to consider since our final audit report was issued. The SCO responded to this same issue in our final audit report (**Tab 3**).

Section IV.B.9 of the parameters and guidelines allows reimbursement under this category for the costs associated with providing specific activities attributed to necessary and prompt veterinary care for stray and abandoned animals that die during the holding period or are ultimately euthanized during the holding period specified in Statutes of 1998, Chapter 752. The parameters and guidelines specify four reimbursable activities, population exclusions, and veterinary procedure exclusions.

Initially, the city did not provide any supporting documentation for the costs in question. Following the issuance of the SCO's draft audit report, the city submitted a summary of expenses by fiscal year and vendor for Account 3190 – Medical Supplies (**Tab 13**). However, the expense summary listed all medical supplies expenses in each fiscal year, without identification of the type of expense, what activity the costs were incurred for, and for which animals the costs were expended. Medical supplies purchased for the city's shelters are used for multitude of veterinary procedures and various populations of animals that include both reimbursable and non-reimbursable components. As we noted in our final audit report, in order for veterinary materials and supplies to be reimbursable, the city needed to show what specific materials and supplies were expended for the eligible population of animals. Further, the city needed to show that these medical expenditures took place as a result of treatments occurring during the holding period days for those eligible animals. The expenditure summaries provided showed none of those details necessary to comply with the reimbursable criteria for this cost component. Thus, the listing of all medical supplies expenses did not support whether any of those expenses were incurred as a result of complying with this mandated program.

The SCO responded to this same issue in our final audit report (**Tab 3**). The city has not provided any additional documentation since the issuance of our final audit report to support costs in question.

## **V. MISINTERPRETATION OF THE USE OF PROPOSITION F FUNDS**

### **(Issue 1: Proposition F and the Construction of New Facilities)**

#### Issue

In an IRC filed on April 7, 2015, the city stated that it believes that the SCO should have considered construction of new facilities costs as a reimbursable activity. These construction costs were funded via Proposition F bonds approved by the city's voters in November 2000 general election. The city's taxpayers have been assessed property taxes in amounts specifically for the purpose of retiring the Proposition F bonds.

The city's argument did not note that the city did not include these construction costs in any of its claims within the audit period. In addition, the city did not note that the final audit report does not include any cost reductions associated with this issue.

## SCO Analysis:

The city did not claim any costs during the audit period under the Acquisition of Additional Space and/or Construction of New Facilities cost components. The city also did not amend its claims during the allowable time allotment to include these costs. During the audit, the SCO reviewed documentation associated with the construction costs of the city's shelter at the city's request. The city proposed to add the construction costs to the audit period after the deadline to amend the claims had expired. The city did not provide any analysis or calculations to show what portion of the construction costs would have been attributed to the reimbursable component.

We reviewed the Proposition F and construction of the city's shelter background information at the city's request and concluded that the costs in question were not reimbursable because the construction costs incurred were funded entirely by the city's taxpayers via property tax assessment.

## City's Response

### **III. Misinterpretation of the Use of Proposition F Funds**

#### Issue 1: Proposition F and the Construction of New Facilities

**SCO Issue:** The city provided background information of this project for our review. After reviewing the information provided, we determined that the terms of Proposition F required that the city's taxpayers would fund the construction projects through additional levies made to their property taxes. The city's taxpayers have been and are still currently assessed property taxes in amounts specifically for the purpose of retiring the Proposition F bonds. Therefore, the city's taxpayers are funding both the entire bond principal and interest amounts. Accordingly, we determined that this non-discretionary revenue source was used to build the city's animal shelters and none of the city's discretionary general fund moneys were involved.

While the city performed the required analysis to determine that additional shelter space was needed to provide additional capacity in order to comply with the provisions of the Hayden Bill, restricted resources funded the construction costs for the additional capacity, not the city's general fund. Therefore, the city did not incur any increased costs to construct/remodel its animal shelters under Government Code section 17514.

The SCO's reliance on Government Code section 17514 is misplaced. The section states:

"Costs mandated by the state" means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandates a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution.

There is nothing in the statute that would raise any issue as to whether the costs mandated by the state were paid out of the general fund or any other funds.

The SCO is likely relying on the language of *Redevelopment Agency of the City of San Marcos v. Commission on State Mandates* (1997) 55 Cal.App.4<sup>th</sup> 976 in which the court, after much analysis, held:

[W]e conclude the same policies which support exempting tax increment revenues from article XIII B appropriations limits also support denying reimbursement under section 6 for this particular allocation of those revenues to the Housing Fund. Tax increment financing is not within the scope of article XIII B. (*Brown v. Community Redevelopment*

Agency, supra, 168 Cal.App.3d at pp. 1016-1020.) Section 6 “requires subvention only when the costs in question can be recovered solely from tax revenues.” (County of Fresno v. State of California, supra, 53 Cal.3d at p.487, original italics.) No state duty of subvention is triggered where the local agency is not required to expend its proceeds of taxes.

(Id. At p. 987.) And while this case, at first blush, appears to support the contentions of the SCO, it is limited in its application.

As issue before the court was whether the Low and Moderate Income Housing Fund program, which required a deposit of the tax increment financing for improving the supply of affordable housing, is a state mandate, that is, as the court partially framed the question (after a discussion on the tax and spend capabilities of redevelopment agencies): are the costs incurred as a result of the state mandate paid from general fund monies? The Animal Adoption program, however, has already been found to be a state mandate. So the issue before this Commission is whether all costs associated with a state mandated program must be paid solely from the general fund. The City argues the answer is, and must be, no.

The Hayden Bill, requiring an extended holding period for shelter animals, forced local government to expand its shelter capabilities. The state provide no funding for such expansion and the City, along with other agencies, was required to come up with the funding by the best means available. For funding to cover the sizable expense of construction, the City had a bonding measure placed on the ballot. The City was free to use its general fund for construction; but nothing in the Constitution, statutes or case law says that any local government must exhaust all its general fund moneys before seeking funding elsewhere. Moreover, the state legislature passed the unfunded mandate and the state should not be able to shirk its responsibility to reimburse the City simply because the City in its management of its financial obligations chose to have a bond initiative rather than empty its general fund.

#### SCO's Comments

The city proposes that it be reimbursed for costs that were not included in its claims. The deadline to amend the claims had expired prior to the start of our audit. The IRC process provides the city an opportunity to dispute the SCO's findings and reductions to its claims noted in the SCO's final audit report. However, none of the findings noted in the SCO's final audit report for the Animal Adoption program (**Tab 3**) include any cost reductions associated with the construction of the city's shelter. The city did not claim these costs and the SCO did not reduce the city's claims for these costs in question. Therefore, we believe that this issue is irrelevant for the purposes of this IRC.

## **VI. UNREASONABLE TIME LIMITATIONS**

### Issue

In an IRC filed on April 7, 2015, the city stated that it was denied the necessary time to comply with the requirements of the audit. The city did not identify specific findings or reductions associated with this argument, nor did the city provide any additional documentation for our review.

### **SCO Analysis:**

The city provides the same comments as already noted in our final audit report (**Tab 3**). The city maintains that it was denied the necessary time to comply with the requirements of the audit when the SCO placed the audit on hold for staff changes. We disagree.

Even though the SCO did change audit teams during the audit process, we maintained regular communication with the city's staff, made timely documentation requests, and held multiple status meetings with the city. The SCO has worked extensively with the city representatives throughout the audit process to determine allowable costs to the maximum extent possible.

The city has not provided any additional information to consider since our final audit report was issued. The SCO responded to this same issue in our final audit report (**Tab 3**).

#### City's Response

#### **IV. Unreasonable Time Limitations**

The City maintains that it was denied necessary time to comply with the requirements of the audit due to the SCO's placing the audit on hold for staffing changes for nine months which left the City having to assemble documentation for a huge operation with less time than was provided by law. The audit began with an entrance conference held on April 28, 2009. The City staff worked closely with the SCO's auditing staff for a period of 7 months providing the requested documents and spending over 200 hours of City staff time. In November 2009, work on the audit was temporarily discontinued by the SCO when their Audit Manager overseeing the project transferred to another unit within the SCO. The audit was then transferred to another Audit Manager and Auditor-in-Charge.

On July 19, 2010 a second entrance conference was held and the auditing staff resumed their fieldwork. This was a delay of 9 months stemming from the SCO auditor transition. The auditor requested documentation that required a significant amount of City resources in order to locate the information requested. The City provided an additional 250 hours of staff time to address these requests. Due to the size of the City's Animal Services Department, there were millions of line items to go through in order to locate some of the requested information that dated back as far as 12 years.

Adding to the frustration, some of the invoices had been destroyed as they exceeded the time limitations for record retention under the law. 5 The current statute that dictates how long a City must keep their records for mandated claims submitted goes directly against the record retention policies of the City. The City cannot be expected to have to hold on to records from 1998 for an indeterminate amount of time and be forced to retain all detailed expenditures records. Such a record retention requirement would cause a burden that is both inefficient and unnecessary.

While the auditors did make several requests for the same information from the end of July through November, it would not have made any difference in the City's staffing resources that it could lend to review the amount of documents requested for a department the size of the City's Animal Services. The City had already spent over 450 staff hours in total towards this audit during a time when the City was undergoing significant staffing reductions and furloughs. It could not assign any additional resources without having a disruption in the services they provide. The administration of animal care and control services depends on efficiency and any inefficiency of any type leads to fewer adoptions, less revenue, less policing, and more euthanasia.

On January 12, 2011, the SCO held an exit conference with the representatives of the Animal Services Department and addressed each audit finding. During this exit conference, the SCO stated that it would be issuing the final audit report in early April. The Department acted in good faith to comply with all audit material requests. A short time after the exit meeting, the City lost Linda Barth, the Department's Assistant General Manager, who was the main contact person for the audit causing a further setback in the City's attempt to provide the remaining information requested.

The SCO issued their draft audit report on March 10, 2011. The City requested an additional 30 day extension to submit additional material and was granted only two days so that the State could file their audit report within the two year statute of limitations. The final audit report was issued on April 6, 2011.

The City maintains that had the audit not been placed on hold for 9 months, it would have had enough time to address all of the auditor's requests for additional information which would have resulted in fewer disallowances.

### SCO's Comments

The city believes the audit would have resulted in fewer disallowances had the audit not been placed temporarily on hold. However, we believe the allowable costs calculations noted in our final audit report (**Tab 3**) represent allowable costs that were properly supported by the city and allowable for reimbursement per the requirements of the parameters and guidelines.

Throughout the audit process, we worked with the city's staff to not only obtain proper supporting documentation, but also to arrange for alternative methods to support claimed costs. For example, we revised Finding 3 – Unallowable Care and Maintenance costs in our final audit report (**Tab 3**) following additional supporting documentation provided by the city after the draft report was issued. In addition, we maintained regular correspondence and held status meetings with city staff to ensure timely communication of the preliminary findings and outstanding supporting documentation. The samples of our correspondence prior to the exit meeting are presented in **Tab 14**.

We provided the city multiple opportunities to support claimed costs. It is unreasonable for the city to state that it did not have enough time to provide supporting documentation, as the city is required to maintain supporting documentation for costs claimed. The city did not provide any additional supporting documentation for our review since our final audit report was issued.

The SCO responded to these same comments in our final audit report under "Other Issues – Audit Findings and the Audit process" (**Tab 3**).

## **VII. CONCLUSION**

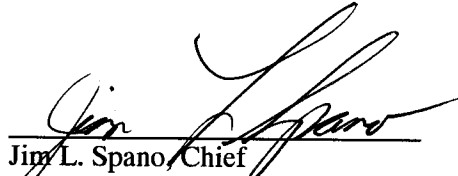
The SCO audited the City of Los Angeles's claims for costs of the legislatively mandated Animal Adoption Program (Chapter 752, Statutes of 1998; and Chapter 313, Statutes of 2004) for the period of July 1, 1998, through June 30, 2008, excluding July 1, 2003, through June 30, 2005. The city claimed \$13,368,151 (\$13,390,008 less a \$21,857 penalty for filing a late claim) for the mandated program. Our audit found that \$7,942,338 is allowable and \$5,425,813 is unallowable. The costs are unallowable primarily because the city claimed unallowable costs, claimed estimated costs, claimed unsupported costs, understated the number of non-medical records, understated the annual animal census data, overstated the number of eligible animals, understated productive hourly rates, and misstated indirect cost rates.

The Commission should find that: (1) the SCO correctly reduced the city's FY 1998-99 claim by \$445,154; (2) the SCO correctly reduced the city's FY 1999-2000 claim by \$956,087; (3) the SCO correctly reduced the city's FY 2000-01 claim by \$835,043; (4) the SCO correctly reduced the city's FY 2001-02 claim by \$1,629,170; (5) the SCO correctly reduced the city's FY 2002-03 claim by \$112,613; (6) the SCO correctly reduced the city's FY 2005-06 claim by \$320,351; (7) the SCO correctly reduced the city's FY 2006-07 claim by \$760,762; and (8) the SCO correctly reduced the city's FY 2007-08 claim by \$366,633.

**VIII. CERTIFICATION**

I hereby certify by my signature below that the statements made in this document are true and correct of my own knowledge, or, as to all other matters, I believe them to be true and correct based upon information and belief.

Executed on September 4, 2015, at Sacramento, California, by:



Jim L. Spano, Chief  
Mandated Cost Audits Bureau  
Division of Audits  
State Controller's Office

## **Tab 3**



# **CITY OF LOS ANGELES**

Audit Report

## **ANIMAL ADOPTION PROGRAM**

Chapter 752, Statutes of 1998,  
and Chapter 313, Statutes of 2004

*July 1, 1998, through June 30, 2008,  
excluding July 1, 2003, through June 30, 2005*



**JOHN CHIANG**  
California State Controller

April 2011



**JOHN CHIANG**  
California State Controller

April 6, 2011

The Honorable Antonio R. Villaraigosa  
Mayor of the City of Los Angeles  
200 North Main Stret, Suite 303  
Los Angeles, CA 90012

Dear Mayor Villaraigosa:

The State Controller's Office audited the costs claimed by the City of Los Angeles for the legislatively mandated Animal Adoption Program (Chapter 752, Statutes of 1998, and Chapter 313, Statutes of 2004) for the period of July 1, 1998, through June 30, 2008, excluding July 1, 2003, through June 30, 2005.

The city claimed \$13,368,151 (\$13,390,008 less a \$21,857 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$7,942,338 is allowable and \$5,425,813 is unallowable. The costs are unallowable primarily because the city claimed ineligible costs, claimed estimated costs, claimed unsupported costs, understated the number of non-medical records, understated the annual animal census data, overstated the number of eligible animals, understated productive hourly rates, and misstated indirect cost rates. The State paid the city \$8,303,862. The amount paid exceeds allowable costs claimed by \$361,524.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's Web site at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

JVB/wm

cc: Wendy Greuel, City Controller  
City of Los Angeles  
Brenda Barnette, General Manager  
Animal Services Department, City of Los Angeles  
Jeff Carosone, Principal Program Budget Analyst  
Cor-Gen Unit, Department of Finance  
Jay Lal, Manager  
Division of Accounting and Reporting  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Los Angeles for the legislatively mandated Animal Adoption Program (Chapter 752, Statutes of 1998, and Chapter 313, Statutes of 2004) for the period of July 1, 1998, through June 30, 2008, excluding July 1, 2003, through June 30, 2005.

The city claimed \$13,368,151 (\$13,390,008 less a \$21,857 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$7,942,338 is allowable and \$5,425,813 is unallowable. The costs are unallowable primarily because the city claimed ineligible costs, claimed estimated costs, claimed unsupported costs, understated the number of non-medical records, understated the annual animal census data, overstated the number of eligible animals, understated productive hourly rates, and misstated indirect cost rates. The State paid the city \$8,303,862. The amount paid exceeds allowable costs claimed by \$361,524

## Background

Food and Agriculture Code sections 31108, 31752-31753, 32001, and 32003 (added and amended by Chapter 752, Statutes of 1998) attempted to end the euthanasia of adoptable and treatable animals. It expressly identifies the state policy that "no adoptable animal should be euthanized if it can be adopted into a suitable home" and that "no treatable animal should be euthanized." The legislation increases the holding period for stray and abandoned dogs, cats, and other specified animals. It also requires public or private shelters to:

- Verify the temperament of feral cats;
- Post lost and found lists;
- Maintain records for impounded animals; and
- Ensure that impounded animals receive necessary and prompt veterinary care.

On January 25, 1981, the Commission on State Mandates (CSM) determined that Chapter 752, Statutes of 1998, imposed a state mandate reimbursable under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on February 28, 2002, corrected them on March 20, 2002, and last amended them on January 26, 2006. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated program reimbursable costs.

For fiscal year (FY) 2003-04, the Legislature suspended the Animal Adoption Program.

## **Objective, Scope, and Methodology**

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Animal Adoption Program for the period of July 1, 1998, through June 30, 2008, excluding July 1, 2003, through June 30, 2005.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the city's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

## **Conclusion**

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, the City of Los Angeles claimed \$13,368,151 (\$13,390,008 less a \$21,857 penalty for filing a late claim) for costs of the Animal Adoption Program. Our audit disclosed that \$7,942,338 is allowable and \$5,425,813 is unallowable.

For the FY 1998-99 claim, the State paid the city \$759,353. Our audit disclosed that \$314,199 is allowable. The State will offset \$445,154 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 1999-2000 claim, the State paid the city \$2,081,935. Our audit disclosed that \$1,125,848 is allowable. The State will offset \$956,087 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 2000-01 claim, the State paid the city \$2,172,046. Our audit disclosed that \$1,337,003 is allowable. The State will offset \$835,043 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 2001-02 claim, the State made no payment to the city. Our audit disclosed that \$1,040,998 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,040,998, contingent upon available appropriations.

For the FY 2002-03 claim, the State made no payment to the city. Our audit disclosed that \$865,501 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$865,501, contingent upon available appropriations.

For the FY 2005-06 claim, the State paid the city \$1,463,827. Our audit disclosed that \$1,143,476 is allowable. The State will offset \$320,351 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 2006-07 claim, the State paid the city \$1,826,701. Our audit disclosed that \$1,065,939 is allowable. The State will offset \$760,762 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 2007-08 claim, the State made no payment to the city. Our audit disclosed that \$1,049,374 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,049,374, contingent upon available appropriations.

**Views of  
Responsible  
Officials**

We issued a draft audit report on March 10, 2011. Brenda Barnette, General Manager, responded by letter dated March 29, 2011 (Attachment), expressing general disagreement with the audit process without responding to any specific audit findings.

**Restricted Use**

This report is solely for the information and use of the City of Los Angeles, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

April 6, 2011

**Schedule 1—  
Summary of Program Costs  
July 1, 1998, through June 30, 2008**

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>July 1, 1998, through June 30, 1999</u>				
Direct costs:				
Training	\$ 9,468	\$ 563	\$ (8,905)	Finding 1
Computer software	1,855	1,062	(793)	Finding 2
Care of maintenance of dogs and cats	186,383	—	(186,383)	Finding 3
Care and maintenance of other animals	5,510	3,156	(2,354)	Finding 3
Increased holding period	337,191	90,266	(246,925)	Finding 4
Lost and found lists	12,655	3,852	(8,803)	Finding 5
Non-medical records	47,236	56,834	9,598	Finding 6
Necessary and prompt veterinary care	50,984	25,409	(25,575)	Finding 7
Total direct costs	<u>651,282</u>	<u>181,142</u>	<u>(470,140)</u>	
Indirect costs	108,071	133,057	24,986	Finding 9
Total program costs	<u>\$ 759,353</u>	<u>314,199</u>	<u>\$ (445,154)</u>	
Less amount paid by the State		<u>(759,353)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (445,154)</u>		
<u>July 1, 1999, through June 30, 2000</u>				
Direct costs:				
Training	\$ 5,357	\$ 3,897	\$ (1,460)	Finding 1
Computer software	131,896	45,453	(86,443)	Finding 2
Care and maintenance of dogs and cats	577,369	375,062	(202,307)	Finding 3
Care and maintenance of other animals	40,450	7,031	(33,419)	Finding 3
Increased holding period	754,105	201,949	(552,156)	Finding 4
Lost and found lists	26,185	8,615	(17,570)	Finding 5
Non-medical records	140,516	127,181	(13,335)	Finding 6
Necessary and prompt veterinary care	129,149	56,834	(72,315)	Finding 7
Total direct costs	<u>1,805,027</u>	<u>826,022</u>	<u>(979,005)</u>	
Indirect costs	276,908	299,826	22,918	Finding 9
Total program costs	<u>\$ 2,081,935</u>	<u>1,125,848</u>	<u>\$ (956,087)</u>	
Less amount paid by the State		<u>(2,081,935)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (956,087)</u>		
<u>July 1, 2000, through June 30, 2001</u>				
Direct costs:				
Training	\$ 3,521	\$ 2,572	\$ (949)	Finding 1
Computer software	145,193	54,313	(90,880)	Finding 2
Care and maintenance of dogs and cats	463,535	487,021	23,486	Finding 3
Care and maintenance of other animals	13,107	7,157	(5,950)	Finding 3
Increased holding period	784,231	211,205	(573,026)	Finding 4
Lost and found lists	30,373	9,008	(21,365)	Finding 5
Non-medical records	126,793	135,995	9,202	Finding 6
Necessary and prompt veterinary care	308,004	67,504	(240,500)	Finding 7



## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>July 1, 2000, through June 30, 2001 (continued)</u>				
Total direct costs	1,874,757	974,775	(899,982)	
Indirect costs	297,289	362,228	64,939	Finding 9
Total program costs	<u>\$ 2,172,046</u>	1,337,003	<u>\$ (835,043)</u>	
Less amount paid by the State		(2,172,406)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (835,043)</u>		
<u>July 1, 2001, through June 30, 2002</u>				
Direct costs:				
Training	\$ 3,070	\$ 2,261	\$ (809)	Finding 1
Computer software	123,836	72,576	(51,260)	Finding 2
Care and maintenance of dogs and cats	686,106	307,530	(378,576)	Finding 3
Care and maintenance of other animals	21,184	7,358	(13,826)	Finding 3
Increased holding period	805,160	213,025	(592,135)	Finding 4
Lost and found lists	79,450	9,087	(70,363)	Finding 5
Non-medical records	26,714	131,162	104,448	Finding 6
Necessary and prompt veterinary care	244,864	51,839	(193,025)	Finding 7
Total direct costs	1,990,384	794,838	(1,195,546)	
Indirect costs	701,641	268,017	(433,624)	Finding 9
Total direct and indirect costs	2,692,025	1,062,855	(1,629,170)	
Less late penalty	(21,857)	(21,857)	—	
Total program costs	<u>\$ 2,670,168</u>	1,040,998	<u>\$ (1,629,170)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,040,998</u>		
<u>July 1, 2002, through June 30, 2003</u>				
Direct costs:				
Training	\$ 1,130	\$ 550	\$ (580)	Finding 1
Computer software	58,826	29,413	(29,413)	Finding 2
Care and maintenance of dogs and cats	291,737	228,809	(62,928)	Finding 3
Care and maintenance of other animals	12,018	5,642	(6,376)	Finding 3
Increased holding period	115,785	218,413	102,628	Finding 4
Lost and found lists	9,371	9,318	(53)	Finding 5
Non-medical records	23,921	124,455	100,534	Finding 6
Necessary and prompt veterinary care	226,389	38,753	(187,636)	Finding 7
Procuring equipment	78,179	12,932	(65,247)	Finding 8
Total direct costs	817,356	668,285	(149,071)	
Indirect costs	160,758	197,216	36,458	Finding 9
Total program costs	<u>\$ 978,114</u>	865,501	<u>\$ (112,613)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 865,501</u>		

## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>July 1, 2005, through June 30, 2006</u>				
Direct costs:				
Training	\$ 2,735	\$ 4,590	\$ 1,855	Finding 1
Computer software	30,522	27,261	(3,261)	Finding 2
Care and maintenance of dogs and cats	244,197	233,359	(10,838)	Finding 3
Care and maintenance of other animals	37,227	15,318	(21,909)	Finding 3
Increased holding period	246,783	295,417	48,634	Finding 4
Lost and found lists	12,237	12,600	363	Finding 5
Non-medical records	30,738	155,122	124,384	Finding 6
Necessary and prompt veterinary care	379,918	40,823	(339,095)	Finding 7
Total direct costs	984,357	784,490	(199,867)	
Indirect costs	479,470	358,986	(120,484)	Finding 9
Total program costs	<u>\$ 1,463,827</u>	1,143,476	<u>\$ (320,351)</u>	
Less amount paid by the State		(1,463,827)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (320,351)</u>		
<u>July 1, 2006, through June 30, 2007</u>				
Direct costs:				
Training	\$ 5,936	\$ 5,625	\$ (311)	Finding 1
Computer software	33,385	28,693	(4,692)	Finding 2
Care and maintenance of dogs and cats	193,875	196,262	2,387	Finding 3
Care and maintenance of other animals	99,093	17,929	(81,164)	Finding 3
Increased holding period	550,209	308,794	(241,415)	Finding 4
Lost and found lists	13,016	13,364	348	Finding 5
Non-medical records	20,871	156,162	135,291	Finding 6
Necessary and prompt veterinary care	391,374	40,429	(350,945)	Finding 7
Total direct costs	1,307,759	767,258	(540,501)	
Indirect costs	518,942	298,681	(220,261)	Finding 9
Total program costs	<u>\$ 1,826,701</u>	1,065,939	<u>\$ (760,762)</u>	
Less amount paid by the State		(1,826,701)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (760,762)</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Direct costs:				
Training	\$ 2,928	\$ 4,647	\$ 1,719	Finding 1
Computer software	—	12,000	12,000	Finding 2
Care and maintenance of dogs and cats	194,118	231,063	36,945	Finding 3
Care and maintenance of other animals	44,252	19,581	(24,671)	Finding 3
Increased holding period	293,501	302,164	8,663	Finding 4
Lost and found lists	12,206	13,270	1,064	Finding 5
Non-medical records	51,878	178,308	126,430	Finding 6
Necessary and prompt veterinary care	462,329	43,577	(418,752)	Finding 7

## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>July 1, 2007, through June 30, 2008 (continued)</u>				
Total direct costs	1,061,212	804,610	(256,602)	
Indirect costs	354,795	244,764	(110,031)	Finding 9
Total program costs	<u>\$ 1,416,007</u>	1,049,374	<u>\$ (366,633)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,049,374</u>		
<u>Summary: July 1, 1998, through June 30, 2008</u>				
Direct costs:				
Training	\$ 34,145	\$ 24,705	\$ (9,440)	
Computer software	525,513	270,771	(254,742)	
Care and maintenance of dogs and cats	2,837,320	2,059,106	(778,214)	
Care and maintenance of other animals	272,841	83,172	(189,669)	
Increased holding period	3,886,965	1,841,233	(2,045,732)	
Lost and found lists	195,493	79,114	(116,379)	
Non-medical records	468,667	1,065,219	596,552	
Necessary and prompt veterinary care	2,193,011	365,168	(1,827,843)	
Procuring equipment	78,179	12,932	(65,247)	
Total direct costs	10,492,134	5,801,420	(4,690,714)	
Indirect costs	2,897,874	2,162,775	(735,099)	
Total direct and indirect costs	13,390,008	7,964,195	(5,425,813)	
Less late penalty	(21,857)	(21,857)	—	
Total program costs	<u>\$ 13,368,151</u>	7,942,338	<u>\$ (5,425,813)</u>	
Less amount paid by the State		(8,303,862)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (361,524)</u>		
<u>Recap: by Object Account</u>				
Direct costs:				
Salaries and benefits	\$ 5,772,308	\$ 3,435,113	\$ (2,337,195)	
Materials and supplies	4,641,647	2,353,375	(2,288,272)	
Fixed assets	78,179	12,932	(65,247)	
Total direct costs	10,492,134	5,801,420	(4,690,714)	
Indirect costs	2,897,874	2,162,775	(735,099)	
Less late payment penalty	(21,857)	(21,857)	—	
Total program costs	<u>\$ 13,368,151</u>	<u>\$ 7,942,338</u>	<u>\$ (5,425,813)</u>	

<sup>1</sup> See the Findings and Recommendations section.

**Schedule 2—  
Summary of Care and Maintenance Costs  
July 1, 1998, through June 30, 2003  
and July 1, 2005, through June 30, 2008**

Category	Actual Costs Claimed	Allowable Per Audit			Audit Adjustments
		Salaries, Benefits, and Related Indirect Costs	Materials and Supplies	Total	
<b>January 1, 1999, through June 30, 1999</b>					
Total care and maintenance costs	\$ 3,398,931	\$ 4,294,154	\$ 103,013		
Total animal census	÷ 258,420	÷ 476,517	÷ 476,517		
Cost per day	<u>\$13.12</u>	<u>\$ 9.01</u>	<u>\$ 0.22</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$13.12	\$ 9.01	\$ 0.22		
Number of eligible dogs and cats	× 7,103	× —	× —		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	<u>\$ 186,383</u>	<u>\$ —</u>	<u>\$ —</u>	\$ —	\$ (186,383)
Care and maintenance of other "eligible" animals:					
Cost per day	13.12	\$ 9.01	\$ 0.22		
Number of eligible other animals	× 105	× 57	× 57		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	<u>\$ 5,510</u>	<u>\$ 3,081</u>	<u>\$ 75</u>	3,156	(2,354)
Total care and maintenance	<u>\$ 191,893</u>	<u>\$ 3,081</u>	<u>\$ 75</u>	<u>\$ 3,156</u>	<u>\$ (188,737)</u>
<b>July 1, 1999, through June 30, 2000</b>					
Total care and maintenance costs	\$ 4,304,979	\$ 4,801,703	\$ 136,599		
Total animal census	÷ 258,420	÷ 476,517	÷ 476,517		
Cost per day	<u>\$16.66</u>	<u>\$10.08</u>	<u>\$ 0.29</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$16.66	\$10.08	\$ 0.29		
Number of eligible dogs and cats	× 17,328	× 12,056	× 12,056		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	<u>\$ 577,369</u>	<u>\$ 364,573</u>	<u>\$ 10,489</u>	\$ 375,062	\$ (202,307)
Care and maintenance of other "eligible" animals:					
Cost per day	\$16.66	\$10.08	\$ 0.29		
Number of eligible other animals	× 607	× 113	× 113		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	<u>\$ 40,450</u>	<u>\$ 6,834</u>	<u>\$ 197</u>	7,031	(33,419)
Total care and maintenance	<u>\$ 617,819</u>	<u>\$ 371,407</u>	<u>\$ 10,686</u>	<u>\$ 382,093</u>	<u>\$ (235,726)</u>
<b>July 1, 2000, through June 30, 2001</b>					
Total care and maintenance costs	\$ 4,890,106	\$ 5,299,831	\$ 74,446		
Total animal census	÷ 322,295	÷ 455,088	÷ 455,088		
Cost per day	<u>\$15.17</u>	<u>\$11.65</u>	<u>\$ 0.16</u>		
Care and maintenance of dogs and cats:					
Cost per day	\$15.17	\$11.65	\$ 0.16		
Number of eligible dogs and cats	× 15,278	× 13,746	× 13,746		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	<u>\$ 463,535</u>	<u>\$ 480,423</u>	<u>\$ 6,598</u>	\$ 487,021	\$ 23,486

## Schedule 2 (continued)

Category	Actual Costs Claimed	Allowable Per Audit			Audit Adjustments
		Salaries, Benefits, and Related Indirect Costs	Materials and Supplies	Total	
<u>January 1, 2000, through June 30, 2001 (continued)</u>					
Care and maintenance of other "eligible" animals:					
Cost per day	\$15.17	\$11.65	\$ 0.16		
Number of eligible other animals	× 216	× 101	× 101		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	\$ 13,107	\$ 7,060	\$ 97	7,157	(5,950)
Total care and maintenance	\$ 476,642	\$ 487,483	\$ 6,695	\$ 494,178	\$ 17,536
<u>July 1, 2001, through June 30, 2002</u>					
Total care and maintenance costs	\$ 6,899,953	\$ 4,792,766	\$ 131,473		
Total animal census	÷ 272,290	÷ 497,945	÷ 497,945		
Cost per day	\$25.34	\$ 9.63	\$ 0.26		
Care and maintenance of dogs and cats:					
Cost per day	\$25.34	\$ 9.63	\$ 0.26		
Number of eligible dogs and cats	× 13,538	× 10,365	× 10,365		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	\$ 686,106	\$ 299,445	\$ 8,085	\$ 307,530	\$ (378,576)
Care and maintenance of other "eligible" animals:					
Cost per day	\$25.34	\$ 9.63	\$ 0.26		
Number of eligible other animals	× 209	× 124	× 124		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	\$ 21,184	\$ 7,165	\$ 193	7,358	(13,826)
Total care and maintenance	\$ 707,290	\$ 306,610	\$ 8,278	\$ 314,888	\$ (392,402)
<u>July 1, 2002, through June 30, 2003</u>					
Total care and maintenance costs	\$ 6,257,289	\$ 4,405,861	\$ 141,952		
Total animal census	÷ 449,730	÷ 450,176	÷ 450,176		
Cost per day	\$13.91	\$ 9.79	\$ 0.32		
Care and maintenance of dogs and cats:					
Cost per day	\$13.91	\$ 9.79	\$ 0.32		
Number of eligible dogs and cats	× 10,484	× 7,544	× 7,544		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	\$ 291,737	\$ 221,567	\$ 7,242	\$ 228,809	\$ (62,928)
Care and maintenance of other "eligible" animals:					
Cost per day	\$13.91	\$ 9.79	\$ 0.32		
Number of eligible other animals	× 216	× 93	× 93		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	\$ 12,018	\$ 5,463	\$ 179	5,642	(6,376)
Total care and maintenance costs	\$ 303,755	\$ 227,030	\$ 7,421	\$ 234,451	\$ (69,304)
<u>July 1, 2005, through June 30, 2006</u>					
Total care and maintenance costs	\$ 10,487,509	\$ 6,775,244	\$ 223,754		
Total animal census	÷ 509,248	÷ 515,312	÷ 515,312		
Cost per day	\$20.59	\$13.15	\$ 0.43		
Care and maintenance of dogs and cats:					
Cost per day	\$20.59	\$13.15	\$ 0.43		
Number of eligible dogs and cats	× 5,930	× 5,728	× 5,728		
Reimbursable days	× 2	× 3	× 3		

## Schedule 2 (continued)

Category	Allowable Per Audit				Audit Adjustments
	Actual Costs Claimed	Salaries, Benefits, and Related Indirect Costs	Materials and Supplies	Total	
<u>July 1, 2005, through June 30, 2006 (continued)</u>					
Total care and maintenance costs for dogs and cats	\$ 244,197	\$ 225,970	\$ 7,389	\$ 223,359	\$ (10,3838)
Care and maintenance of other "eligible" animals:					
Cost per day	\$20.59	\$ 13.15	\$ 0.43		
Number of eligible other animals	452	188	× 188		
Reimbursable days	4	6	× 6		
Total care and maintenance costs for other animals	\$ 37,227	\$ 14,833	\$ 485	15,318	(21,909)
Total care and maintenance costs	\$ 281,424	\$ 240,803	\$ 7,874	\$ 248,677	\$ (32,747)
<u>July 1, 2006, through June 30, 2007</u>					
Total care and maintenance costs	\$ 11,585,706	\$ 8,687,989	\$ 329,620		
Total animal census	÷ 655,576	÷ 706,491	÷ 706,491		
Cost per day	\$17.67	\$12.30	\$ 0.47		
Care and maintenance of dogs and cats:					
Cost per day	\$17.67	\$12.30	\$ 0.47		
Number of eligible dogs and cats	× 5,486	× 5,123	× 5,123		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	\$ 193,875	\$ 189,039	\$ 7,223	\$ 196,262	\$ 2,387
Care and maintenance of other "eligible" animals:					
Cost per day	\$17.67	\$12.30	\$ 0.47		
Number of eligible other animals	× 1,402	× 234	× 234		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	\$ 99,093	\$ 17,269	\$ 660	17,929	(81,164)
Total care and maintenance costs	\$ 292,968	\$ 206,308	\$ 7,883	\$ 214,191	\$ (78,777)
<u>July 1, 2007, through June 30, 2008</u>					
Total care and maintenance costs	\$ 12,856,179	\$10,432,321	\$ 539,706		
Total animal census	÷ 799,326	÷ 816,858	÷ 816,858		
Cost per day	\$16.08	\$ 12.77	\$ 0.66		
Care and maintenance of dogs and cats:					
Cost per day	\$16.08	\$12.77	\$ 0.66		
Number of eligible dogs and cats	× 6,036	× 5,735	× 5,735		
Reimbursable days	× 2	× 3	× 3		
Total care and maintenance costs for dogs and cats	\$ 194,118	\$ 219,708	\$ 11,355	\$ 231,063	\$ 36,945
Care and maintenance of other "eligible" animals:					
Cost per day	\$16.08	\$12.77	\$ 0.66		
Number of eligible other animals	× 688	× 243	× 243		
Reimbursable days	× 4	× 6	× 6		
Total care and maintenance costs for other animals	\$ 44,252	\$ 18,619	\$ 962	19,581	(24,671)
Total care and maintenance costs	\$ 238,370	\$ 238,327	\$ 12,317	\$ 250,644	\$ 12,274
<u>Summary: July 1, 1998, through June 30, 2008, excluding July 1, 2003, through June 30, 2005</u>					
Care and maintenance of dogs and cats	\$ 2,837,320	\$ 2,000,725	\$ 58,381	\$ 2,059,106	\$ (778,214)
Care and maintenance of other 'eligible' animals	272,841	80,324	2,848	83,172	(189,669)
Total care and maintenance costs	\$ 3,110,161	\$ 2,081,049	\$ 61,229	\$ 2,142,278	\$ (967,883)

# Findings and Recommendations

## FINDING 1— Overstated training costs

The city claimed \$34,145 for training costs during the audit period. We determined that \$24,705 is allowable and \$9,440 is unallowable. The costs were unallowable because the city overstated training hours for new employees (\$15,309) and understated productive hourly rates (\$5,869).

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
<b>Salaries and Benefits:</b>			
1998-99	\$ 9,468	\$ 563	\$ (8,905)
1999-2000	5,357	3,897	(1,460)
2000-01	3,521	2,572	(949)
2001-02	3,070	2,261	(809)
2002-03	1,130	550	(580)
2005-06	2,735	4,590	1,855
2006-07	5,936	5,625	(311)
2007-08	2,928	4,647	1,719
<b>Total</b>	<b>\$ 34,145</b>	<b>\$ 24,705</b>	<b>\$ (9,440)</b>

### *Overstated Training Hours*

The city claimed training hours for Chameleon software for all newly hired employees within the Training Costs component. During our fieldwork, the Animal Services Department provided a sample training agenda to showcase the multitude of topics covered during the training process. The department pro-rated a portion of the training time and claimed three- and two-hour increments in different fiscal periods attributed to the portion of training related to Chameleon software. The department provided a list of all new hires throughout the audit period. We calculated allowable hours based on the list of new hires provided by the department.

We concluded that the three- and two-hour training increments claimed were reasonable. However, we noted that the number of new employees reported on the claims was misstated. Subsequently, we determined that the city overstated 39 hours spent on training activities during the first four years of the audit period and understated 24 hours spent on training activities during the last four years of the audit period. As a result, allowable costs were overstated by \$15,309 during the audit period.

### *Misstated Productive Hourly Rates*

The city incorrectly calculated employee productive hourly rates during the audit period. The rates were calculated based on budgeted information rather than the actual payroll. We recalculated all productive hourly rates for all classifications of employees based on the actual annual payroll information.

During fieldwork, we received and were able to analyze the actual payroll summaries for all classifications of employees included in the claims for the last three years of the audit period fiscal year (FY) 2005-06 through FY 2007-08). However, the actual payroll information was not available for the earlier five years of the audit period. We used a consumer price index to deflate the amounts paid for labor in prior years. Our analysis revealed that the claimed productive hourly rates were generally understated. We used the revised rates in our calculations of allowable costs for all cost components. For the Training cost component, we determined that allowable costs were understated by \$5,869.

*Summary of Productive Hourly Rate Adjustments by Reimbursable Components*

The productive hourly rate calculation noted previously also affected the following reimbursable components:

<u>Reimbursable Component</u>	<u>Audit Adjustment</u>
Training	\$ 5,869
Computer software	1,707
Increased holding period	126,963
Lost and found lists	3,097
Non-medical records	35,708
Veterinary care	1,658
Total	<u>\$ 175,002</u>

The program's parameters and guidelines allow reimbursement for the one-time activity of providing training to staff on reimbursable activities.

Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

The city did not provide a response to this specific finding. However, the city did comment on the audit process and the audit findings in general. See the city's response under "Other Issues."



**FINDING 2—  
Overstated computer  
software costs**

The city claimed \$525,513 for computer software costs during the audit period. We determined that \$270,771 is allowable and \$254,742 is unallowable (\$56,259 for salaries and benefits and \$198,483 for materials and supplies). The material and supply costs were unallowable because the city did not pro-rate computer equipment and software costs attributed to the mandated activities (\$164,849), claimed unsupported costs (\$41,889), claimed unallowable invoices (\$37,991), and did not claim allowable costs of \$46,246. The salary and benefit costs were unallowable because the city did not pro-rate the Chameleon maintenance hours attributed to the mandated activities (\$57,966) and understated productive hourly rates (\$1,707).

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
<b>Salaries and benefits:</b>			
1998-99	\$ 1,855	\$ 1,062	\$ (793)
1999-2000	5,237	2,997	(2,240)
2000-01	4,655	3,110	(1,545)
2001-02	5,453	3,138	(2,315)
2002-03	34,826	17,413	(17,413)
2005-06	30,522	15,261	(15,261)
2006-07	33,385	16,693	(16,692)
<b>Total salaries and benefits</b>	<b>115,933</b>	<b>59,674</b>	<b>(56,259)</b>
<b>Materials and supplies:</b>			
1999-2000	126,659	42,456	(84,203)
2000-01	140,538	51,203	(89,335)
2001-02	118,383	69,438	(48,945)
2002-03	24,000	12,000	(12,000)
2005-06	—	12,000	12,000
2006-07	—	12,000	12,000
2007-08	—	12,000	12,000
<b>Total materials and supplies</b>	<b>409,580</b>	<b>211,097</b>	<b>(198,483)</b>
<b>Total</b>	<b>\$ 525,513</b>	<b>\$ 270,771</b>	<b>\$ (254,742)</b>

*Chameleon System Screens Analysis*

The Los Angeles Animal Services Department purchased Chameleon software for FY 1999-2000. All of the city's shelters use the Chameleon system to maintain animal records. The Chameleon database has various screens that contain options for storing animal information. Some screens relate to the mandated activities and some do not.

The department performed an analysis of its Chameleon software system to determine the extent the system was used for mandated activities. In this analysis, the department identified the following 10 screens and the approximate percentages of those screens as they relate to the entire software system:

1. Animal Window – 11%
2. Kennel Window – 20%
3. Cham Cam – 4%
4. Person Window – 7%
5. Tag / Link Window – 10%

6. Receipt Window – 13%
7. Treatment and To Do Window – 15%
8. Activity and Dispatch Windows – 10%
9. Memo Window – 5%
10. Other Windows – 5%

In suggesting percentages for each of the screens, the department took into consideration how much time, on average, shelter staff spends noting information in each screen, how often these screens get updated, and the approximate amount of information contained within each screen.

Per discussions with the department's staff, we determined that 5 of the 10 screens identified above have a direct relation to the mandated activities. The mandate-related screens are as follows:

1. Animal Window
2. Kennel Window
3. Cham Cam
4. Person Window
5. Memo Window

We determined that the mandate-related windows comprise approximately 50% of the total Chameleon screens and information contained in those screens. We applied this 50% pro-rata percentage to all allowable costs in our calculations. Subsequently, we concluded that the city overstated allowable computer equipment costs totaling \$164,849 and overstated salary and benefit costs totaling \$57,966 during the audit period.

#### *Misstated and Unsupported Computer Equipment Costs*

The city was unable to provide invoices for all computer purchases claimed throughout the audit period. The unsupported portion of the costs totaled \$41,889. In addition, the city claimed unallowable costs totaling \$37,991 for FY 2000-01. The unallowable costs consisted of one license-renewal fee that was claimed twice in the same fiscal year and one invoice containing generic software licenses that were unrelated to Chameleon software. In addition, the city did not include in its claims additional costs totaling \$46,246 for FY 2001-02 and FY 2005-06 through FY 2007-08. The additional amount includes additional invoices totaling \$10,246 for computer hardware for FY 2001-02 and Chameleon licensing fees totaling \$36,000 for FY 2005-06 through FY 2007-08.

#### *Understated Productive Hourly Rates*

As identified in Finding 1, the city generally understated employee productive hourly rates. We applied the adjusted rates and determined that allowable costs for this component were understated by \$1,707.

The parameters and guidelines allow reimbursement for developing or procuring computer software for the maintenance of specified animal records. In addition, the parameters and guidelines state that if the computer software is used in a way that is not directly related to the

maintenance of animal records, then only the pro-rata portion of the activity that is used for compliance with the mandated program is reimbursable.

Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

The city did not provide a response to this specific finding. However, the city did comment on the audit process and the audit findings in general. See the city's response under "Other Issues."

**FINDING 3—  
Overstated care and  
maintenance costs**

The city claimed \$3,110,161 for care and maintenance costs during the audit period. We determined that \$2,142,278 is allowable and \$967,883 is unallowable. The costs were unallowable because the city incorrectly reported annual expenditures attributed to the care and maintenance function, incorrectly calculated the yearly census of dogs and cats and other animals, and subsequently overstated the claimed costs per animal per day in each fiscal period. In addition, the city incorrectly calculated the number of eligible stray dogs and cats and other animals that died during the increased holding period or were ultimately euthanized. The city also used an incorrect number of reimbursable days for this component.

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

Fiscal Year	Amount Claimed			Amount Allowable			Audit Adjustment
	Dogs/Cats	Other Animals	Total Claimed	Dogs/Cats	Other Animals	Total Allowable	
Care and maintenance:							
1998-99	\$ 186,383	\$ 5,510	\$ 191,893	\$ —	\$ 3,156	\$ 3,156	\$ (188,737)
1999-2000	577,369	40,450	617,819	375,062	7,031	382,093	(235,726)
2000-01	463,535	13,107	476,642	487,021	7,157	494,178	17,536
2001-02	686,106	21,184	707,290	307,530	7,358	314,888	(392,402)
2002-03	291,737	12,018	303,755	228,809	5,642	234,451	(69,304)
2005-06	244,197	37,227	281,424	233,359	15,318	248,677	(32,747)
2006-07	193,875	99,093	292,968	196,262	17,929	214,191	(78,777)
2007-08	194,118	44,252	238,370	231,063	19,581	250,644	12,274
<b>Total</b>	<b>\$ 2,837,320</b>	<b>\$ 272,841</b>	<b>\$ 3,110,161</b>	<b>\$ 2,059,106</b>	<b>\$ 83,172</b>	<b>\$ 2,142,278</b>	<b>\$ (967,883)</b>

The care and maintenance formula calculations of claimed, allowable, and unallowable costs by fiscal year are presented in Schedule 2—Summary of Care and Maintenance Costs.

During our review, we noted the following issues:

- The city did not use actual expenditure amounts relating to care and maintenance to calculate the cost per animal per day. Instead, the city used budgeted expenditure amounts that were not actual costs. In addition, the costs that the city reported were not pro-rated to the portion of the costs relating to the care and maintenance functions.
- The city did not use accurate annual animal census information to calculate the cost per animal per day.
- The city overstated the cost per animal per day in each fiscal year of the audit period.
- The city did not use the accurate number of eligible dogs and cats and other animals that died during the increased holding period or were ultimately euthanized. This error occurred primarily because the city did not account for all animal population exclusions noted in the parameters and guidelines.
- The city did not use the correct number of reimbursable increased holding period days to calculate claimed costs.

Our analysis of each issue identified in this list is presented below in the same order as listed above.

*Total Annual Expenditures Related to Care and Maintenance*

The city did not use the actual expenditure amounts relating to care and maintenance that it incurred to calculate the cost per animal per day. Instead, the city used budgeted expenditure amounts that were not actual costs and were not pro-rated to the portion of the costs relating to the care and maintenance functions.

The following table summarizes claimed, allowable, and unallowable expenditure amounts used for the calculation of care and maintenance costs:

Fiscal Year	Amount Claimed	Amount Allowable		Audit Adjustment
		Salaries, Benefits and Indirect Cost	Materials and Supplies	
<b>Care and maintenance expenditures:</b>				
1998-99	\$ 3,398,931	\$ 4,294,154	\$ 103,013	\$ 998,236
1999-2000	4,304,979	4,801,703	136,599	633,323
2000-01	4,890,106	5,299,831	74,446	484,171
2001-02	6,899,953	4,792,766	131,473	(1,975,714)
2002-03	6,257,289	4,405,861	141,952	(1,709,476)
2005-06	10,487,509	6,775,244	223,754	(3,488,511)
2006-07	11,585,706	8,687,989	329,620	(2,568,097)
2007-08	12,856,179	10,432,321	539,706	(1,884,152)
<b>Total</b>	<b>\$ 60,680,652</b>	<b>\$ 49,489,869</b>	<b>\$ 1,680,563</b>	<b>\$ (9,510,220)</b>

**Labor Costs Related to Care and Maintenance (Salaries, Benefits, and Indirect Costs)**

During the course of the audit, we requested that the city provide the actual salary amounts paid to those employee classifications directly involved with the care and maintenance function. We also requested the duty statements for such classifications to assist us in determining the percentage of daily workload that was devoted to caring and maintaining animals. The Animal Services Department provided a list of personnel who participate in the care and maintenance functions. The department also provided information relating to the involvement level of each classification and submitted job duty statements that supported the its proposed pro-rated percentages.

As proposed by the department, we used the following employee classifications and percentages of their annual salary, benefit, and related indirect costs to calculate labor costs relating to the Care and Maintenance cost component for each fiscal year:

- Animal Care Technicians (80%)
- Animal Care Technician Supervisor (40%)

We used actual annual payroll information for each employee classification for the last three years of the audit period (FY 2005-06 through FY 2007-08). However, the actual payroll information was not

available for the earlier five years of the audit period. We used a consumer price index to deflate the amounts paid for labor in these prior years.

#### Materials and Supplies Costs Related to Care and Maintenance

Subsequent to the issuance of the draft audit report, the city submitted documentation supporting actual materials and supplies expenditures incurred for care and maintenance activities. The city submitted summary reports containing year end expenditures by vendor for two accounts:

1. Account 4580 – Animal Food
2. Account 6020 – Shelters Operating Supplies

For the audit period, the year end expenses submitted totaled \$2,488,030 for both accounts. We examined the detailed spreadsheets with expenditures by vendor in both accounts to determine whether any of the submitted costs could be potentially included in our calculation of allowable care and maintenance costs. Of the \$2,488,030 in costs submitted, we concluded that costs totaling \$1,680,563 were allowable. Accordingly, we included these costs in the care and maintenance formula calculations.

The following table summarizes the amounts submitted, allowable, and audit adjustment by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
<b>Account 4580 – Animal Food:</b>			
1998-99	\$ 79,175	\$ 79,175	\$ —
1999-2000	118,361	112,034	(6,327)
2000-01	48,325	48,325	—
2001-02	71,335	71,335	—
2002-03	76,695	76,695	—
2005-06	115,602	107,736	(7,866)
2006-07	178,828	178,828	—
2007-08	288,067	288,067	—
<b>Total animal food</b>	<b>976,388</b>	<b>962,195</b>	<b>(56,259)</b>
<b>Account 6020 – Operating supplies</b>			
1998-99	148,213	23,838	(124,375)
1999-2000	89,209	24,565	(64,644)
2000-01	126,057	26,121	(99,936)
2001-02	136,362	60,138	(76,224)
2002-03	125,345	65,257	(60,088)
2005-06	200,587	116,018	(84,569)
2006-07	325,315	150,792	(174,523)
2007-08	360,554	251,639	(108,915)
<b>Total operating supplies</b>	<b>1,511,642</b>	<b>718,368</b>	<b>(793,274)</b>
<b>Total</b>	<b>\$ 2,488,030</b>	<b>\$ 1,680,563</b>	<b>\$ (807,467)</b>

#### *Expenses Unrelated to the function of caring and maintaining animals:*

During fieldwork, we discussed with department staff the reimbursable criteria for this cost component. With the department's assistance, we identified specific types of materials and supplies expenditures that

might be allowable under the component of care and maintenance. The department's staff agreed that allowable expenditures for this component would primarily include animal food and cleaning supplies.

Upon our review of the city's additional documentation, we concluded that some expenditures were unallowable under the Care and Maintenance cost component. We excluded any expenses that were unrelated to the function of caring and maintaining the animals. The examples of unallowable expenses include the following:

- Office supplies, such, calculators, staples, office furniture, etc.
- Printing supplies, such as paper and ink
- Film processing and camera expenses
- Shooting range expenses
- Cell phone expenses
- Relocation expenses
- Expenses for animal traps
- Expenses for license tags
- Magazine subscription expenses
- Laboratory services
- Diagnostic services
- Medical waste disposal services
- Medical expenses
- Petty cash funds
- Bank card payment expenditures for the department's administrative purchases

During fieldwork and status meetings, we discussed the types of vendors and allowable expenses that could be included in our calculation of allowable care and maintenance costs. We determined that allowable expenses by vendor included the following:

- Newco Distributors – Account 4580, Vendor ID #000022807
- Empire Cleaning Supply – Account 6020, Vendor ID #000001138
- Gale Supply Co (Cleaning Supplies) – Account 6020, Vendor ID #000001313
- Animal Health and Sanitary Supply (Cleaning Supplies) – Account 6020, Vendor ID #000041889
- C Specialties Inc (Animal Care Products) – Account 6020, Vendor ID #000038437
- BJ Enterprises (food storage supplies) – Account 6020, Vendor ID #000022709
- Animal Care – Account 6020, Vendor ID #000029262

*Additional Allowable Care and Maintenance Costs Resulting from New Information*

We incorporated the additional materials and supplies costs identified above into our calculations of allowable care and maintenance costs. After adding the allowable materials and supplies costs into the care and maintenance formula, additional allowable care and maintenance costs total \$61,229 for the audit period.

The following table summarized the revised allowable amounts for care and maintenance expenses by fiscal year:

Fiscal Year	Previous Allowable Amount			Revised Allowable Amount			Audit Adjustment
	Dogs/Cats	Other Animals	Total Allowable Amount	Dogs/Cats	Other Animals	Total Revised Allowable Amount	
Care and maintenance:							
1998-99	\$ —	\$ 3,081	\$ 3,081	\$ —	\$ 3,156	\$ 3,156	\$ 75
1999-2000	364,573	6,834	371,407	375,062	7,031	382,093	10,686
2000-01	480,423	7,060	487,483	487,021	7,157	494,178	6,695
2001-02	299,445	7,165	306,610	307,530	7,358	314,888	8,278
2002-03	221,567	5,463	227,030	228,809	5,642	234,451	7,421
2005-06	225,970	14,833	240,803	233,359	15,318	248,677	7,874
2006-07	189,039	17,269	206,308	196,262	17,929	214,191	7,883
2007-08	219,708	18,619	238,327	231,063	19,581	250,644	12,317
<b>Total</b>	<b>\$ 2,000,725</b>	<b>\$ 80,324</b>	<b>\$ 2,081,049</b>	<b>\$ 2,059,106</b>	<b>\$ 83,172</b>	<b>\$ 2,142,278</b>	<b>\$ 61,229</b>

The revised care and maintenance formula calculations of claimed, allowable, and unallowable costs by fiscal year are also presented in Schedule 2—Summary of Care and Maintenance Costs.

#### *Annual Animal Census Data*

The yearly census refers to the total number of days that all animals were housed in the city's shelters. The Animal Services Department was able to provide the actual animal census information from its Chameleon tracking system for FY 2000-01 through FY 2007-08. For the earlier two years, for which Chameleon statistics were not available, we were able to use the average data from animal statistics available for FY 2000-01 and FY 2001-02.

#### *Exclusions*

The only two exclusions noted in this category were the animals that came in Dead on Arrival (DOA) or Missing. We did not count DOA animals as part of the annual census because no costs were incurred to care for them. In addition, we did not count Missing animals as part of the annual census because their holding period was unknown.

#### *Input Errors*

During our analysis of the annual census information, we noted some data input errors relating to dates. Some animal entries showed a negative holding period or extraordinarily long holding periods (e.g., exceeding ten years). Because these input errors were very obvious, we either eliminated these animals from the population or changed the incoming or outgoing dates.

Our review of the Chameleon animal information indicated that the city understated the annual animal census in each fiscal year of the audit period.



The following table summarizes the claimed, allowable, and revised animal census information by fiscal year:

Fiscal Year	Total Claimed	Animal Census Allowable			Total Allowable	Audit Adjustment
		Dogs/Cats	Birds	Other Animals		
Annual animal census:						
1998-99	258,420	—	—	—	476,517	218,097
1999-2000	258,420	—	—	—	476,517	218,097
2000-01	322,295	405,287	21,792	28,009	455,088	132,793
2001-02	272,290	418,756	37,926	41,263	497,945	225,655
2002-03	449,730	407,574	13,821	28,781	450,176	446
2005-06	509,248	415,652	17,307	82,353	515,312	6,064
2006-07	655,576	525,522	15,520	165,449	706,491	50,915
2007-08	799,326	695,980	34,574	86,304	816,858	17,532
<b>Total</b>	<b>3,525,305</b>	<b>2,868,771</b>	<b>140,940</b>	<b>432,159</b>	<b>4,394,904</b>	<b>869,599</b>

#### *Cost Per Animal Per Day*

The actual cost formula requires the eligible annual cost of care to be divided by the yearly census to arrive at an average cost per animal per day. The cost per animal per day is then multiplied by the eligible number of animals and the number of increased holding period days.

We used the audited annual expenditures and the annual animal census information to calculate the allowable cost per animal per day. We concluded that the city overstated the cost per animal per day in each fiscal period, as shown in the table below.

Fiscal Year	Cost Claimed	Cost Allowable	Audit Adjustment
Cost per animal per day:			
1998-99	\$ 13.12	\$ 9.23	\$ (3.89)
1999-2000	16.66	10.37	(6.29)
2000-01	15.17	11.81	(3.36)
2001-02	25.34	9.89	(15.45)
2002-03	13.91	10.11	(3.80)
2005-06	20.59	13.58	(7.01)
2006-07	17.67	12.77	(4.90)
2007-08	16.08	12.43	(2.65)

#### *Eligible Animal Population*

We determined the eligible animal population for dogs and cats and other animals by analyzing the Chameleon database information and taking into account all exclusions per the requirement of the mandated program. The following animals were excluded from the population of eligible animals:

- Dogs and cats and other animals that were owner-surrendered or previously owned (only stray animals were included in the eligible population);
- Dogs, cats, and other animals that were ultimately adopted, transferred, rescued, or redeemed (only those animals with the outcome of "died" or "euthanized" were reviewed);

- Dogs, cats, and other animals that went missing from their kennels, were stolen, or escaped;
- Dogs, cats, and other animals that were DOA;
- Dogs, cats, and other animals that were euthanized as requested by owners or if euthanasia was required / requested (“Dispo Req” or “Euth Req”);
- Dogs, cats, and other animals that were euthanized for humane reasons (usually on day 1);
- Dogs, cats, and other animals that were suffering from a serious illness or severe injury (usually euthanized on day 1 or died on day 1);
- Newborn animals that need maternal care and were impounded without their mothers (usually died or were euthanized within the first few days; the excluded categories included “Unweaned” or “8 weeks unsustainable”);
- Ineligible other animals such as rodents, livestock, or wild animals;
- Ineligible birds, such as pigeons, doves, ducks, chickens, owls, pheasants, mallards, and gamefowls;
- Dogs and cats that died in the shelter’s kennels outside of increased holding period (days 1, 2, 3, and day 7 and beyond), as per the requirements of the mandate. (Local agencies are eligible to receive reimbursement to care for dogs and cats that *died during the increased holding period* [days 4, 5, and 6]);
- “Other” animals that died in the shelters’ kennels on day 7 and beyond (after the increased holding period). (Local agencies are eligible to receive reimbursement to care for other animals that *died during the increased holding period* [days 2, 3 through 6]); and
- Dogs, cats, and other animals that were euthanized during the holding period as per the requirements of the mandate. The agencies are eligible to receive reimbursement to care for dogs and cats and other animals that were *euthanized after the holding period* (day 7 of the holding period and beyond).

Our review of the Chameleon database revealed that the city overstated eligible animal populations in each fiscal period.

The following table summarizes the claimed, allowable, and unallowable animals for the audit period by fiscal year:

Fiscal Year	Animals Claimed			Animals Allowable			Audit Adjustment
	Dogs/ Cats	Other Animals	Total Claimed	Dogs/ Cats	Other Animals	Total Allowable	
Eligible animals:							
1998-99	7,103	105	7,208	—	56	56	(7,152)
1999-2000	17,328	607	17,935	12,056	113	12,169	(5,766)
2000-01	15,278	216	15,494	13,746	101	13,847	(1,647)
2001-02	13,538	209	13,747	10,365	124	10,489	(3,258)
2002-03	10,484	216	10,700	7,544	93	7,637	(3,063)
2005-06	5,930	452	6,382	5,728	188	5,916	(466)
2006-07	5,486	1,402	6,888	5,123	234	5,357	(1,531)
2007-08	6,036	688	6,724	5,735	243	5,978	(746)
<b>Total</b>	<b>81,183</b>	<b>3,895</b>	<b>85,078</b>	<b>60,297</b>	<b>1,152</b>	<b>61,449</b>	<b>(23,629)</b>

#### *Increased Holding Period Days*

The parameters and guidelines identify the number of reimbursable days for dogs and cats to be the difference between three days from the day of capture and four business days from the day after impoundment. For other animals, the parameters and guidelines identify the number of reimbursable days to be four business days from the day after impoundment.

Determining the exact number of reimbursable days is often difficult. Depending on the impound day, each animal will have a different holding period requirement. For example, for a dog impounded at noon on Monday, the “old” law (prior to 1999) requires the city to hold the dog until noon on Thursday (72 hours); the current law requires the city to hold the dog until closing on Friday (which is 4 business days following impoundment). Under the current law, the holding period was increased by 1 day and 5 hours (or 29 hours). However, for the dog impounded at noon on Friday, the “old” law requires the city to hold the dog until noon on Monday (72 hours); and the current law requires the city to hold the dog until closing on Friday (which is 4 business days following impoundment). Under the current law, the holding period was increased by 4 days and 5 hours (or 101 hours).

This calculation takes into consideration that the required holding period does not include either Saturday or Sunday as a business day, which is consistent with the Appellate Court decision dated March 26, 2010, in the case of *Purifoy et al v. Howell*. We also took into consideration the operating schedules of the city’s shelters; some shelters are closed on Mondays. In such cases, we did not count Monday as a business day.

To determine the number of reimbursable days for all of the city’s shelters, we analyzed every possible impound option (e.g., Monday impound, Tuesday impound, Wednesday impound, etc.) and determined the average increased holding period for dogs and cats to be 3 days and the average increased holding period for other “eligible” animals to be 6 days.

The following chart summarizes the formula:

**Care and Maintenance Formula for Dogs and Cats**

$$\begin{array}{l} \text{Cost per animal} \times \text{Eligible dogs and cats} \times \text{Number of Increased Days} \\ \text{per day} \qquad \qquad \qquad \text{(died days 4,5,6)} \qquad \qquad \qquad \text{(3 days for dogs and cats)} \\ \qquad \qquad \qquad \qquad \qquad \text{(euthanized days 7 and on)} \end{array}$$

**Care and Maintenance Formula for Other Animals**

$$\begin{array}{l} \text{Cost per animal} \times \text{Eligible Animals} \times \text{Number of Increased Days} \\ \text{per day} \qquad \qquad \qquad \text{(died days 2,3,4,5,6)} \qquad \qquad \qquad \text{(6 days for other)} \\ \qquad \qquad \qquad \qquad \qquad \text{(euthanized days 7 and on)} \end{array}$$

The parameters and guidelines (section IV.B.3—Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or Are Ultimately Euthanized) identify the following reimbursable activities:

Beginning July 1, 1999 – Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four or six business days from the day after impoundment.

The parameters and guidelines (section IV.B.4—Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or Are Ultimately Euthanized) also state:

Beginning January 1, 1999 – For providing care and maintenance for . . . stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats and other animals:

- Stray or abandoned dogs, cats, and other animals that are irremediably suffering from a serious illness or severe injury,
- Newborn stray or abandoned dogs, cats, and other animals that need maternal care and have been impounded without their mothers,
- Stray or abandoned dogs, cats, and other animals too severely injured to move or when a veterinarian is not available and it would be more humane to dispose of the animal,
- Owner-relinquished dogs, cats, and other animals, and
- Stray or abandoned dogs, cats, and other animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Eligible claimants may elect one of two methods, actual cost method or time study method, to claim costs for the care and maintenance of impounded stray or abandoned dogs, cats, and other animals that die during the increased holding period or are ultimately euthanized. The city elected to use the actual cost method to claim these costs.

Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period. The computation method is as follows:

1. Determine the total annual cost of care and maintenance for all dogs, cats, and other animals impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
2. Determine the average daily census of all dogs, cats, and other animals. For purposes of claiming reimbursement under IV.B.3, "average daily census" is defined as the average number of all dogs and cats at a facility housed on any given day, in 365-day period and the average number of all other animals at a facility housed on any given day, in a 365-day period.
3. Multiply the average daily census of dogs, cats, and other animals by 365 = the yearly census of dogs and cats and the yearly census of other animals.
4. Divide the total annual cost of care by the yearly census of dogs and cats = cost per dog and cat per day and yearly census of other animals = cost per other animal per day.
5. Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs, cats, and other animals that die during the increase holding period or are ultimately euthanized by each reimbursable day. The reimbursable day for cats and dogs is the difference between three days from the day of capture, and four or six business days from the day after impoundment.

#### Care and Maintenance Formula

The parameters and guidelines provide for a formula-driven methodology to determine allowable mandated costs for the care and maintenance of dogs and cats and other animals. The use of this method requires claimants to calculate the total amount of eligible costs incurred to provide care and maintenance for the animals housed in its shelter. This total is divided by the annual census of animals housed in the shelter to determine a cost per animal per day. The next element of the formula is adding the number of stray and abandoned animals that died of natural causes during the holding period plus those animals that were euthanized after the required holding period. This total number of animals is then multiplied by the cost per animal per day. The resulting amount represents allowable costs for providing care and maintenance.

The mandate is reimbursing claimants for costs associated with animals that were not relinquished, redeemed, adopted, or released to a nonprofit agency—animals for which the local agency was unable to assess fees to recover such costs.

Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

The city did not respond to this finding. However, the city provided additional supporting documentation subsequent to the issuance of the draft audit report.

SCO's Comment

The finding amount decreased by \$61,229—from \$1,029,112 to \$967,883 based on the additional information provided. The recommendation remains unchanged.

**FINDING 4—  
Overstated increased  
holding period costs**

The city claimed \$3,886,965 for increased holding period costs for the audit period. We determined that \$1,841,233 is allowable and \$2,045,732 is unallowable. The unallowable costs occurred because the city overstated allowable hours and the number of allowable positions (\$2,172,695) and understated productive hourly rates (\$126,963).

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and benefits:			
1998-99	\$ 337,191	\$ 90,266	\$ (246,925)
1999-2000	754,105	201,949	(552,156)
2000-01	784,231	211,205	(573,026)
2001-02	805,160	213,025	(592,135)
2002-03	115,785	218,413	102,628
2005-06	246,783	295,417	48,634
2006-07	550,209	308,794	(241,415)
2007-08	293,501	302,164	8,663
<b>Total</b>	<b>\$ 3,886,965</b>	<b>\$ 1,841,233</b>	<b>\$ (2,045,732)</b>

*Misstated Allowable Hours and Employee Positions*

The city claimed hours for Animal Care Technicians, Animal Care Technician Supervisors, Animal Control Officers, and Clerk Typists for working on one of the weekend days. The city, however, did not take into account the difference between the regular staffing needs and the increased staffing needs to comply with the requirement of this component. As a result, the city overstated the number of eligible employee positions and did not properly calculate the number of reimbursable hours per each position. This resulted in overstated costs totaling \$2,172,695 during the audit period.

*Hours of Operation*

The city provided documentation identifying the hours of operation for its animal shelters. All shelters in the city operate on the same schedule and stay open to the public six days a week (excluding Mondays), from 8 am until 5 pm. Thus, as per the requirement of the mandate, each shelter makes animals available for owner redemption or adoption on either of the weekend days. We concluded that reimbursement is allowable for the increased and eligible staffing on Saturdays.

*Staffing Requirements*

For agencies using the holding period of four business days after the day of impoundment, we needed to determine the additional costs incurred to have the impounded animals available for owner redemption or adoption. In order to determine the additional staffing requirements, we inquired about the number of employees and classifications of staff members working when the shelter is closed to the public (Mondays) and the staffing needed to comply with the mandate and stay open during the increased hours (Saturdays).

When the shelter is closed to the public, animals must still be cared for and fed. Usually, most of the staff members whose duties include caring for animals would be at the shelters regardless of whether the shelters were open to the public or not. Therefore, as the main duties of these employees are to care and maintain animals, these positions are generally not reimbursable for this cost component.

However, some positions are reimbursable under this component depending on the increased staffing needs on those days when the shelter is open to the public. To demonstrate the increased staffing requirements for Saturdays, the city provided monthly working schedules for each shelter. After reviewing these schedules, we determined that the following additional employees were needed to comply with the mandate requirement and stay open during one weekend day.

- Animal Care Technicians (10 positions, 9 hours each)
- Animal Care Technician Supervisor (1 position, 9 hours)
- Front Counter Clerks (10 positions, 8 hours each)

#### *Allowable Annual Hours*

Starting with FY 1999-2000, we calculated allowable annual hours the same way for every year using the following formula:

$$\frac{\text{Allowable weekly hours per classification} \times \text{Number of positions} \times 52}{\text{weeks}}$$

The following table summarizes the annual hours per employee classification needed to perform the mandated activities:

<u>Employee Classification</u>	<u>Number of Eligible Employees</u>	<u>Allowable Weekly Hours</u>	<u>Allowable Annual Hours</u>
Animal Care Technicians	10	9	4,680
ACT Supervisor	1	9	468
Front Counter Clerks	10	8	4,160
			<u>9,308</u>

The FY 1998-99 reimbursement period for this cost component began in January 1999. Accordingly, we reduced allowable annual hours by half for this fiscal period.

#### *Understated Productive Hourly Rates*

As identified in Finding 1, the city generally understated employee productive hourly rates. We applied the adjusted rates and determined that allowable costs for this component were understated by \$126,963.

The parameters and guidelines (section IV.B.5—Using the Holding Period of Four Business Days After the Day of Impoundment) state that the following activities are reimbursable beginning January 1, 1999, for impounded animals specified in Food and Agriculture Code section 31753 (“other animals”), and beginning July 1, 1999, for impounded dogs and cats:



- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full time employees or that are not open during all regular weekday business hours, establishing a procedure to enable the owner to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

The city did not provide a response to this specific finding. However, the city did comment on the audit process and the audit findings in general. See the city's response under "Other Issues."

**FINDING 5—  
Overstated lost and  
found lists costs**

The city claimed \$195,493 for the Lost and Found Lists cost component during the audit period. We determined that \$79,114 is allowable and \$116,379 is unallowable. The costs were unallowable because the city claimed estimated hours in the first four years of the audit period (\$77,428), claimed unsupported Web project development costs (\$44,699), understated allowable hours due to rounding errors in the time study (\$2,651), and understated employee productive hourly rates (\$3,097).

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
Salaries and benefits:			
1998-99	\$ 12,655	\$ 3,852	\$ (8,803)
1999-2000	26,185	8,615	(17,570)
2000-01	30,373	9,008	(21,365)
2001-02	54,530	9,087	(45,443)
2002-03	9,371	9,318	(53)
2005-06	12,237	12,600	363
2006-07	13,016	13,364	348
2007-08	12,206	13,270	1,064
Total salaries and benefits	<u>170,573</u>	<u>79,114</u>	<u>(91,459)</u>
Materials and supplies:			
2001-02	24,920	—	(24,920)
Total	<u>\$ 195,493</u>	<u>\$ 79,114</u>	<u>\$ (116,379)</u>

*Estimated and Unsupported Costs*

The city claimed estimated hours for Clerk Typists for FY 1998-99 through FY 2001-02. The estimated salary and benefit costs totaled \$77,428. Furthermore, the city also claimed unsupported costs for the creation of its Web site for FY 2001-02 totaling \$19,779 for salaries and benefits and \$24,920 for materials and supplies. The city did not provide any documentation to support claimed costs nor document the pro-rated portion of these costs attributed to the mandated activity of Lost and Found Lists.

*Time Study*

Starting with FY 2002-03, the city started claiming hours based on a time study that it conducted for this cost component. The time study recorded the time increments for the Clerk Typists to print out and display the stray sheets and inventory of stray animals for the public to review. The time study results showed that it takes an average of 11.63 minutes each day for Clerk Typists to perform this activity at each of the city's shelters. The city claimed 11 minutes per clerk (one clerk per each shelter) for this component starting in FY 2002-03. Our review of the time study revealed rounding errors in the city's favor. We calculated allowable hours using 11.63 minutes for one Clerk Typists per day at each of the six shelters. We applied the results of the time study for all years in the audit period.

Using the methodology described above, we calculated allowable annual hours totaling 424.50 per fiscal year, as shown in the table below. For FY 1998-99, reimbursement begins in January 1999, so we used half of total hours allowable for this fiscal year.

<u>Employee Classification</u>	<u>Number of Eligible Employees</u>	<u>Allowable Daily Minutes</u>	<u>Allowable Annual Hours</u>
Front Counter Clerks	6	11.63	424.50

The city understated allowable hours from the time study due to the rounding errors. As a result, allowable costs were understated by \$2,651 for the audit period.

#### *Understated Productive Hourly Rates*

As identified in Finding 1, the city generally understated employee productive hourly rates. We applied the adjusted rates and determined that allowable costs for this component were understated by \$3,097.

The parameters and guidelines (section IV.B.7—Lost and Found Lists) identify the following reimbursable activities:

Beginning January 1, 1999 – Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on “lost and found” lists maintained by the agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

#### Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

#### City’s Response

The city did not provide a response to this specific finding. However, the city did comment on the audit process and the audit findings in general. See the city’s response under “Other Issues.”

**FINDING 6—  
Understated non-medical  
records costs**

The city claimed \$468,667 for the Maintaining Non-Medical Records cost component during the audit period. We determined that \$1,065,219 is allowable and the city underclaimed costs in the net amount of \$596,552. The costs were misstated because the city claimed overstated and unallowable time increments per non-medical record during the first three years of the audit period (\$237,933), understated the number of eligible animal records (\$814,940), overstated hours spent by the Systems Analyst classification performing mandated activities (\$16,163), and understated productive hourly rates (\$35,708).

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Salaries and benefits:			
1998-99	\$ 47,236	\$ 56,834	\$ 9,598
1999-2000	140,516	127,181	(13,335)
2000-01	126,793	135,995	9,202
2001-02	26,714	131,162	104,448
2002-03	23,921	124,455	100,534
2005-06	30,738	155,122	124,384
2006-07	20,871	156,162	135,291
2007-08	51,878	178,308	126,430
Total	<u>\$ 468,667</u>	<u>\$ 1,065,219</u>	<u>\$ 596,552</u>

*Overstated and Unallowable Costs*

In the first three years of the audit period (FY 1998-99 through FY 2000-01), the city claimed 20 minutes per animal record for Veterinary Assistants to record information relating to the health of animals. However, recording animal health information is not a reimbursable activity and is, therefore, unallowable. The unallowable costs in the first three years of the audit period totaled \$237,933.

*Time Study*

In the latter five years of the audit period (FY 2001-02, FY 2002-03, and FY 2005-06 through FY 2007-08), the city claimed 5 minutes per non-medical animal record for the Animal Care Technicians to input animal intake information based on the results of the time study. The city then applied the 5-minute increments from the time study to the number of records processed for euthanized animals. After reviewing the time study results, we concluded that the 5-minute increments were reasonable and well-supported. We applied the 5-minute increments per non-medical record in all fiscal years of the audit period, including the first three years during which the hours were unallowable.

*Involvement Level of Various Employee Classifications*

The city's time study documented that record-keeping was performed by the Animal Care Technicians. However, during audit fieldwork, the city provided intake animal statistics supporting the involvement level of

Animal Care Technicians and Animal Control Officers with this activity. These intake statistics segregated the intake procedures and record-keeping activities performed by these two employee classifications.

The intake statistics reports documented that about 23% of animals are brought in from the field, and that Animal Control Officers perform the intake record-keeping for this population of animals. The Animal Care Technicians perform intake record-keeping for the remaining 77% of the animal population. We used these statistics in our calculations of allowable costs.

#### *Understated Non-Medical Records*

Allowable animal records for this cost component include any non-medical record that was created for any animal impounded throughout the audit period. We were able to retrieve this information from the Chameleon database by checking the number of animals that came into the city's shelters during each fiscal year. After analyzing the Chameleon data, we concluded that the city understated the number of eligible records in all fiscal years of the audit period. The city understated the records because it claimed only the records for animals that died or were euthanized. However, the mandated program allows reimbursement for maintaining non-medical records for all impounded animals.

We were able to retrieve Chameleon intake information dating back to FY 2000-01. Chameleon statistics were not available for the first two years of the audit period. To determine the eligible number of records for FY 1998-99 and FY 1999-00, we calculated an average number of animal records processed during FY 2000-01 and FY 2001-02. For FY 1998-99, we used half of this average because reimbursement begins in January 1999 for this component.

After calculating the actual number of intake records, we concluded that the city under-claimed the total number of animal records processed by 356,909 during the audit period, resulting in understated allowable costs totaling \$814,940 during the audit period.

The following table summarizes the claimed, allowable, and understated records for the audit period by fiscal year:

<u>Fiscal Year</u>	<u>Records Claimed</u>	<u>Records Allowable</u>	<u>Audit Adjustment</u>
Non-Medical Records			
1998-99	7,136	32,447	25,311
1999-2000	17,935	64,893	46,958
2000-01	15,494	66,343	50,849
2001-02	13,747	63,443	49,696
2002-03	11,960	58,717	46,757
2005-06	11,135	54,102	42,967
2006-07	7,127	52,580	45,453
2007-08	7,175	56,093	48,918
Total	<u>91,709</u>	<u>448,618</u>	<u>356,909</u>

### *Senior Systems Analyst Time*

For FY 2007-08, the city claimed 25% of the Senior Systems Analyst's total annual productive hours as time spent to maintain the Chameleon database. According to the Systems Analyst, claimed hours were spent on general oversight and maintenance of the animal database. However, claimed hours did not account for the 50% share of the Chameleon software that is used for non-mandated activities. Accordingly, we pro-rated claimed hours by 50%, which resulted in overstated costs totaling \$16,163 for FY 2007-08.

### *Understated Productive Hourly Rates*

As stated in Finding 1, the city generally understated employee productive hourly rates. We applied the adjusted rates and determined that allowable costs for this component were understated by \$35,708.

The parameters and guidelines (section IV.B.8—Maintaining Non-Medical Records) identify the following reimbursable activities:

Beginning January 1, 1999 – Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and
- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

### Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

### City's Response

The city did not provide a response to this specific finding. However, the city did comment on the audit process and the audit findings in general. See the city's response under "Other Issues."

**FINDING 7—  
Overstated necessary  
and prompt  
veterinary care costs**

The city claimed \$2,193,011 under the cost component of Necessary and Prompt Veterinary Care during the audit period. We determined that \$365,168 is allowable and \$1,827,843 is unallowable. The costs were unallowable because the city claimed estimated materials and supplies costs (\$488,137), claimed unsupported materials and supplies costs (\$608,849), claimed misstated and unallowable hours (\$732,515), and understated productive hourly rates (\$1,658).

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
<b>Salaries and benefits:</b>			
1998-99	\$ —	\$ 25,409	\$ 25,409
1999-2000	—	56,834	56,834
2000-01	—	67,504	67,504
2001-02	179,750	51,839	(127,911)
2002-03	143,387	38,753	(104,634)
2005-06	262,640	40,823	(221,817)
2006-07	212,421	40,429	(171,992)
2007-08	297,827	43,577	(254,250)
<b>Total salaries and benefits</b>	<b>1,096,025</b>	<b>365,168</b>	<b>(730,857)</b>
<b>Materials and supplies:</b>			
1998-99	50,984	—	(50,984)
1999-2000	129,149	—	(129,149)
2000-01	308,004	—	(308,004)
2001-02	65,114	—	(65,114)
2002-03	83,002	—	(83,002)
2005-06	117,278	—	(117,278)
2006-07	178,953	—	(178,953)
2007-08	164,502	—	(164,502)
<b>Total materials and supplies</b>	<b>1,096,986</b>	<b>—</b>	<b>(1,096,986)</b>
<b>Total</b>	<b>\$ 2,193,011</b>	<b>\$ 365,168</b>	<b>\$ (1,827,843)</b>

*Salary and Benefit Costs*

The city did not claim any labor costs in the first three years of the audit period (FY 1998-99 through FY 2000-01). Starting in FY 2001-02, the city began claiming costs for Veterinarians and Veterinary Technicians to perform various activities. The claimed hours were based on a time study that recorded increments of time to perform various medical procedures. We reviewed the city's initial time study and determined that it was inadequate.

The initial time study focused on recording non-routine medical procedures as opposed to repetitive activities. Non-routine procedures are not appropriate for a time study because they are unique in nature and in the duration of time spent. Furthermore, non-routine medical procedures are reimbursable only for medical services performed during the required holding period for animals that either died during the holding period or were euthanized after the required holding period. Thus, these types of non-recurring expenses would need to be examined on a case-by-case basis to determine eligibility for reimbursement.

Our review also indicated that included in the time study were some emergency treatments, microchip implantation procedures, and euthanasia procedures, all of which are excluded activities under this cost component.

The two repetitive tasks that are appropriate for a time study under this cost component are (1) performing an initial physical examination to determine the animal's baseline health status and classification as adoptable, treatable, or non-rehabilitatable and (2) administering wellness vaccines to treatable or adoptable animals. We advised the city that it should perform a new time study to capture time spent on these two repetitive and eligible procedures.

#### *Allowable Time Study*

During the course of the audit, the city performed a new time study. The new time study included the following activities (usually performed by Veterinary Technicians):

- Performing the initial physical examination;
- Administering of wellness vaccine upon animal's intake (excluding rabies vaccines);
- Administering other routine medications upon animal's intake (flea, tic, etc.); and
- Inputting animal medical statistics into the Chameleon database about animal's baseline health (not a reimbursable activity).

Out of the four activities noted above, the first two are reimbursable under this component as applied to the eligible animal population. The third activity, administering routine medications to eligible animals, is also reimbursable, but would normally be claimed under the Care and Maintenance cost component. Considering the agency's procedure that Veterinary Technicians perform all three activities at the same time, we decided to allow the third activity under this component as well.

However, the fourth activity, input of medical information into Chameleon, is outside the scope of this component. Noting the animals' baseline health and medical information in the Chameleon software is not a reimbursable activity. We worked with representatives of the city's Animal Services Department to segregate the time study results per each individual activity. We were able to calculate a 10-minute time increment per animal that accounted for time spent on the three reimbursable activities noted above. Subsequently, we used the 10-minute increments to calculate allowable costs for this component by applying it to the eligible population of animals per the Chameleon database.

Our analysis revealed that the city misstated salary and benefit costs for this component by \$732,515 during the audit period.



### *Materials and Supplies*

During the audit period, the city claimed estimated materials and supplies costs (\$488,137) and claimed unsupported materials and supplies costs (\$608,849). The estimated costs occurred in the first three years of the audit period (FY 1998-99 through FY 2000-01), when the city estimated that 3% of the operating costs were attributable to the component of Necessary and Prompt Veterinary Care. In the latter five years of the audit period (FY 2001-02, FY 2002-03, and FY 2005-06 through FY 2007-08), the city claimed materials and supplies costs that were not supported, and we were unable to determine what portion of the cost might have been attributed to reimbursable activities.

### *Understated Productive Hourly Rates*

As identified in Finding 1, the city generally understated employee productive hourly rates. We applied the adjusted rates and determined that allowable costs for this component were understated by \$1,658.

The parameters and guidelines (section IV.B.9–Necessary and Prompt Veterinary Care) identify the following reimbursable activities:

Beginning January 1, 1999 – For providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

### Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury . . . ;
- Newborn animals that need maternal care and have been impounded without their mothers . . . ;

- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal . . . ;
- Owner-relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

#### City's Response

The city did not directly address this audit finding in its response. However, the city submitted documentation subsequent to the issuance of the draft report, providing expenditure amounts for veterinary materials and supplies. The city submitted summary reports containing year end expenditures by vendor for Account 3190 – Medical Supplies. For the audit period, the expenses submitted totaled \$2,086,819.

#### SCO's Comment

The finding and recommendation remain unchanged.

We examined the detailed spreadsheets containing expenditures by vendor to determine whether any of the submitted costs were allowable costs under the Necessary and Prompt Veterinary Care cost component.

During fieldwork, we discussed with the department's staff the reimbursable criteria for this component. We specifically addressed all of the exclusions and limitations noted in the parameters and guidelines. In order for veterinary materials and supplies to be reimbursable, the department needed to show what specific materials and supplies were expended for the eligible population of animals. Further, the department needed to show that these medical expenditures took place as a result of treatments occurring during the holding period days for those eligible animals.

We concluded that we are unable to consider the medical expenses submitted for reimbursement, because the city did not determine what portion of the costs actually related to the eligible animals and allowable treatments that took place during the required holding period.

**FINDING 8—  
Overstated procuring  
equipment costs**

The city claimed \$78,179 for procuring equipment costs for FY 2002-03. We determined that \$12,932 is allowable and \$65,247 is unallowable. The unallowable costs occurred because the city claimed unsupported costs (\$52,316) and did not pro-rate allowable computer equipment costs proportionate to the share attributed to the mandated activities (\$12,931).

The parameters and guidelines (section IV.B.10–Procuring Equipment) state that:

If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV(B), only the pro rata portion of the activity that is used for purposes of the mandated program is reimbursable.

Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

The city did not provide a response to this specific finding. However, the city did comment on the audit process and the audit findings in general. See the city's response under "Other Issues."

**FINDING 9—  
Overstated indirect  
costs**

The city claimed \$2,897,874 for indirect costs during the audit period. We determined that \$2,162,775 is allowable and the net amount of \$735,099 is unallowable (overstated by \$1,229,323 and understated by \$494,224). The overstatement of \$1,229,322 occurred as a result of the unallowable salaries identified in audit Findings 1 through 8. The city also understated indirect costs totaling \$494,223 because it understated its indirect cost rates in FY 1998-99, FY 1999-2000, and FY 2000-01.

The following table summarizes the claimed, allowable, and unallowable costs for the audit period by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
Indirect costs:			
1998-99	\$ 108,071	\$ 133,057	\$ 24,986
1999-2000	276,908	299,826	22,918
2000-01	297,289	362,228	64,939
2001-02	701,641	268,017	(433,624)
2002-03	160,758	197,216	36,458
2005-06	479,470	358,986	(120,484)
2006-07	518,942	298,681	(220,261)
2007-08	354,795	244,764	(110,031)
Total	<u>\$ 2,897,874</u>	<u>\$ 2,162,775</u>	<u>\$ (735,099)</u>

*Unallowable Indirect Costs Related to Unallowable Salaries*

As a result of the unallowable salaries identified in Findings 1 through 8, related indirect costs totaling \$1,229,322 are also unallowable.

*Understated Indirect Cost Rates*

The city understated its indirect cost rates in FY 1998-99, FY 1999-2000, and FY 2000-01. The rates were understated because the city used incorrect rates from the annual citywide Cost Allocation Plans (CAP).

The City Controller prepares annual CAPs, which provide details for approved fringe benefit rates and indirect cost rates for each of the city's departments. The rates indicated in each CAP are approved by the U.S. Department of Health and Human Services under the contract with the city's cognizant federal agency, the U.S. Department of Housing and Urban Development. The city uses these approved rates to prepare claims for various programs, grants, and contracts.

As per the CAP instructions, the indirect cost rates consist of two separate rates: the central services rate and the departmental administration and support rate. Both overhead rates should be combined and applied to direct salaries, excluding fringe benefits, and overtime.

However, the Animal Services Department did not combine the two overhead rates in the first three years of the audit period, and thus understated the rates for those fiscal years, as noted in the table:

Category	Fiscal Year		
	1998-99	1999-2000	2000-01
Claimed indirect cost rates	30.82%	37.13%	39.31%
Allowable indirect cost rates:			
Central services rate	56.25%	56.14%	66.61%
Department administration and support rate	30.82%	37.13%	39.31%
Total allowable rate	87.07%	93.27%	105.92%
Audit adjustment	56.25%	56.14%	66.61%

The understated rates resulted in underclaimed indirect costs totaling \$494,223 as noted in the following table:

Category	Fiscal Year			Total
	1998-99	1999-2000	2000-01	
Rate claimed	30.82%	37.13%	39.31%	
Rate allowable	87.07%	93.27%	105.92%	
Difference	56.25%	56.14%	66.61%	
Allowable salaries	× \$ 152,816	× \$ 321,460	× \$ 341,982	
Audit adjustment	\$ 85,959	\$ 180,469	\$ 227,795	\$ 494,223

The parameters and guidelines (section V.B.—Claim Preparation and Submission, Indirect Cost Rates) state that compensation for indirect costs is eligible for reimbursement using the procedure provided in the Office of Management and Budget Circular A-87. Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal if the indirect cost rate exceeds 10%.

#### Recommendation

We recommend that the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

#### City's Response

The city did not provide a response to this specific finding. However, the city did comment on the audit process and the audit findings in general. See the city's response under "Other Issues."

**OTHER ISSUES**

In its response dated March 29, 2011, the city commented on the audit process and the audit findings in general.

**ISSUE 1—  
Proposition F and  
construction of new  
facilities**

The city did not claim any costs during the audit period under the Acquisition of Additional Space and/or Construction of New Facilities cost component. During audit fieldwork, the city inquired about the eligibility of costs it incurred for the construction and renovation of animal shelters under the mandated program.

During the audit period, the city constructed new animal shelters and underwent renovation work on existing animal shelters. These improvements have been an ongoing project for the City of Los Angeles that involved a ballot measure in the November 2000 general election. In that general election, the voters passed Proposition F, which allowed the city to issue bonds for the purposes of constructing new animal shelter facilities and fire stations.

The city provided background information on this project for our review. After reviewing the information provided, we determined that the terms of Proposition F required that the city's taxpayers would fund the construction projects through additional levies made to their property taxes. The city's taxpayers have been and are still currently assessed property taxes in amounts specifically for the purpose of retiring the Proposition F bonds. Therefore, the city's taxpayers are funding both the entire bond principal and interest amounts. Accordingly, we determined that this non-discretionary revenue source was used to build the city's animal shelters and none of the city's discretionary general fund moneys were involved.

While the city performed the required analysis to determine that additional shelter space was needed to provide additional capacity in order to comply with the provisions of the Hayden Bill, restricted resources funded the construction costs for the additional capacity, not the city's general fund. Therefore, the city did not incur any increased costs to construct/remodel its animal shelters under Government Code section 17514.

**City's Response**

First, there should not seem to be any dispute whether there was a cost mandated by the State. The costs are clearly identified as reimbursable costs in the Controller's claiming instructions for the Hayden Bill which meets all the requirements of Section 17514 above.

The Controller's issue seems to be, are these local revenues or "proceeds of taxes." The state has the right to preclude the City from being reimbursed for state, federal or grant funds, but not for local revenues which are proceeds of taxes.

On January 31, 2001, the Los Angeles City Council adopted a resolution providing for the issuance and sale of the City of Los Angeles General Obligation Bonds authorized by the voters by Proposition F, in an aggregate principal amount not to exceed \$201.3 million for a variety of local projects and services. The Council identified up to \$36.5 million for animal shelter facilities. These are clearly local revenues and to the extent the funds are used to pay for state mandate programs, there should be reimbursed by the state.

A similar issue was contested in *Redevelopment Agency v. Commission on State Mandates* (1997) 55 Cal.App.4th 976. The court set forth the following analysis:

The California Supreme Court's summary of the history and substance of the law applicable to state mandates, commented: "Through adoption of Proposition 13 in 1978, the voters added article XIII A to the California Constitution, which 'imposes a limit on the power of state and local governments to adopt and levy taxes. [Citation.] [Citation.] The next year, the voters added article XIII B to the Constitution, which 'impose[s] a complementary limit on the rate of growth in governmental spending.' [Citation.] These two constitutional articles 'work in tandem, together restricting California governments' power both to levy and to spend for public purposes.' [Citation.] Their goals are 'to protect residents from excessive taxation and government spending. [Citation.] [Citation.]" (*County of San Diego v. State of California*, supra, 15 Cal.4th at pp. 80-81.)

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In *County of San Diego v. State of California*, supra, 15 Cal.4th at page 81, the Supreme Court explained that section 6 represents recognition that together articles XIII A and XIII B severely restrict the taxing and spending powers of local agencies. The purpose of the section is to preclude the state from shifting financial responsibility for governmental functions to local agencies, which are ill equipped to undertake increased financial responsibilities because they are subject to taxing and spending limitations under articles XIII A and XIII B. (*County of San Diego v. State of California*, supra, at p. 81.)

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In *County of Placer v. Corin* (1980) 113 Cal.App.3d 443, 451 [170 Cal.Rptr. 232], the court defined "proceeds of taxes" in this way: "Under article XIII B, with the exception of state subventions, the items that make up the scope of 'proceeds of taxes' concern charges levied to raise general revenues for the local entity. 'Proceeds of taxes,' in addition to 'all tax revenues' includes 'proceeds ... from ... regulatory licenses, user charges, and user fees [only] to the extent that such proceeds exceed the costs reasonably borne by such entity in providing the regulation, product or service....' (§ 8, subd. (c).) (Italics added.) Such 'excess' regulatory or user fees are but taxes for the raising of general revenue for the entity. [Citations.] Moreover, to the extent that an assessment results in revenue above the cost of the improvement or is of general public benefit, it is no longer a special assessment but a tax. [Citation.] We conclude 'proceeds of taxes' generally contemplates only those impositions which raise general tax revenues for the entity." (Italics added.) (Id. at 980- 984.)

In summary, the courts have held, and the Commission will follow suit in holding, that Proposition F funds are clearly proceeds of taxes and local revenue and to the extent they were used to pay for state mandated costs associated with the increased cost of building animal shelters due to the Hayden bill, should be reimbursed by the State.

#### SCO's Comment

The draft report contains our response to the city's request to consider reimbursement for animal shelter construction costs under the section entitled "Other Issues." In our response, we stated that such costs were not reimbursable because the construction costs incurred were funded entirely by the city's taxpayers via property tax assessments. However, the city attached to its draft report response a legal argument suggesting that such costs should be reimbursable under the mandated program. We submitted the city's legal arguments to SCO legal counsel for follow-up. Based upon our legal counsel's guidance, we will revisit this issue if necessary.

**ISSUE 2—  
Audit findings and the  
audit process**

The city provided three separate documents (Attachment) in response to the draft audit report. These documents consisted of:

- Letter to State Controller John Chiang from Brenda Barnette, General Manager of Animal Control Services
- Bullet Point List containing various comments related to the audit, and
- Summary of Department's Response to Finding 8 – Prop F costs

Our comments related to the city's response concerning Proposition F is noted above. We will address our comments to the first two responses provided by the city below.

**Letter to Controller John Chiang**

The letter from Animal Services Department General Manager Brenda Barnette contains a number of allegations about the SCO audit process that misrepresent what occurred during the course of audit fieldwork. Ms. Barnette was not directly involved in the audit process. We documented the actual sequence of events that transpired during the audit process, as described below. Our comments relate to the main points that appear in Ms. Barnette's letter to the Controller.

***“Unreasonable time constraints imposed . . . on the Department.”***

**City's Response**

Due to the unreasonable time constraints imposed by the State on the Department, substantial and delinquent demand made by the State that the City provide detailed documentation for audit periods as long as 12 years, and strong likelihood that the [sic] with sufficient and fair notice to the City the actual reimbursement to the City would be closer to the actual amounts billed, the Department of Animals Services recommends that the City of Los Angeles direct the State of California to immediately and fully reimburse all amounts claimed by the Department of Animal Services that have not been paid by the State.

**SCO's Comment**

The audit began with an entrance conference held on April 28, 2009. In November 2009, further work on the audit was temporarily discontinued when the Audit Manager overseeing the project transferred to another unit within the SCO. Subsequently, the audit was transferred to another Audit Manager and Auditor-In-Charge (AIC) for completion.

This new audit group met with Animal Services Department representatives and their mandated cost consultant on July 19, 2010, to resume fieldwork for the audit. At that time, the city was given notice that a final audit report would be issued no later than April 2011, nine months later. We provided department representatives with a status report documenting where things stood with the audit as of that date. During the next four days, the SCO Audit Manager visited four of the city's animal shelters to gather information on how the city operated its animal shelters, while the AIC worked with department employees to gather information in support of claimed costs.



Subsequent to the July 19, 2010 meeting, the city's mandated cost consultant was no longer involved in the audit process (i.e., did not participate in any audit discussions with department representatives nor had any contact with SCO auditors with questions or concerns about the audit as it progressed).

At the end of this first week (July 22, 2010), we conducted another status meeting with department representatives to address some of the issues we noted and request documents to support training costs, computer software costs, care and maintenance costs (labor as well as materials and supplies), increased holding period costs, lost-and-found lists costs, non-medical records, and necessary and prompt veterinary care costs. We then discussed each cost component in detail with the department staff and discussed which types of expenditures would be reimbursable. We addressed the criteria for reimbursement found in the program's parameters and guidelines, and possible audit findings.

We also discussed in detail the support needed for care and maintenance expenditures and even identified the city's expenditure accounts that probably contained the information (expenditure account 6020 – Operating Expenses, and account 4580 – Animal Food Expenses). When we asked about actual expenditure information, department representatives had no knowledge of any actual expenditure information that was available. We were informed that the department only worked with budgeted information. We suggested that the department contact the City Controller's Office for actual cost data.

Over the weeks that followed, we maintained constant contact with department representatives via telephone and e-mail. The AIC revisited the department during the week of October 19, 2010, for a second week of fieldwork. At that time, we provided department representatives with a detailed write-up of our preliminary findings to date. This handout also provided a list of documentation still needed to complete calculations for training, computer equipment and software license renewal, care and maintenance, lost-and-found lists, and veterinary care.

At the conclusion of this additional week of fieldwork, we conducted another status meeting with department representatives addressing the progress made that week. We provided the department another detailed handout containing information relating to the lack of documentation for some of the cost components. We again addressed the missing documents related to the care and maintenance expenses we previously requested. The department staff stated they were still working on retrieving expenditure amounts from accounts 6020 – Operating Supplies, and 4580 – Animal Food. The department stated it was still in the process of determining the proration of time attributed to the function of care and maintenance by some key employee classifications. At this point, the city still was not able to provide any supporting documentation for part of lost-and-found lists costs, all veterinary care costs, and part of the computer software costs.

On October 28, 2010, per the department's request, we sent a document containing details about our analysis of the city's Chameleon database information. We addressed that our calculations were based on the raw animal data provided by the department from its system. We provided details of our calculations for the annual census of animals and the number of eligible animals per each fiscal year in the audit period. We also provided a list of the excluded animals that we noted during our review of the animal data. To date, the city has not provided any objections to our analysis of its Chameleon data.

On November 23, 2010, we made another attempt to request documentation that had not yet been provided. This included the expenditure amounts for care and maintenance costs, veterinary expenditures relating to reimbursable activities, and the proration analysis for the Chameleon software that relates to the mandated activities. All of these items were originally requested in July 2010.

On January 12, 2011, we held an exit conference with representatives of the Animal Services Department and addressed each audit finding in detail. The city's mandated cost consultant did not attend this meeting. We discussed how we calculated the allowable costs and noted the documentation that was still needed, primarily the actual cost information supporting materials and supplies expenditures for care and maintenance. At the exit conference, we advised department representatives again that we would be issuing a final report no later than early April. We also explained that even though a final report was issued, we would still consider additional information that the city provided and adjust the final audit report as appropriate.

A short time after the exit meeting, we were advised that Linda Barth, our main contact person for the audit, and the Department's Assistant General Manager, had left the department. The department did not provide any more documentation to us after the exit meeting, up to the issuance of the draft report on March 10, 2011.

As noted above, we have worked extensively with city representatives to determine allowable costs to the maximum extent possible.

***"The claims filed by the City were submitted timely and were properly documented."***

#### City's Response

Full reimbursement is proper because the claims filed by the City were submitted timely (except as noted), and were properly documented according to all of the State's guidelines and rules in place at the time each request for reimbursement was submitted.

#### SCO's Comment

The city did not provide supporting documentation for all of its costs claimed, consistent with the rules in place when the claims were filed. The documentation requirements for the city's mandated cost claims are contained within the parameters and guidelines adopted by the CSM on February 28, 2002, and amended on January 26, 2006. The parameters

and guidelines require that all costs claimed be traceable to source documents that show evidence of the validity of such costs and their relationship to this mandate.

The city is responsible for maintaining documentation for the period the claims were subject to audit. However, the department representatives indicated to us that some of the supporting documentation has been destroyed, specifically invoices supporting materials and supplies costs related to animal care and maintenance activities.

***“The audit [must] be reopened to [reconsider] Prop F funds.”***

#### City’s Response

If the audit must be closed to meet a statutory deadline, we additionally request that the audit be reopened to allow adequate time to consider acceptance of offset allowance for Prop F funds expended on facility construction and other expenditures to comply with the Hayden Bill.

#### SCO’s Comment

As noted previously in our comments above, we advised department representatives that we would welcome any additional documentation subsequent to the issuance of the final audit report that supports additional allowable costs. We also advised that we would adjust the audit results as appropriate and reissue the audit report.

In light of the city’s legal argument related to Prop F funds, we have requested further guidance from our legal counsel. We will adjust the audit results as appropriate based on the guidance that we receive concerning this issue.

***“The State’s audit [was] untimely, lack[ed] proper notification, and [is] contrary to the general purposes of good government.”***

#### City’s Response

For all the reasons stated in the attached, the Department recommends that the city reject the State’s audit as untimely, lacking proper notification, and contrary to the general purposes of good government, and as a result, reject the audit findings.

#### SCO’s Comment

Our audit was conducted in accordance with *Generally Accepted Auditing Standards*. These standards require that we obtain sufficient and relevant evidence that adequately supports the audit findings and conclusions. We did this. As noted above, the audit was performed within the statutory time period and the city was provided proper notification of audit issues. As noted in our audit report, the city filed its mandate claims with significant errors and omissions.

***“Audit process . . . should support the good faith and honest efforts of local agencies to comply with the mandate.”***

#### City’s Response

Rather than reducing the burden on local animal care and control agencies of implementing a valuable State-mandated law, the Hayden Bill, the entire audit process by the State Controller’s Office is resulting in numerous large financial penalties to local jurisdictions for following the rules of the State and, therefore, for supporting the mandates of the Hayden Bill in good faith, and for reporting expenses honestly. The State Mandates reimbursement process, including the audit, should accomplish just the opposite, that is, it should support the good faith and honest efforts of local agencies to comply with the mandate.

#### SCO’s Comment

Our audit determined whether costs claimed represent increased costs resulting from the mandated program. The city is not entitled to mandated reimbursement for costs not allowable under the parameters and guidelines.

A city’s good faith and honest effort is not relevant in determining costs reimbursable under the mandate.

#### **Bullet Point List of Comments Related to the Audit**

The city provided a list of 31 bullet points related to our audit of its claims filed under the Animal Adoption Program for the audit period. Many of these bullet points contain comments that are unrelated to the audit findings, but rather are comments related to the audit process. Some of the city’s comments were already addressed in our comments related to the letter sent to the Controller by General Manager Barnette. Some of the bullet points have nothing to do with the audit findings; therefore we did not respond to them. The city’s bullet points are not numbered. Our responses below follow the same general headings used by the city.

#### ***Deadline***

#### City’s Response

- The State Controller’s Office (State) extended the deadline for providing the Department’s response to the by two days to allow submission of additional material when the Department has requested 30 days. The State’s refusal to allow the time requested by the Department is based on the State’s April 6, 2011 deadline to file the audit in order to stay within the two-year statute of limitations that an audit must be completed within two years of initiation.
- The State’s refusal to allow additional time requested by the Department as allowed in the guidelines is attributable to the State’s delay, not that of the Department. The Department was initially contacted by the State Controller’s Office almost two years ago to schedule the audit. The entrance conference was held and for seven months the State auditors met with Department staff and documents were requested and provided. The Department provided over 200 hours to the audit. In November 2009, the State discontinued contact with the Department. In about June 2010 the Department was contacted by the State again, a new State auditor was assigned. A second entrance conference was held and the State periodically contacted the Department to request information. The

Department provided at least 250 hours in support of this audit. Over 450 hours has been allocated by the Department to support the continuous audit process mostly because of the continual demand of the State auditors for exact detailed information of expenditures including vendor, year, and detailed description of each line item expenditure included in the request for reimbursement.

- The Department has acted in good faith to comply with all audit requests. In a few minor cases, the State auditor agreed to accept some samples of invoices instead of full and complete detailed verification.
- The State issued the draft audit in March, 2011. As of today, the State auditor is still determining methods to allocate various costs among what the State determines to be eligible and ineligible costs.

#### SCO's Comment

We advised Animal Services Department representatives in July 2010 that actual cost information was needed to support materials and supplies costs for care and maintenance. We also informed the city that it would have 15 days to respond to the draft report findings and that we would issue a final audit report no later than April 2011. The city did not respond to our e-mails and telephone calls and did not take an active role in supporting these allowable costs until after the issuance of the draft audit report on March 10, 2011. All of the additional information provided by the city should have been available at the beginning of the audit in April 2009.

We also advised city representatives that even after we issued a final report, the audit findings could be updated and a revised report would be issued based upon new information that became available.

The SCO has devoted significant hours of employee time to this project, so there is a considerable amount of involvement by both parties. Contrary to the city's comments, we are not still determining methods to allocate costs for our audit findings. Instead, we were waiting for the city to supply the information that we requested long ago so that we could put it into the actual cost formula to determine allowable care and maintenance costs. We reviewed the additional documentation the city provided after the issuance of the draft report. As a result, allowable costs increased by \$61,229.

#### *Additional Information Submitted or Eligible*

#### City's Response

- The Department is providing additional detailed information to the State auditors as part of its response to the draft audit in the format and level of detail acceptable to the State auditors covering expenditures for medical supplies, cleaning supplies, animal food, staff training, and Prop F costs.
- Information for just the medical supplies, cleaning supplies, and animal food in a linked spreadsheet contains 4.5 million bits of information. These three accounts cover categories of expenditures that are essential for maintenance of animals. Additional information could be provided for other qualifying expenditures in other accounts, such as Account 4460, Private Vet Care, but there are not sufficient time or staff resources to continue to provide millions of items of information going back 12 years.

for yet-to-be determined eligibility criteria. Some spay/neuter surgeries for adopted animals are required by the Hayden Bill. Also, details for purchases of eligible cleaning and maintenance supplies from accounts other than Account 6020 have not been calculated due to lack of time and staff resources.

- The Department has requested that the State consider reimbursement for medical supplies. (Account 3190) The State auditors had determined these costs were not eligible, but per our request, agreed to consider them. The State Controller has not yet developed a method to allocate these costs among their determination of what are eligible and ineligible costs. Today the Department is submitting detailed statements of expenditures by year and by line item for medical supplies for the audit period. Stray animals taken to the shelter have unknown medical conditions until they are given a check up and examined by a veterinarian. Animals are given two vaccinations, and medication for deworming and flea control. This treatment is standard. If the animal is ill, additional treatment or medications could include IV fluid, splints, X-rays, or other treatment. The State auditors have yet to develop a formula for allocation of these costs.
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#### SCO's Comment

We understand the eligible and ineligible activities under this mandated program. We communicated this information to Animal Services Department personnel multiple times.

During the audit process, Animal Services Department representatives had a difficult time obtaining actual cost information from the city's accounting system. As an alternative, we suggested that they prepare a list of costs expended by vendor. We noted that if the city could provide sample invoices from these vendors, we could verify that the costs incurred for these vendors were for care and maintenance activities. The city could then prepare cumulative reports of expenditures for these vendors, which we would in turn accept for the entire audit period, rather than requiring invoices or other supporting documents. This is what department representatives have now provided. Based on the additional supporting documentation provided, we revised the audit finding amount for Finding 3—Unallowable Care and Maintenance costs, as appropriate.

The city states that "The State auditors rejected Department costs incurred in 2000 to provide initial training of staff for use of a new central database system called Chameleon purchased by the Department to comply with the requirements of the Hayden Bill." However, this statement is incorrect. In the draft audit report, allowable training costs for FY 1999-2000 totaled \$3,897. This represented costs for training 51 new employees identified by the department, although no support was provided other than a training agenda being used currently within the city's animal shelters for newly hired staff. Subsequent to the issuance of the draft report, the city requested that we consider allowing 2-3 hours to train all 282 employees on payroll within the Animal Services Department. However, the city has no documentation available to support that any of these employees actually received any training concerning the requirements of the Hayden Bill.

### ***Response to Audit Process and Draft Audit***

#### City's Response

- Claims in the early years of the Hayden mandate (1999-2002) were built on averages and estimates before the publication of the current guidelines. According to the current guidelines as interpreted by the State auditor, the City's claims were uniformly overstated as were claims by virtually all local agencies. The State Controller's Office has indicated that the State audits of local animal care agencies typically reduce the amount reimbursed to about 50% of the amount originally claimed. For example: Contra Costa County billed the State \$11,457,157 for Hayden Bill expenses. The State allowed \$5,521,096 of the amount submitted and did not allow \$5,930,661. Disallowed costs exceeded allowed costs for seven of the nine local jurisdictions audited by the State Controller's Office where audits are posted on their web site.
- All claims were filed through a third party consultant, Maximus, who provided guidance in the formulas and claim amounts. Maximus gathered information and used templates and formulas set up based on the 2002 guidelines for the periods containing most of the questioned costs.
- A court of appeals decision in May 2010 regarding the definition of "business-day" leaves both Saturday and Sunday as non-business days for purposes of calculating the hold days. The auditors have been advised by state legal counsel to apply this standard back to 1999. This has an unknown effect on the reimbursement. Our number of eligible animals decreases if we euthanized before newly defined four-day period. This is more likely a problem in the earlier years when shelter capacity was small. On the other hand, the average-holding-days calculation increases because typically we would have to hold animals longer if Saturday, Sunday, and Monday do not count as hold days. This issue needs significant further research and discussion for the audit and for the future when Hayden is no longer suspended.
- The State is in arrears to the City for a little more than \$5 million in past claims not yet reimbursed. After further adjustment and submissions expected, the amount the auditors find to be overstated is just about \$5 million.
- Hourly rates throughout the audit period are actually higher than the City's claim. The City used Wages and Counts averages, while auditing actual payrolls gave a slightly increased hourly rate for all classifications.
- All computer hardware, software, and data management staffing claims (related to Chameleon) must be prorated because not all of Chameleon's modules are strictly for mandated activities of animal care (i.e. Chameleon also does licensing, citation, receipts, etc.), even though the equipment purchases were required to comply. The City claimed 100%, the auditors agreed to a 50% pro-ration.

- The City used the annual budget total attributed to animal care to calculate the per animal day cost. The State auditors pro-rated actual salaries of ACT staff only to narrowly define and ascertain care and maintenance eligibility. Department staff has submitted additional records of medical, cleaning, and animal food expenditures from the City's Financial Management Information System (FMIS) central accounting database.
- Annual animal census figures calculated by auditor are significantly different from the estimates used in claims in the first four years of reimbursement claims. The Department was not provided with any guidelines before submission of reimbursement requests and has not had an opportunity to verify that these calculations are supported by data.
- The City claimed reimbursement for dogs and cats in all of 1999 but the Hayden bill stipulated that reimbursement should not begin for dogs and cats until July 1999.
- The entire shelter staff working on Saturdays was claimed for reimbursement for the first four claim years; according to the auditors, only those staff that specifically have to be on duty because of being open to the public can be claimed, as was done in later years.
- According to State auditors, indirect costs were improperly calculated in the first years (understated) but overall were overstated because in several other findings categories the auditors are disallowing many of the overstated hours for care and medical wellness.
- State auditors were provided documentation about the Prop F Bond projects with a request to consider pro-rated reimbursement since one of the reasons for expanding the shelter system was to meet Hayden requirements. Auditors determined that because property taxes were raised to fund the bond, it was not eligible for reimbursement. The preparation of the Master Facilities Study (by a consultant) may be reimbursable.
- According to the State auditor, the City's claims included overstated medical costs. Hayden only reimburses for routine wellness checks for incoming animals, not special care, not rabies vaccination, and not emergency care, because the latter was already required of shelters by state law. The City had claimed nearly all medical supplies and a high level of medical staff. For the audit, we performed a time study to determine the actual average wellness exam time.

#### SCO's Comment

The first bullet point in this section refers to audits of other local agencies that the SCO has performed under the Animal Adoption Program. The purpose of this comment is unclear, since audits of other local agency claims have nothing to do with SCO's audit of claims filed by the City of Los Angeles.

The response also refers to the city's claims filed for FY 1999-2000 through FY 2001-02 and makes the statement that the claims were overstated because they were based on estimates. This statement is inconsistent with the specifics documented in the draft audit report. None of the unallowable costs for this time frame were based solely on the use of estimates. The city even notes a few bullet points later that we used employee productive hourly rates that were higher than the estimated rates used in the city's claims.

Most of the unallowable costs were for the cost component of Holding Period. For this cost component, the city's claims included costs for employee classifications that are already reimbursable under other cost components of the mandated program, as well as certain other employee classifications that performed non-mandated activities and were not



reimbursable under the mandated program just because they were working on Saturday. Another significant area of unallowable costs occurred for the Care and Maintenance of Dogs and Cats cost component. For this cost component, costs were unallowable primarily because animal census figures were understated, thereby inflating the cost per animal per day.

The city's comments point out that the audit adjustment is about the same amount that is currently owed to the city for its filed claims. This comment infers that the SCO audit process included an agenda to reduce the State's liability to zero. This comment is invalid as we increased allowable costs for the cost component of Non-Medical Records by 227% over the amount claimed by the city during the audit period.

The city also had concerns about the proration of employee classifications performing care and maintenance activities. We don't understand the comment suggesting that our analysis was narrowly defined. Instead, our proration was based on discussions held with Animal Services Department management regarding the percentage of time spent on these activities by various employee classifications. We noted the calculations in the audit report. The city is welcome to provide a more comprehensive analysis for reconsideration if the information that they already agreed was correct is actually incorrect.

We concur that the animal census figures used by the city in its claims are misstated. However, the city's statement that there was a lack of guidelines for reimbursement is incorrect. The specifics of animal census data required for reimbursement has always existed within the language of the applicable cost components within the parameters and guidelines as adopted by the CSM. The city's statement that they have not been able to verify the animal census calculations is incorrect. We conferred with the department's Senior Systems Analyst when we obtained and analyzed animal census data from the city's Chameleon system database. We explained our analysis of the animal data, including which animals were excluded and why. We were told that the animal census numbers that we were using to determine allowable costs was correct. The city is welcome to provide a more comprehensive analysis for reconsideration if the information that they already agreed was correct is actually incorrect.

The city states:

Hayden only reimburses for routine wellness checks for incoming animals, not special care, not rabies vaccination, and not emergency care, because the later was already required of shelters by state law. The City had claimed nearly all medical supplies and a high level of medical staff. . . .

This statement is incorrect. The parameters and guidelines (Section IV.B.9–Necessary and Prompt Veterinary Care) identify the following reimbursable activities:

The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal's baseline health status and classification as "adoptable," "treatable," or "re-habilitatable."

- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

The language under this cost component goes on to note animal population exclusions and veterinary care exclusions. The requirements also state that reimbursement is limited to veterinary procedures performed during the holding period and is only applicable to animals that died during the holding period plus those that were euthanized after the required holding period. The city provided additional documentation for medical costs incurred within expenditure account 3190, Medical Supplies. However, reimbursable costs are co-mingled with non-reimbursable costs in the documentation provided. Therefore, we cannot make a determination at this time of the extent to which the city incurred allowable costs under the mandated program.

The city conducted a time study supporting the amount of time spent to perform the first two activities cited in the parameters and guidelines. We requested that the city also provide information relating to costs incurred for the wellness vaccines administered. While the city has supplied materials and supplies costs incurred for medical supplies in total, the city has not yet provided specific information relating to vaccine costs. The second two bullet points describe activities that are not suitable for a time study because they are not repetitive activities. The costs for salaries and benefits, and materials and supplies for these procedures must be supported by actual cost information that also notes that the procedures were performed during the required holding period. The city did not maintain or provide this kind of detailed information for the procedures performed by its medical staff.

### ***Reimbursement and Audit Procedures***

#### **City’s Response**

- The Department was not given notice at beginning of audit period and not given notice at beginning of audit periods of requirements for methods to follow or records to maintain.
- Other minor areas in which follow up will result in slight increases in the reimbursement calculations: Start-up training information has been retrieved by the Department’s systems staff and verified by the payroll section and was provided to the auditor.
- The City questions the Controller’s retroactive application of the Purifoy decision that Saturday is not a business day, and of the description of the scope of work reasonably required to be performed in accordance with the mandate on a Saturday. The City believes retroactive application of the Purifoy case is improper. The Commission on State Mandates was silent as to the definition of business day. The court held that although the Hayden Bill requires animal shelters to hold animals longer or be open for business on a weekday evening or Saturday, Saturday is not a business day for the purposes of calculating how long to hold an animal

before it can be released for adoption or disposal. The decision, published on March 26, 2010, is clearly applicable to all future claims. Applying the rule retroactively, as the State has done, is unfair and tends to inhibit or defeat the purpose of the Hayden Bill of extending the holding period so that animals are treated humanely (redeemed or adopted).

- The City followed all guidelines provided by the State and available at the time each request for reimbursement was filed.
- The State waited for as long as 12 years after the close of an audit period to conduct an audit of the claimed expenses incurred during that audit period, then requested a level of detailed proof (original document as proof of each line item expenditure, including name of vendor, quantity, and description of each item purchased) not previously requested or required. Many vendors have destroyed the detailed information (invoices) as the time exceeds any Statute of Limitations. The City General Services Department destroyed copies of invoices because these times exceeded the required records retention period. Requiring the City to guess in what future distant period the State may decide to audit records in any given year and be forced to retain all detailed expenditure records is a burden that is inefficient and unnecessary.
- Initially, the State accepted budgeted expenditures as sufficient proof of expenditure. However, in this audit, the State accepted only detailed proof of actual expenditures and rejected budgeted amounts. This surprise change in documentation requirements is burdensome.
- The State reimbursement process is inefficient. For example, due to the lack of prior notice as to the specific levels and form of proof required, lack of adequate prior guidelines, and delay in audit, the Department was required to allocate well over 450 hours of staff time to respond to this audit - at a time when both the State and City are undergoing significant staffing reductions and furloughs. Administration of animal care and control services depends on efficiency. Inefficiency of any type leads to fewer adoptions, less revenue, less policing, and more euthanasia. This is contrary to the intent of the Hayden Bill.
- The State process of sending the notices of the entrance conferences and exit conferences to the City of Los Angeles Department of Animal Services only, and the draft final audit to the City Controller only, and copying the Department is confusing.

#### SCO's Comment

The city notes its disagreement with our retroactive application of the Appellate Court decision in the case of *Purifoy et al. v. Howell*. In that case, Saturday was determined NOT to be a business day for the purposes of determining the required holding period for dogs. For the purposes of our audit, this affected the allowable cost calculations for unallowable care and maintenance costs (Finding 3), and misstated necessary and prompt veterinary care costs (Finding 7). We contend that the court decision defines the legal definition of a business day for the required holding period as of the date that the statute was enacted in 1998. The decision published in the *Purifoy vs. Howell* court case did not change the verbiage in the parameters and guidelines nor did the definition of a business day change when the court case was published on March 26, 2010. The holding period requirement per the Hayden Bill has always read "four or six 'business days' after the day of impoundment." We acknowledge that the court's decision did not take into consideration the effect that this decision would have on mandated cost claims filed by local agencies.

The city's statement that they were not given notice at the beginning of the audit period nor given notice of methods to follow or records to maintain are both incorrect. We sent a letter dated April 7, 2009, to Laura Chick, City Controller, documenting the beginning of our audit of the city's mandated cost claims for FY 1998-99 through FY 2007-08 (excluding FY 2003-04 and FY 2004-05). A copy of this letter was also sent to Edward Boks, General Manager of the city's Animal Services Department.

The requirements of methods to follow in order to compute reimbursement under the Animal Adoption Program have always been contained within the cost components of the parameters and guidelines. Parameters and guidelines section VI requires the city to maintain the supporting documentation, as no funds were appropriated for the mandated program.

However, the city goes on to state:

The State waited for as long as 12 years after the close of an audit period to conduct an audit of the claimed expenses incurred during that audit period, then requested a level of detailed proof (original document as proof of each line item expenditure, including name of vendor, quantity, and description of each item purchased) not previously requested or required. Many vendors have destroyed the detailed information (invoices) as the time exceeds any Statute of Limitations. The City General Services Department destroyed copies of invoices because these times exceeded the required records retention period. Requiring the City to guess in what future distant period the State may decide to audit records in any given year and be forced to retain all detailed expenditure records is a burden that is inefficient and unnecessary.

The city overstates the amount of time that has elapsed since their initial claims were filed. The city's Animal Adoption Program claims for FY 1998-99, FY 1999-2000, and FY 2000-01 were all filed on September 10, 2002. We initiated an audit of these claims six and one-half years after they were filed. We had statutory authority under Government Code section 17558.5 to audit these claims, as no moneys were appropriated.

We are uncertain why the city would expect its vendors to maintain supporting documentation for its mandated cost claims. The city is responsible for maintaining relevant supporting documentation. The city's statement that it would need to guess when the SCO would actually conduct an audit is meaningless in light of the requirements stated in section VI of the parameters and guidelines of the mandated program, as described above. These requirements were adopted by the CSM, not the SCO. It appears that the city's mandated cost consultant failed to clarify this information with city representatives. The city is entitled to reimbursement from the State for the increased costs that it incurred to comply with the requirements of the mandated program if it follows the provisions contained within the parameters and guidelines describing what the requirements are, and applies them accordingly. If city representatives have questions pertaining to the Animal Adoption Program, we encourage them to contact our office and we will assist them.

The city states, "... in this audit, the State accepted only detailed proof of actual expenditures and rejected budgeted amounts. This surprise change in documentation requirements is burdensome." We are uncertain how the city arrived at this determination. We audit to the requirements of the adopted parameters and guidelines. These criteria require that all costs claimed be traceable to source documents. Budgeted information is not a source document that shows evidence of the validity of such costs.

**Attachment—  
City's Response to  
Draft Audit Report**

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**BOARD OF  
ANIMAL SERVICES  
COMMISSIONERS**

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PRESIDENT

**RUTHANNE SECUNDA**  
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MAYOR**

**DEPARTMENT OF  
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**BRENDA F. BARNETTE**  
GENERAL MANAGER

**KATHLEEN J. DAVIS**  
ASST. GENERAL MANAGER

March 29, 2011

John Chiang, California State Controller  
California State Controller's Office  
P.O. Box 94250-5874  
Sacramento, CA 94250-5874

Attention: James L. Spano, Chief  
Mandated Cost Audits Bureau, Division of Audits

Re: Response to Draft Audit Report of the City of Los Angeles Animal Adoption Program

Dear Mr. Chiang:

Attached are the main points of the response by the Department of Animal Services to the Draft Audit of the State Controller's Office, and a rough draft response to audit finding number 8 regarding eligibility of Prop F funding for construction of animal care centers. These attachments have been provided to the City Controller, Wendy Greuel because the draft audit was addressed to Ms. Greuel.

Due to the unreasonable time constraint imposed by the State on the Department, substantial and delinquent demand made by the State that the City provide detailed documentation for audit periods as long ago as 12 years, and strong likelihood that the with sufficient and fair notice to the City the actual reimbursement to the City would be closer to the actual amounts billed, the Department of Animal Services recommends that the City of Los Angeles direct the State of California to immediately and fully reimburse all amounts claimed by the Department of Animal Services that have not been paid by the State. Full reimbursement is proper because the claims filed by the City were submitted timely (except as noted), and were properly documented according to all of the State's guidelines and rules in place at the time each request for reimbursement was submitted. If the audit must be closed to meet a statutory deadline, we additionally request that the audit be reopened to allow adequate time to consider acceptance of offset allowances for Prop F funds expended on facility construction and other expenditures to comply with the Hayden Bill.

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AN EQUAL OPPORTUNITY EMPLOYER

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John Chiang, California State Controller  
Page 2

For all the reasons stated in the attached, the Department recommends that the City reject the State's audit as untimely, lacking proper notification, and contrary to the general purposes of good government, and as a result, reject the audit findings.

Rather than reducing the burden on local animal care and control agencies of implementing a valuable State-mandated law, the Hayden Bill, the entire audit process by the State Controller's Office is resulting in numerous large financial penalties to local jurisdictions for following the rules of the State and, therefore, for supporting the mandates of the Hayden Bill in good faith, and for reporting expenses honestly. The State Mandates reimbursement process, including the audit, should accomplish just the opposite, that is, it should support the good faith and honest efforts of local agencies to comply with the mandate.

Should you have any questions, please contact John Forland of our staff.

Thank you.



Brenda F. Barnett, General Manager  
Department of Animal Services

**Attachments:**

Bullet Points  
Prop F Offsets

**Copies:**

Wendy Greuel, Controller, City of Los Angeles  
Jim Venneman, Audit Manager, State Controller's Office  
Masha Vorobyova, Auditor, State Controller's Office  
Alan Burdick, Consultant, MGT of America



**Attachment the Los Angeles Department of Animal Services'  
Response to the State Controller's Office  
Draft Audit of Hayden Bill Mandated Reimbursement Requests  
1998-99 through 2007-08**

**Bullet Points**

Deadline:

- The State Controller's Office (State) extended the deadline for providing the Department's response to the by two days to allow submission of additional material when the Department has requested 30 days. The State's refusal to allow the time requested by the Department is based on the State's April 6, 2011 deadline to file the audit in order to stay within the two-year statute of limitations that an audit must be completed within two years of initiation.
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- The State is in arrears to the City for a little more than \$5 million in past claims not yet reimbursed. After further adjustment and submissions expected, the amount the auditors find to be overstated is just about \$5 million.
- Hourly rates throughout the audit period are actually higher than the City's claim. The City used Wages and Counts averages, while auditing actual payrolls gave a slightly increased hourly rate for all classifications.
- All computer hardware, software, and data management staffing claims (related to Chameleon) must be prorated because not all of Chameleon's modules are strictly for mandated activities of animal care (i.e. Chameleon also does licensing, citation, receipts, etc.), even though the equipment purchases were required to comply. The City claimed 100%, the auditors agreed to a 50% pro-ration.
- The City used the annual budget total attributed to animal care to calculate the per animal day cost. The State auditors pro-rated actual salaries of ACT staff only to narrowly define and ascertain care and maintenance eligibility. Department staff has submitted additional records of medical, cleaning, and animal food expenditures from the City's Financial Management Information System (FMIS) central accounting database.
- Annual animal census figures calculated by auditor are significantly different from the estimates used in claims in the first four years of reimbursement claims. The Department was not provided with any guidelines before submission of reimbursement requests and has not had an opportunity to verify that these calculations are supported by data.

- The City claimed reimbursement for dogs and cats in all of 1999 but the Hayden bill stipulated that reimbursement should not begin for dogs and cats until July 1999.
- The entire shelter staff working on Saturdays was claimed for reimbursement for the first four claim years; according to the auditors, only those staff that specifically have to be on duty because of being open to the public can be claimed, as was done in later years.
- According to State auditors, indirect costs were improperly calculated in the first years (understated) but overall were overstated because in several other findings categories the auditors are disallowing many of the overstated hours for care and medical wellness.
- State auditors were provided documentation about the Prop F Bond projects with a request to consider pro-rated reimbursement since one of the reasons for expanding the shelter system was to meet Hayden requirements. Auditors determined that because property taxes were raised to fund the bond, it was not eligible for reimbursement. The preparation of the Master Facilities Study (by a consultant) may be reimbursable.
- According to the State auditor, the City's claims included overstated medical costs. Hayden only reimburses for routine wellness checks for incoming animals, not special care, not rabies vaccination, and not emergency care, because the latter was already required of shelters by state law. The City had claimed nearly all medical supplies and a high level of medical staff. For the audit, we performed a time study to determine the actual average wellness exam time.

Reimbursement and Audit Procedures:

- The Department was not given notice at beginning of audit period and not given notice at beginning of audit periods of requirements for methods to follow or records to maintain.
- Other minor areas in which follow up will result in slight increases in the reimbursement calculations: Start-up training information has been retrieved by the Department's systems staff and verified by the payroll section and was provided to the auditor.
- The City questions the Controller's retroactive application of the Purifoy decision that Saturday is not a business day, and of the description of the scope of work reasonably required to be performed in accordance with the mandate on a Saturday. The City's believes retroactive application of the Purifoy case is improper. The Commission on State Mandates was silent as to the definition of business day. The court held that although the Hayden Bill requires animal shelters to hold animals longer or be open for business on a weekday evening or Saturday, Saturday is not a business day for the purposes of calculating how long to hold an animal before it can be released for adoption or disposal. The decision, published on March 26, 2010, is clearly applicable to all future claims. Applying the rule retroactively, as the State has done, is unfair and tends to inhibit or defeat the purpose of the Hayden Bill of extending the holding period so that animals are treated humanely (redeemed or adopted).

- The City followed all guidelines provided by the State and available at the time each request for reimbursement was filed.
- The State waited for as long as 12 years after the close of an audit period to conduct an audit of the claimed expenses incurred during that audit period, then requested a level of detailed proof (original document as proof of each line item expenditure, including name of vendor, quantity, and description of each item purchased) not previously requested or required. Many vendors have destroyed the detailed information (invoices) as the time exceeds any Statute of Limitations. The City General Services Department destroyed copies of invoices because these times exceeded the required records retention period. Requiring the City to guess in what future distant period the State may decide to audit records in any given year and be forced to retain all detailed expenditure records is a burden that is inefficient and unnecessary.
- Initially, the State accepted budgeted expenditures as sufficient proof of expenditure. However, in this audit, the State accepted only detailed proof of actual expenditures and rejected budgeted amounts. This surprise change in documentation requirements is burdensome.
- The State reimbursement process is inefficient. For example, due to the lack of prior notice as to the specific levels and form of proof required, lack of adequate prior guidelines, and delay in audit, the Department was required to allocate well over 450 hours of staff time to respond to this audit - at a time when both the State and City are undergoing significant staffing reductions and furloughs. Administration of animal care and control services depends on efficiency. Inefficiency of any type leads to fewer adoptions, less revenue, less policing, and more euthanasia. This is contrary to the intent of the Hayden Bill.
- The State process of sending the notices of the entrance conferences and exit conferences to the City of Los Angeles Department of Animal Services only, and the draft final audit to the City Controller only, and copying the Department is confusing.

**Attachment the Los Angeles Department of Animal Services'  
Response to the State Controller's Office  
Draft Audit of Hayden Bill Mandated Reimbursement Requests  
1998-99 through 2007-08**

**Summary of Department's Response to Finding 8 - Prop F Costs**

**Controller Finding:**

The City did not incur any increased costs to construct or remodel its animal shelters under Government Code section 17514. Government Code section 17514 states:

"Costs mandated by the state" means any increased costs which a local agency or school district is required to incur after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, or any executive order implementing any statute enacted on or after January 1, 1975, which mandate a new program or higher level of service of an existing program within the meaning of Section 6 of Article XIII B of the California Constitution.

The Controller argued that Proposition F of 1990 required city's taxpayers to fund construction projects through additional levies made to their property taxes. As a result, the taxpayers and not the City incurred the cost. The Controller determined that the non-discretionary revenue source was used to build the City's animal shelters and none of the city's discretion general fund was involved.

**City Response:**

First, there should not seem to be any dispute whether there was a cost mandated by the State. The costs are clearly identified as reimbursable costs in the Controller's claiming instructions for the Hayden Bill which meets all the requirements of Section 17514 above.

The Controller's issue seems to be, are these local revenues or "proceeds of taxes." The state has the right to preclude the City from being reimbursed for state, federal or grant funds, but not for local revenues which are proceeds of taxes.

On January 31, 2001, the Los Angeles City Council adopted a resolution providing for the issuance and sale of the City of Los Angeles General Obligation Bonds authorized by the voters by Proposition F, in an aggregate principal amount not to exceed \$201.3 million for a variety of local projects and services. The Council identified up to \$36.5 million for animal shelter facilities. These are clearly local revenues and to the extent the funds are used to pay for state mandate programs, there should be reimbursed by the state.

A similar issue was contested in *Redevelopment Agency v. Commission on State Mandates* (1997) 55 Cal.App.4th 976. The court set forth the following analysis:

The California Supreme Court's summary of the history and substance of the law applicable to state mandates, commented: "Through adoption of Proposition 13 in 1978, the voters added article XIII A to the California Constitution, which 'imposes a limit on the power of state and local governments to adopt and levy taxes. [Citation.]' [Citation.] The next year, the voters added article XIII B to the Constitution, which 'impose[s] a complementary limit on the rate of growth in governmental spending.' [Citation.] These two constitutional articles 'work in tandem, together restricting California governments' power both to levy and to spend for public purposes.' [Citation.] Their goals are 'to protect residents from excessive taxation and government spending. [Citation.]' [Citation.]" (County of San Diego v. State of California, supra, 15 Cal.4th at pp. 80-81.)

\* \* \*

In County of San Diego v. State of California, supra, 15 Cal.4th at page 81, the Supreme Court explained that section 6 represents recognition that together articles XIII A and XIII B severely restrict the taxing and spending powers of local agencies. The purpose of the section is to preclude the state from shifting financial responsibility for governmental functions to local agencies, which are ill equipped to undertake increased financial responsibilities because they are subject to taxing and spending limitations under articles XIII A and XIII B. (County of San Diego v. State of California, supra, at p. 81.)

\* \* \*

In County of Placer v. Corin (1980) 113 Cal.App.3d 443, 451 [170 Cal.Rptr. 232], the court defined "proceeds of taxes" in this way: "Under article XIII B, with the exception of state subventions, the items that make up the scope of 'proceeds of taxes' concern charges levied to raise general revenues for the local entity. 'Proceeds of taxes,' in addition to 'all tax revenues' includes 'proceeds ... from ... regulatory licenses, user charges, and user fees [only] to the extent that such proceeds exceed the costs reasonably borne by such entity in providing the regulation, product or service....' (§ 8, subd. (c).) (Italics added.) Such 'excess' regulatory or user fees are but taxes for the raising of general revenue for the entity. [Citations.] Moreover, to the extent that an assessment results in revenue above the cost of the improvement or is of general public benefit, it is no longer a special assessment but a tax. [Citation.] We conclude 'proceeds of taxes' generally contemplates only those impositions which raise general tax revenues for the entity." (Italics added.) (Id. at 980-984.)

In summary, the courts have held, and the Commission will follow suit in holding, that Proposition F funds are clearly proceeds of taxes and local revenue and to the extent they

were used to pay for state mandated costs associated with the increased cost of building animal shelters due to the Hayden bill, should be reimbursed by the State.



**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

**<http://www.sco.ca.gov>**

**Tab 4**

**BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA**

**IN RE TEST CLAIM:**

Civil Code Sections 1815, 1816, 1834, 1834.4, 1845, 1846, 1847, and 2080;  
Food and Agricultural Code Sections 17005, 17006, 31108, 31752, 31752.5, 31753, 31754, 32001, and 32003;  
Penal Code Sections 597.1 and 599d; and  
Business and Professions Code Section 4855,

As Added or Amended by Statutes of 1978, Chapter 1314; and Statutes of 1998, Chapter 752; and

California Code of Regulations, Title 16, Division 20, Article 4, Section 2031 (Renumbered 2032.3 on May 25, 2000); and

Filed on December 22, 1998;

By the County of Los Angeles, City of Lindsay, County of Tulare, County of Fresno, and Southeast Area Animal Control Authority, Claimants.

NO. CSM 98-TC-11

*Animal Adoption*

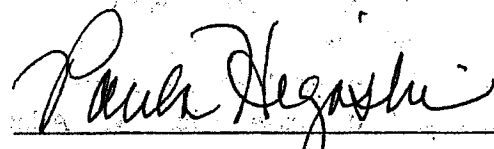
STATEMENT OF DECISION  
PURSUANT TO GOVERNMENT  
CODE SECTION 17500 ET SEQ.;  
TITLE 2, CALIFORNIA CODE OF  
REGULATIONS, DIVISION 2,  
CHAPTER 2.5, ARTICLE 7

(Adopted on January 25, 2001)

**STATEMENT OF DECISION**

The attached Statement of Decision of the Commission on State Mandates is hereby adopted in the above-entitled matter.

This Decision shall become effective on February 2, 2001.



Paula Higashi, Executive Director

**BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA**

**IN RE TEST CLAIM:**

Civil Code Sections 1815, 1816, 1834, 1834.4, 1845, 1846, 1847, and 2080; Food and Agricultural Code Sections 17005, 17006, 31108, 31752, 31752.5, 31753, 31754, 32001, and 32003; Penal Code Sections 597.1 and 599d; and Business and Professions Code Section 4855,

As Added or Amended by Statutes of 1978, Chapter 1314; and Statutes of 1998, Chapter 752; and

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By the County of Los Angeles, City of Lindsay, County of Tulare, County of Fresno, and Southeast Area Animal Control Authority, Claimants.

NO. CSM 98-TC-11

*Animal Adoption*

**STATEMENT OF DECISION  
PURSUANT TO GOVERNMENT  
CODE SECTION 17500 ET SEQ.;  
TITLE 2, CALIFORNIA CODE OF  
REGULATIONS, DIVISION 2,  
CHAPTER 2.5, ARTICLE 7**

(Adopted on January 25, 2001)

**STATEMENT OF DECISION**

On October 26, 2000, and November 30, 2000, the Commission on State Mandates (Commission) heard this test claim during regularly scheduled hearings.

At the October 26, 2000 hearing, Mr. Leonard Kaye appeared for the County of Los Angeles. Dr. Dennis Davis, Animal Care and Control Department, Lancaster Shelter, and Mr. Robert Ballenger, Senior Manager, Animal Care and Control Department, appeared as witnesses for the County of Los Angeles. Mr. Allan Burdick and Ms. Pam Stone appeared for the City of Lindsay and County of Tulare. Lt. Ramon Figueroa, Department of Public Safety, appeared as a witness for the City of Lindsay. Ms. Pat Claerbout appeared for the Southeast Area Animal Control Authority. Ms. Meg Halloran, Deputy Attorney General, and Mr. James Apps appeared for the Department of Finance.

At the October 26, 2000 hearing, the Commission received public testimony from the following persons: Mr. Richard Ward, State Humane Association of California; Ms. Dolores Keyes, Coastal Animal Services Authority; Mr. Greg Foss, County of Mendocino; Ms. Lois Newman, The Cat and Dog Rescue Association of California; Ms. Patricia Wilcox, California Animal Control Directors Association; Ms. Kate Neiswender, on behalf of Senator Tom Hayden, author of SB 1785; Dr. Dena Mangiamele and Mr. John Humphrey, County of San Diego; Ms. Virginia Handley, The Fund for Animals; Mr. Mike Ross, Contra Costa County; Ms. Teri Barnato, Association of Veterinarians for Animal Rights; and Mr. Howard J. Davies, Mariposa County Sheriff's Department. In addition, a statement prepared by Ms. Taimie L. Bryant was read into the record by Ms. Kate Neiswender.

At the November 30, 2000, hearing, Mr. Leonard Kaye and Mr. Robert Ballenger appeared for the County of Los Angeles. Mr. Allan Burdick and Ms. Pam Stone appeared for the City of Lindsay and the County of Tulare. Mr. Hiren Patel, Deputy Attorney General, and Mr. James Apps appeared for the Department of Finance.

At the hearings, oral and documentary evidence was introduced, the test claim was submitted, and the vote was taken.

The law applicable to the Commission's determination of a reimbursable state mandated program is article XIII B, section 6 of the California Constitution, Government Code section 17500 and following, and related case law.

The Commission, by a vote of 5 to 2, partially approved this test claim.

## **BACKGROUND**

### Test Claim Legislation

In 1998, the Legislature enacted Senate Bill 1785 (Stray Animals) in an attempt to end the euthanasia of adoptable and treatable stray animals by the year 2010. The test claim legislation expressly identifies the state policy that "no adoptable animal should be euthanized if it can be adopted into a suitable home" and that "no treatable animal should be euthanized."<sup>1</sup> Thus, the test claim legislation provides, in part, that:

- The required holding period for stray animals is increased from three days, to four to six business days as specified.<sup>2</sup> Stray animals shall be held for owner redemption during the first three days of the holding period. If the owner has not redeemed the stray animal within the first three days, the animal shall be available for redemption or adoption during the remainder of the holding period;
- The stray animal shall be released to a nonprofit animal rescue or adoption organization if requested by the organization prior to the scheduled euthanization of that animal. In addition to the required spay or neuter deposit, the pound or shelter has the authority to assess a fee, not to exceed the standard adoption fee, for animals released;

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<sup>1</sup> See, Civil Code section 1834.4; Food and Agriculture Code section 17005; and Penal Code section 599d.

<sup>2</sup> The stray animals subject to this legislation include dogs, cats, rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property.

- Shelter personnel are required to verify the temperament of an apparent feral cat by using a “standardized protocol” to determine if the cat is truly feral, or simply a frightened or difficult tame cat. If the cat is determined to be tame, then the cat is required to be held for the entire holding period. If the cat is truly feral, the cat may be euthanized or relinquished to a nonprofit animal adoption organization after the first three days of the holding period;
- Animals that are relinquished to a pound or shelter by the purported owner shall be held for two full business days, not including the day of impoundment. The animal shall be available for owner redemption on the first day, and shall be available for owner redemption or adoption on the second day. After the second required day, the animal may be held longer, euthanized, or relinquished to a nonprofit animal adoption organization;
- Public entities and private entities that contract with a public entity have the “mandatory duty” to maintain lost and found lists and other information to aid owners of lost pets;
- All public pounds and private shelters shall keep and maintain accurate records for three years on each animal taken up, medically treated, and impounded; and
- Impounded animals shall receive “necessary and prompt veterinary care.”

On October 2, 2000, the claimants amended their test claim to include Business and Professions Code section 4855, enacted in 1978, and section 2032.3 of the regulations issued by the California Veterinary Medical Board. These provisions require all veterinarians to keep a written record of all animals receiving veterinary services for a minimum of three years.

#### History

In 1981, the Board of Control approved a test claim filed by the County of Fresno on legislation requiring a 72-hour holding period prior to the euthanasia of stray cats (*Detention of Stray Cats*, SB 90-3948).<sup>3</sup> The Parameters and Guidelines adopted by the Board of Control authorized reimbursement for the one-time costs of building modification; feeding, water and litter receptacles; and additional cages. The Parameters and Guidelines also authorized reimbursement for ongoing personnel activities, and the purchase of food, litter and cleaning supplies. Except for the County of Los Angeles, all cities and counties were eligible for reimbursement. The County of Los Angeles sponsored the “stray cat” legislation and, thus, was not entitled to reimbursement under the former Revenue and Taxation Code. In 1982, the Board of Control adopted a statewide cost estimate. However, the Legislature elected not to fund the mandate in 1984.<sup>4</sup>

#### Claimants’ Position

The claimants contend that the test claim legislation constitutes a reimbursable state mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514. The claimants are requesting reimbursement for the initial costs to obtain

<sup>3</sup> Food and Agriculture Code section 31752, as added by Statutes of 1980, Chapter 1060.

<sup>4</sup> Statutes of 1984, Chapter 268.

new and additional facilities, to develop new policies and procedures, and to develop new protocols such as the one required for feral cats. The claimants are also requesting continuing costs to maintain records; provide veterinary services; provide services to animals, other than dogs and cats; and costs resulting from the increased holding period.

On October 2, 2000, the claimants filed a response to the Draft Staff Analysis clarifying that they are seeking reimbursement for the following activities: construction of cat housing; construction of isolation/treatment facilities; construction of additional kennel buildings; extra kennel staffing; lost and found staffing; additional medical personnel; medical equipment and supplies; emergency treatment costs; and additional administrative costs. The County of Los Angeles estimates their initial costs to implement the program at \$5,762,662.

#### Department of Finance Position

The Department contends that the test claim should be denied. The Department argues that the test claim legislation imposes animal control activities on both public and private sector entities. Therefore, although the test claim legislation may result in additional costs to local agencies, those costs are not reimbursable because they are not unique to local government. The Department further states the duty imposed on local agencies to accept and care for lost or abandoned animals is not a new duty and, thus, does not constitute a new program or higher level of service. Finally, the Department contends that no reimbursement is required since there are no costs mandated by the state pursuant to Government Code section 17556, subdivisions (d) and (e).

#### Position of Interested Party, City of Fortuna

The City of Fortuna contends that the test claim legislation constitutes a reimbursable state mandated program by increasing the length of time animals can be held before they are euthanized, by adding new requirements related to adoption services, and by adding new requirements related to veterinary care. The City contends that the test claim legislation increased the cost of its animal control program by 284 percent.

#### Position of Interested Party, County of Mariposa

Howard Davies, assistant sheriff of Mariposa County, testified that the test claim legislation has resulted in increased costs in the form of housing animals, building a new facility, and increased staffing. He further testified that the four to six business-day holding period required by the test claim legislation essentially forces agencies to hold animals for six or seven days, when taking weekends into account.

#### Position of Interested Parties, Counties of San Diego, Fresno, and Mendocino

The Counties of San Diego, Fresno, Mendocino, and Contra Costa contend that the test claim legislation constitutes a reimbursable state mandated program. Both counties filed comments on the Draft Staff Analysis. The Counties of San Diego and Contra Costa contend that local agencies are required by the test claim legislation to provide "new" veterinary care services. The County of San Diego further contends that local agencies are required to perform new activities related to the seizure of animals. The County of Fresno filed comments, and Greg

Foss of the County of Mendocino provided testimony, clarifying the list of offsetting savings to be included in the parameters and guidelines.

Position of Interested Person, Senator Tom Hayden, Author of SB 1785

Kate Neiswender, staff to Senator Tom Hayden, testified that the test claim legislation does not impose a reimbursable state mandated program. The test claim legislation seeks to increase adoptions and reduce the rate, and costs, of killing animals. If all of the pieces of the test claim legislation are fully implemented, there is a net effect of no new costs.

Position of Interested Person, Taimie L. Bryant, Ph.D., J.D.

Ms. Bryant is a Professor of Law at UCLA Law School. She assisted in the design and drafting of the test claim legislation at the request of Senator Tom Hayden. She teaches a course entitled "Animals and the Law," which has been offered at UCLA each academic year since 1995. She is also the faculty sponsor for the UCLA Animal Welfare Association.

Ms. Bryant contends that this test claim should be denied. Ms. Bryant argues that the test claim legislation applies to both public and private entities and, thus, is not unique to local government pursuant to the court's holding in *County of Los Angeles v. State of California*.<sup>5</sup> She further contends that the test claim legislation authorizes local agencies to assess fees sufficient to pay for the mandated program and that the legislation "has no net negative financial impact on local government." Therefore, Ms. Bryant contends that no reimbursement is required since there are no costs mandated by the state pursuant to Government Code section 17556, subdivisions (d) and (e).

Position of Other Interested Persons

Virginia Handley of the Fund for Animals, Inc., contends that the test claim legislation constitutes a reimbursable state mandated program. Ms. Handley filed comments on the Draft Staff Analysis supporting reimbursement for the entire holding period, for owner relinquished animals, and for increased veterinary care.

Lois Newman, founder and president of The Cat and Dog Rescue, states that the test claim legislation is cost-effective. Ms. Newman contends that the claimants' argument that the costs resulting from the test claim legislation are substantial is without merit. She further argues that some local agencies decided to expend monies for capital improvements before the test claim legislation was enacted and, thus, there is no proof that the test claim legislation resulted in costs mandated by the state.

The San Francisco Society for the Prevention of Cruelty to Animals (SPCA) states that it entered into a partnership called the "Adoption Pact" with the San Francisco Animal Care and Control Department in 1994. Several provisions and incentives provided in the Adoption Pact were written into the test claim legislation. The San Francisco SPCA contends that the test claim legislation is cost-effective and can be accomplished on a revenue-neutral or revenue-positive basis without expenditures for new facilities or increased space.

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<sup>5</sup> *County of Los Angeles v. State of California* (1987) 43 Cal.3d 46.



B. Robert Timone, Executive Director for the Haven Humane Society, states that the test claim legislation imposes a reimbursable state mandated program by increasing civil and criminal liability, by severely increasing mandatory shelter retention time for stray and owner released animals, and by subjecting animal sheltering agencies to open-ended veterinary medical expenses. The Haven Humane Society has contracted with the City of Redding for 15 years and can no longer provide animal care services as a result of the test claim legislation.

Jeffrey E. Zinder filed comments on behalf of Animal Issues Movement (a Los Angeles/Orange County nonprofit organization) and United Activists for Animal Rights (a Riverside County nonprofit organization) contending that the test claim legislation constitutes a reimbursable state mandated program. Mr. Zinder filed comments on the Draft Staff Analysis contending that veterinary care and care and treatment for owner-relinquished animals are reimbursable activities.<sup>6</sup>

Richard Ward of the State Humane Association of California contends that the test claim legislation constitutes a reimbursable state mandated program and supports the positions of the County of San Diego, Mr. Jeffrey Zinder, and the claimants.

Dolores Keyes of the Coastal Animal Services Authority, a small shelter providing animal care services for the cities of Dana Point and San Clemente, testified that she has seen a definite fiscal impact that includes higher veterinarian costs, higher staffing costs, and new in-house services as a result of the test claim legislation.

Patricia Wilcox of the California Animal Control Directors Association testified that the test claim legislation has resulted in increased costs for medical care for lost, stray, abandoned, and relinquished animals.

Teri Barnato of the Association of Veterinarians for Animal Rights testified that veterinary care is not a new activity imposed by the test claim legislation since prior law required care and treatment for stray and abandoned animals. She testified that many shelters have increased their veterinary care, not because of the test claim legislation, but as a result of public pressure.

## FINDINGS

In order for a statute to impose a reimbursable state mandated program under article XIII B, section 6 of the California Constitution and Government Code section 17514, the statutory language must direct or obligate an activity or task upon local governmental agencies. If the statutory language does not mandate or require local agencies to perform a task, then compliance with the test claim statute is within the discretion of the local agency and a reimbursable state mandated program does not exist.

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<sup>6</sup> The comments filed by Yvonne Hunter of the League of California Cities and the comments filed by the Animal Care and Control Department of the City and County of San Francisco are helpful in providing background information. However, these comments do not address the issue before the Commission as to whether the test claim legislation imposes a reimbursable state mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

In addition, the required activity or task must constitute a new program or create an increased or higher level of service over the former required level of service. The California Supreme Court has defined the word "program" subject to article XIII B, section 6, of the California Constitution as a program that carries out the governmental function of providing a service to the public, or laws which, to implement a state policy, impose unique requirements on local governments and do not apply generally to all residents and entities in the state. To determine if the "program" is new or imposes a higher level of service, a comparison must be made between the test claim legislation and the legal requirements in effect immediately before the enactment of the test claim legislation. Finally, the new program or increased level of service must impose "costs mandated by the state."<sup>7</sup>

This test claim presents the following issues:

- Is the test claim legislation subject to article XIII B, section 6 of the California Constitution?
- Does the test claim legislation impose a new program or higher level of service on local agencies within the meaning of article XIII B, section 6 of the California Constitution?
- Does the test claim legislation impose "costs mandated by the state" within the meaning of Government Code sections 17514 and 17556?

The Commission also addresses a fourth issue raised by the claimants and interested party, County of San Diego, pertaining to seized animals under Penal Code section 597.1:

- Do the activities imposed by Penal Code section 597.1, relating to the seizure of animals, constitute a reimbursable state mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514?

These issues are addressed below.

**Issue 1: Is the test claim legislation subject to article XIII B, section 6 of the California Constitution?**

In order for the test claim legislation to be subject to article XIII B, section 6 of the California Constitution, the legislation must constitute a "program." The California Supreme Court, in the case of *County of Los Angeles v. State of California*<sup>8</sup>, defined the word "program" within the meaning of article XIII B, section 6 as a program that carries out the governmental function of providing a service to the public, or laws which, to implement a state policy, impose unique requirements on local governments and do not apply generally to all residents and entities in the state. Only one of these findings is necessary to trigger the applicability of article XIII B, section 6.<sup>9</sup>

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<sup>7</sup> Article XIII B, section 6 of the California Constitution; *County of Los Angeles v. State of California*, *supra*, 43 Cal.3d at 56; *Carmel Valley Fire Protection Dist. v. State of California* (1987) 190 Cal.App.3d 521, 537; *City of Sacramento v. State of California* (1990) 50 Cal.3d 51, 66; *Lucia Mar Unified School Dist. v. Honig* (1988) 44 Cal.3d 830, 835; Government Code section 17514.

<sup>8</sup> *County of Los Angeles*, *supra*, 43 Cal.3d 46, 56.

<sup>9</sup> *Carmel Valley Fire Protection Dist.*, *supra*, 190 Cal.App.3d at 537.

The Commission analyzes this issue in two parts. The first part addresses Senate Bill 1785, the stray animal legislation. The second part addresses the provisions added to the test claim by the claimants' test claim amendment; namely, Business and Professions Code section 4855 and section 2032.3 of the California Veterinary Medical Board's regulations.

#### Senate Bill 1785 – Stray Animals

Both the Department of Finance and Ms. Bryant contend that the test claim legislation on stray animals is not subject to article XIII B, section 6 of the California Constitution because the animal control activities required by the test claim legislation are not unique to local government. With the exception of posting lost and found lists, it is their position that the test claim activities are imposed on both public and private shelters.

The claimants disagree and contend that the test claim legislation is subject to article XIII B, section 6 of the California Constitution. The claimants argue that the Legislature has imposed a duty on local government to provide animal services in the state pursuant to Penal Code sections 597f and 597.1, Food and Agriculture Code section 31105, and Health and Safety Code section 121690, subdivision (e). Private animal shelters do not have similar duties and can refuse to accept a stray animal. Therefore, the claimants contend that the test claim legislation is unique to local government. The claimants also argue that the test claim legislation provides a service to the public and, thus, the test claim legislation qualifies as a program under article XIII B, section 6 of the California Constitution.

For the reasons stated below, the Commission finds that the test claim legislation constitutes a "program" within the meaning of article XIII B, section 6 of the California Constitution.

The purpose of the test claim legislation is to carry out the "state policy" that no adoptable animal should be euthanized if it can be adopted into a suitable home and that no treatable animal should be euthanized.<sup>10</sup> In this respect, the test claim legislation does impose duties on both public and private animal shelters. In Section 1 of the test claim legislation, the Legislature declared that "public and private shelters and humane organizations share a common purpose in saving animals' lives" and that "public and private shelters and humane organizations should work together to end euthanasia of adoptable and treatable animals." Thus, the test claim legislation requires both public and private shelters to perform the following activities:

- keep stray animals for a longer holding period;
- provide the animal with necessary and prompt veterinary care, adequate nutrition, water, and shelter, and make reasonable attempts to notify the owner if the animal has identification;
- release the stray animal to an animal rescue and adoption organization upon request prior to the euthanization of the animal;
- determine whether an apparently feral cat is truly feral; and

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<sup>10</sup> Civil Code section 1834.4; Penal Code section 599d; and Food and Agriculture Code section 17005.

- keep and maintain accurate records on each animal for three years.<sup>11</sup>

Although the test claim legislation applies to both public and private shelters, existing law, which was not amended or repealed by the test claim legislation, does *not* require private shelters to accept stray or abandoned animals. Instead, the act of accepting and caring for stray animals is within the discretion of the private shelter. Thus, the Commission finds that the requirements imposed by the test claim legislation apply to private shelters only if the private shelter decides to accept the stray or abandoned animal, and that existing law cannot be ignored.

For example, Civil Code section 1816, subdivision (a), provides that a private entity with whom a stray animal is deposited "is bound to take charge of it, *if able to do so.*"

The Department of Finance contends that Civil Code section 1816, subdivision (a), is not relevant to this analysis. Instead, the Department contends that it is subdivision (b) of section 1816 that applies and requires both public and private shelters to accept stray animals. That section states the following: "*A public agency or shelter* with whom a thing is deposited in the manner described in Section 1513 is bound to take charge of it, as provided in Section 597.1 of the Penal Code." (Emphasis added.) The Department argues that the phrase "a public agency or shelter" means *both* public and private shelters. The Department supports its position with Senate and Assembly floor analyses that state that the test claim legislation applies to both private and public shelters.<sup>12</sup>

The Commission disagrees with the Department of Finance's argument. When determining the intent of a statute, the first step is to look at the statute's words and give them their plain and ordinary meaning. Where the words of the statute are not ambiguous, they must be applied as written and may not be altered in any way. Moreover, the intent must be gathered from the whole of a statute, rather than from isolated parts or words, in order to make sense of the entire statutory scheme.<sup>13</sup>

There is no evidence that the Legislature intended the phrase "a public agency or shelter" in Civil Code section 1816, subdivision (b), to include private shelters. Such a reading ignores the plain language of Civil Code section 1816, subdivision (a), which does address private shelters by the express reference to a "private entity." In subdivision (a), the Legislature expressly stated that private entities are only required to take charge of stray animals "if able to do so."

Moreover, other statutes enacted as part of Senate Bill 1785 specifically include the word "private" when referring to private shelters.<sup>14</sup> Thus, had the Legislature intended to apply

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<sup>11</sup> Ms. Lois Newman of The Cat and Dog Rescue Association submitted a survey revealing the number of private animal shelters operating in California. There are 187 private shelters and 246 public shelters.

<sup>12</sup> Department of Finance's response to Draft Staff Analysis.

<sup>13</sup> *City of Merced v. State of California* (1984) 153 Cal.App.3d 777; *Carrisales v. Department of Corrections* (1999) 21 Cal.4th 1132.

<sup>14</sup> See Section 1, subdivision (a)(1) and (2), and subdivision (e), of Statutes of 1998, Chapter 752 (Legislature's Findings and Declarations); Food and Agriculture Code section 32001 (Lost and Found Lists); and Food and Agriculture Code section 32003 (Maintaining Records).

Civil Code section 1816, subdivision (b), to private shelters, they would have included the word "private" in subdivision (b).

Finally, the Senate Floor Analysis of Senate Bill 1785, dated August 27, 1998, specifically recognizes that the duties imposed by the test claim legislation are mandatory duties for public entities and only those private entities which contract with the public entity to perform *their* required governmental duties.<sup>15</sup>

Accordingly, the Commission finds that Civil Code section 1816, subdivision (a), supports the conclusion that private animal shelters are not required to perform the activities imposed by the test claim legislation since the act of accepting and caring for stray animals is within the discretion of the private shelter.

Moreover, Civil Code section 2080 states that "any person who finds a thing lost [including a stray animal] is *not* bound to take charge of it, unless the person is otherwise required to do so by contract or law." In this regard, the Department of Finance and Ms. Bryant contend that many private shelters have the legal obligation to take in stray animals because their mission statements and by-laws require them to take in strays. However, there is *no state law* requiring private shelters to accept and care for an animal. Thus, only if the private shelter decides to accept and care for an animal, or enter into a contract with a local agency to perform such services, is the private shelter required to perform the activities imposed by the test claim legislation.

Public shelters, on the other hand, have a pre-existing legal duty to accept and care for stray animals. Food and Agriculture Code section 31105 requires the county board of supervisors to take up and impound stray dogs. That section states the following:

The board of supervisors *shall* provide for both of the following:

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<sup>15</sup> The Commission notes that the Senate Floor Analysis, analyzing the same version of the bill, changed for the August 30, 1998 hearing. The August 30, 1998 analysis did not contain the paragraph recognizing that the duties imposed by the test claim legislation are mandatory duties for public entities and those private entities that contract with the public entity. The vote on the bill by the Senate occurred on August 30, 1998.

The Commission notes, however, that the Senate Floor Analysis dated August 28, 1998 is consistent with Corporations Code section 14503, which provides that the governing body of a local agency may contract with private humane societies and societies for the prevention of cruelty to animals to provide animal care or protection services. In this regard, the private entity's jurisdiction is limited to the jurisdiction of the local agency. Corporations Code section 14503 states the following:

The governing body of a local agency, by ordinance, may authorize employees of public pounds, societies for the prevention of cruelty to animals, and humane societies, who have qualified as humane officers pursuant to Section 14502, and which societies or pounds have contracted with such local agency to provide animal care or protection services, to issue notices to appear in court

... for violations of state or local animal control laws. Those employees shall not be authorized to take any person into custody even though the person to whom the notice is delivered does not give his or her written promise to appear in court. The authority of these employees is to be limited to the jurisdiction of the local agency authorizing the employees.

(a) The taking up and impounding of all dogs which are found running at large in violation of any provision of this division.

(b) The killing in some humane manner or other disposition of any dog which is impounded. (Emphasis added.)<sup>16</sup>

Health and Safety Code section 121690, subdivision (e), also requires counties and cities to maintain a pound system. That section states the following:

(e) It *shall be the duty* of the governing body of each city, city and county, or county to maintain or provide for the maintenance of a pound system and a rabies control program for the purpose of carrying out and enforcing this section. (Emphasis added.)<sup>17</sup>

The test claim legislation, in Civil Code section 1816, subdivision (b), furthers this duty by stating that public agencies or shelters with whom a thing is deposited is "bound to take charge of it, as provided in Section 597.1 of the Penal Code." Since 1991, Penal Code section 597.1 has required peace officers and animal control officers employed by local agencies to take possession of any stray or abandoned animal, and provide care and treatment for the animal.<sup>18</sup> Penal Code section 597.1 states in relevant part the following:

Any peace officer, humane society officer, or animal control officer shall take possession of the stray or abandoned animal and shall provide care and treatment for the animal until the animal is deemed to be in suitable condition to be returned to the owner.

Although the above provision includes privately employed humane society officers, the law does *not* require humane societies and/or societies for the prevention of cruelty to animals to hire humane society officers. Rather, these private entities have the choice to hire such employees.<sup>19</sup> Accordingly, the requirement in Penal Code section 597.1, to take possession of any stray or abandoned animal, imposes a state-mandated duty on local governmental agencies only.

Therefore, unlike private animal shelters, local agencies have no choice but to perform the activities required by the test claim legislation. Accordingly, the Commission finds that the

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<sup>16</sup> Added by Statutes of 1967, Chapter 15.

<sup>17</sup> Added by Statutes of 1995, Chapter 415 (derived from Statutes of 1957, Chapter 1781).

<sup>18</sup> Added by Statutes of 1991, Chapter 4.

<sup>19</sup> Corporations Code section 14502. Pursuant to the provisions of Corporations Code section 14502, if the private entity decides to hire a humane society officer, the entity must first file an application with the court for the appointment of the prospective employee as a humane society officer. If the individual meets the requirements, then the individual will be appointed a humane society officer and possess limited peace officer powers to prevent the perpetration of any act of cruelty upon an animal. Corporations Code section 14502, subdivision (n), further states that "[a] humane society or a society for the prevention of cruelty to animals shall notify the sheriff of the county in which the society is incorporated, prior to appointing a humane officer, of the society's intent to enforce laws for the prevention of cruelty to animals."

test claim legislation does impose unique requirements on local agencies to implement the state's policy to end euthanasia of adoptable and treatable animals.

The Commission further finds that the test claim legislation satisfies the second test that triggers the applicability of article XIII B, section 6 in that it constitutes a program that carries out the governmental function of providing a service to the public. As indicated above, only local agencies are mandated by the state to accept and care for stray and abandoned animals. The courts have held that the licensing and regulation of the manner in which animals are kept and controlled are within the legitimate sphere of governmental police power.<sup>20</sup> In this respect, the Legislature recognized in Section 1 of the test claim legislation that "taking in of animals is important for public health and safety, to aid in the return of the animal to its owner, and to prevent inhumane conditions for lost or free roaming animals." Although Ms. Bryant urges the Commission to deny this test claim, she acknowledges that "collection of stray animals has been deemed a legitimate and necessary function of government as opposed to a duty to be placed on private citizens."

Based on the foregoing, the Commission finds that Senate Bill 1785 (Stray Animals) constitutes a "program" within the meaning of article XIII B, section 6 of the California Constitution.

#### Sections Added by the Claimants' Test Claim Amendment

On October 2, 2000, the claimants amended their test claim to add Business and Professions Code section 4855 and section 2032.3 of the Veterinary Medical Board's regulations. These provisions require all veterinarians to keep a written record of all animals receiving veterinary services for a minimum of three years.

For the reasons stated below, the Commission finds that these provisions do *not* constitute a "program" within the meaning of article XIII B, section 6 of the California Constitution.

In order for a statute or an executive order to constitute a "program" subject to article XIII B, section 6 of the California Constitution, the statute or executive order must be unique to local government or carry out the governmental function of providing a service to the public. Neither test is satisfied here.

Business and Professions Code section 4855 states the following:

*A veterinarian subject to the provisions of this chapter shall, as required by regulation of the [Veterinary Medical Board], keep a written record of all animals receiving veterinary services, and provide a summary of that record to the owner of animals receiving veterinary services, when requested. The minimum amount of information which shall be included in written records and summaries shall be established by the board. The minimum duration of time for which a licensed premise shall retain the written record or a complete copy of the written record shall be determined by the board. (Emphasis added.)*

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<sup>20</sup> *Simpson v. City of Los Angeles* (1953) 40 Cal.2d 271, 278 (where the California Supreme Court stated that "it is well settled that the licensing of dogs and the regulation of the manner in which they shall be kept and controlled are within the legitimate sphere of the police power, and that statutes and ordinances may provide for impounding dogs and for their destruction or other disposition.")

In response to Business and Professions Code section 4855, the Veterinary Medical Board issued section 2032.3 of its regulations. That regulation provides in pertinent part the following:

(a) *Every veterinarian* performing any act requiring a license pursuant to the provisions of Chapter 11, Division 2, of the [Business and Professions Code], upon any animal or group of animals shall prepare a legible, written or computer generated record concerning the animal or animals. . . . (Emphasis added.)

Based on the express language of these provisions, the Commission finds that the record keeping requirements imposed by Business and Professions Code section 4855 and the regulation issued by the Veterinary Medical Board apply to *all* veterinarians licensed in this state. Thus, these provisions are not unique to local government. Nor does the activity to keep records constitute a peculiarly governmental function since the activity is imposed on *all* veterinarians.

Therefore, the Commission finds that Business and Professions Code section 4855 and section 2032.3 of the Veterinary Medical Board's regulations do not constitute a "program" and, thus, are not subject to article XIII B, section 6 of the California Constitution.

Accordingly, the remainder of this analysis addresses only those provisions enacted as part of Senate Bill 1785 (Stray Animals).

**Issue 2: Does the test claim legislation impose a new program or higher level of service on local agencies within the meaning of article XIII B, section 6 of the California Constitution?**

To determine if the "program" is new or imposes a higher level of service, a comparison must be made between the test claim legislation and the legal requirements in effect immediately before the enactment of the test claim legislation.

#### Holding Period for Dogs and Cats

Food and Agriculture Code sections 31108 and 31752 describe the required holding period for impounded dogs and cats. Those sections provide that an impounded dog or cat shall be held for six business days, not including the day of impoundment. The six-day holding period can be reduced to four business days if the local agency complies with one of the following provisions:

- If the pound or shelter has made the dog or cat available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day, the holding period shall be four business days, not including the day of impoundment.
- If the pound or shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dog or cat by appointment at a mutually agreeable time when the pound or shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.



These test claim statutes further require, that prior to euthanizing an impounded dog or cat for any reason other than irremediable suffering, the impounded dog or cat shall be released to a nonprofit animal rescue or adoption organization, if requested by the organization, before the scheduled euthanization of the impounded animal. In addition to any spay or neuter deposit, the pound or shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for the animals released.

The holding period and adoption requirements described above do not apply to animals that are irremediably suffering from a serious illness or severe injury and newborn animals that need maternal care and have been impounded without their mothers. Such animals may be euthanized without being held for owner redemption or adoption.<sup>21</sup>

Before the test claim legislation was enacted, public shelters were required to hold impounded dogs and cats for 72 hours from the time of capture. The 72-hour holding period did not apply to cats that were severely injured, seriously ill, or to newborn cats unable to feed themselves.<sup>22</sup>

In addition, there was no requirement under prior law to release impounded animals to nonprofit animal rescue or adoption organizations, upon request of the organization, prior to euthanizing the animal.

Accordingly, the Commission finds that Food and Agriculture Code sections 31108 and 31752 impose a new program or higher level of service by:

- Requiring local agencies to provide care and maintenance during the increased holding period for impounded dogs and cats. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and six business days from the day after impoundment, or four business days from the day after impoundment requiring local agencies to either:
  - (1) Make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
  - (2) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establish a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed,<sup>23</sup> and by
- Requiring the release of the animal to a nonprofit animal rescue or adoption organization upon request by the organization prior to euthanasia.

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<sup>21</sup> Food and Agriculture Code section 17006.

<sup>22</sup> Food and Agriculture Code sections 31108 (as added by Statutes of 1967, Chapter 15) and 31752 (as added by Statutes of 1980, Chapter 1060)

<sup>23</sup> The claimants and several commentators contend that as a result of the increased holding period, the cost of veterinary care has increased. The Commission can consider the argument, that veterinary care during the increased holding period is reimbursable, at the parameters and guidelines phase.

### Holding Period for Other Animals

Food and Agriculture Code section 31753 imposes the same holding period and adoption requirements for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property, as is required for dogs and cats. Thus, section 31753 provides that the holding period for these other animals is six business days, not including the day of impoundment. The six-day holding period can be reduced to four business days if the local agency complies with one of the following provisions:

- If the pound or shelter has made the other animals available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day, the holding period shall be four business days, not including the day of impoundment.
- If the pound or shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the pound or shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Ms. Bryant contends that Food and Agriculture Code section 31753 does not constitute a new program or higher level of service. Ms. Bryant contends that before the enactment of the test claim legislation, Penal Code sections 597f and 597.1 required peace officers, humane society officers, and animal control officers to take possession of any abandoned or neglected animal and care for the animal until the owner redeems the animal. Under these provisions, the animal control officer is required to perform a "due search" for the owner prior to euthanizing the animal. Thus, she argues that a holding period is legally implied from the requirement that owners be given a chance to redeem their animals.

Ms. Bryant further argues that the holding period established under prior law is equivalent to a "reasonable" period that allows the owner to redeem the animal. In this respect, Ms. Bryant argues that a five-day holding period has been deemed reasonable and, thus, required under prior law. In support of her position, Ms. Bryant cites a federal regulation, governing the sale of shelter animals to research labs, that deems five days the minimum necessary to provide owners a reasonable chance to reclaim their pets. She also cites California's vicious dog law, Food and Agriculture Code section 31621, which provides that an owner must receive five days notice to contest the "vicious dog" designation in order to reclaim the dog. Finally, Ms. Bryant states that the Humane Society of the United States promotes five days as the minimum reasonable holding period. Accordingly, Ms. Bryant contends that the test claim requirement to hold other animals for four days constitutes a lower level of service.

Government Code section 17565 states that "if a local agency or school district, at its option, has been incurring costs which are subsequently mandated by the state, the state shall reimburse the local agency or school district for those costs incurred after the operative date of the mandate." The Commission finds that Government Code section 17565 applies here.

Before the enactment of the test claim legislation, Penal Code sections 597f and 597.1 required animal control officers to take possession and provide care and treatment to *any* stray or abandoned animal until the animal was deemed to be in suitable condition to be returned to the

owner. If the owner could not be found after a due search, the animal control officer could have the animal euthanized or placed in a suitable home. Thus, the Commission agrees that Penal Code sections 597f and 597.1 apply to the animals specified in the test claim statute and that *some* holding period is implied in these sections.

However, there was *no prior state or federal law* mandating local agencies to hold these specified animals for *any* time period. Rather, the appropriate time period was left up to the discretion of the local agency. With the enactment of Food and Agriculture Code section 31753, the state is now requiring local agencies, for the first time, to hold these animals for four days. Therefore, the Commission finds that the four or six day holding period is new.

Accordingly, the Commission finds that Food and Agriculture Code sections 31753 imposes a new program or higher level of service by:

- Requiring local agencies to provide care and maintenance during the increased holding period for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and six business days from the day after impoundment, or four business days from the day after impoundment requiring local agencies to either:
  - (1) Make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
  - (2) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establish a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed; and by
- Requiring the release of the animal to a nonprofit animal rescue or adoption organization upon request by the organization prior to euthanasia.

#### Feral Cats

The test claim legislation added section 31752.5 to the Food and Agriculture Code to address feral cats. Feral cats are defined as cats without owner identification whose usual and consistent temperament is extreme fear and resistance to contact with people. A feral cat is totally unsocialized to people.

Food and Agriculture Code section 31752.5, subdivision (c), states the following:

Notwithstanding Section 31752 (establishing the holding period for stray cats), if any apparently feral cat has not been reclaimed by its owner or caretaker within the first three days of the required holding period, shelter personnel qualified to verify the temperament of the animal *shall verify whether it is feral or tame by using a standardized protocol*. If the cat is determined to be docile or a frightened or difficult tame cat, the cat shall be held for the entire required holding period specified in Section 31752. If the cat is determined to be truly feral, the cat *may* be euthanized or relinquished to a nonprofit . . . animal adoption organization that agrees to the spaying or neutering of the cat

if it has not already been spayed or neutered. In addition to any required spay or neuter deposit, the pound or shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for the animal released. (Emphasis added.)

The claimants contend that section 31752.5 constitutes a new program or higher level of service by establishing holding periods for feral cats and by requiring local agencies to verify whether a cat is feral or tame by using a "newly developed or obtained" standardized protocol. The claimants state the following:

The mandatory holding periods for feral cats are completely new. There is no prior law on the subject. The 'standard adoption fee[s]' for feral cats shall not be exceeded. In addition, local government must now 'verify whether it is feral or tame by using a standardized protocol' in order to determine the correct holding period. Therefore, the costs of obtaining or developing such a protocol as well [as] its administration would be reimbursable 'costs mandated by the state' as claimed herein.

Regarding holding periods for feral cats, the clock starts to run after (not including) . . . the day of impoundment. Under prior law, there were no holding periods for feral cats. Now holding periods are established, mandated, and defined in terms of a number of 'business days', considerably longer than the same number of calendar days. Therefore, Chapter 752/98 explicitly increases mandatory holding periods for feral cats and related costs upon local government.

The Commission disagrees with the claimants' statement that holding periods for feral cats are completely new and that there was no prior law on the subject. Before the enactment of the test claim legislation, Food and Agriculture Code section 31752 required a 72-hour holding period from the time of capture for *all* impounded stray cats, except cats that were severely injured, seriously ill, or newborn cats unable to feed themselves. That section stated the following:

*No stray cat* which has been impounded by a public pound, society for the prevention of cruelty to animals shelter, or humane shelter shall be killed before 72 hours have elapsed from the time of the capture of the stray cat.

This section shall not apply to cats which are severely injured or seriously ill, or to newborn cats unable to feed themselves. (Emphasis added.)

Thus, the 72-hour holding period established under prior law applied to both feral and tame cats.

The Commission finds that the only new requirement imposed by Food and Agriculture Code section 31752.5 is the requirement to verify within the first three days of the holding period whether the cat is feral or tame by using a standardized protocol. If the cat is determined to be tame, the same holding period established by Food and Agriculture Code section 31752, as amended by the test claim legislation and described in the section above, applies; i.e., four or six business days.

Accordingly, the Commission finds that Food and Agriculture Code section 31752.5 constitutes a new program or higher level of service by requiring local agencies to verify, within the first three days of the holding period, whether a cat is feral or tame by using a standardized protocol.

#### Owner Relinquished Animals

The test claim legislation added Food and Agriculture Code section 31754 to address animals relinquished by their owners. That section provides in relevant part the following:

[A]ny animal relinquished by the purported owner that is of a species impounded by pounds or shelters shall be held for two full business days, not including the day of impoundment. The animal shall be available for owner redemption for the first day, not including the day of impoundment, and shall be available for owner redemption and adoption for the second day. After the second required day, the animal may be held longer, killed, or relinquished to a nonprofit . . . animal adoption organization under the same conditions and circumstances provided for stray dogs and cats. . . .

Section 31754 became operative on July 1, 1999, and sunsets on July 1, 2001.

On July 1, 2001, Food and Agriculture Code section 31754 will provide, with the exception stated below, that any animal relinquished by the purported owner that is of a species impounded by pounds or shelters shall be held for the same holding periods, and with the same requirements of care, applicable to stray dogs and cats in sections 31108 and 31752 of the Food and Agriculture Code.<sup>24</sup> However, the period for owner redemption shall be one day, not including the day of impoundment, and the period for owner redemption or adoption shall be the remainder of the holding period.

The holding period described above does not apply to relinquished animals that are irremediably suffering from a serious illness or severe injury, or newborn animals that need maternal care and have been impounded without their mothers.

Ms. Bryant contends that neither prior law, nor Food and Agriculture Code section 31754, require local agencies to take in owner-relinquished animals. Thus, she argues that taking in such animals is within the discretion of the local agency and that the holding periods established by section 31754 only apply if the local agency chooses to accept owner-relinquished animals.

The claimants contend that section 31754 imposes mandatory duties on the local agency to accept owner-relinquished pets since, in reality, owners relinquish their animals on the streets

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<sup>24</sup> The Commission notes that section 31754 requires the same holding periods for owner-relinquished animals as the holding period for stray dogs and cats. The statute correctly refers to section 31108 for the holding period for stray dogs. But, the statute references section 31755, which is not the statute relating to stray cats. The statute relating to stray cats is section 31752. Accordingly, the Commission finds that there is a typographical error in section 31754 and that the Legislature intended to refer to section 31752 instead of 31755.

if the agency will not accept the animal. At that point, the animal will be deemed a stray or an abandoned animal and, thus, require the agency to take possession of the animal.<sup>25</sup>

The Commission agrees with Ms. Bryant. At the time the test claim legislation was enacted, local agencies were not required to accept owner-relinquished animals. They were simply required to take possession of stray or abandoned animals.<sup>26</sup>

The test claim legislation did not change existing law. Rather, based on the plain language of the test claim legislation and existing law, taking possession of owner-relinquished animals, and caring and maintaining the owner-relinquished animal during the required holding period, is within the discretion of the local agency.

Accordingly, the Commission finds that Food and Agriculture Code section 31754 does not constitute a new program or higher level of service since there are no state mandated duties imposed on local agencies.

#### Posting Lost and Found Lists

Food and Agriculture Code section 32001 provides the following:

All public pounds, shelters operated by societies for the prevention of cruelty to animals, and humane shelters, that contract to perform public animal control services, shall provide the owners of lost animals and those who find lost animals with all of the following:

- (a) Ability to list the animals they have lost or found on 'Lost and Found' lists maintained by the pound or shelter.
- (b) Referrals to animals listed that may be the animals the owner or finders have lost or found.
- (c) The telephone numbers and addresses of other pounds and shelters in the same vicinity.
- (d) Advice as to means of publishing and disseminating information regarding lost animals.
- (e) The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

*The duties imposed by this section are mandatory duties for public entities for all purposes of the Government Code and for all private entities with which a public entity has contracted to perform those duties. (Emphasis added.)*

Before the enactment of the test claim legislation, the duty imposed by section 32001 to post lost and found lists was *not* mandatory. The last two sentences of former section 32001 stated the following:

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<sup>25</sup> Other commentators share the claimants' view (e.g., Virginia Handley, Jeffrey Zinder, and Richard Ward.)

<sup>26</sup> Food and Agriculture Code section 31105; Penal Code section 597.1.

Notwithstanding Section 9, a violation of this section is not a misdemeanor. Furthermore, the duty imposed by this section is *not a mandatory duty* for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code [entitled "Claims and Actions Against Public Entities and Public Employees"], and *no cause of action for damages is created by this section against a public entity or employee or against any other person.* (Emphasis added.)

The above sentences were repealed with the enactment of the test claim legislation. Thus, the test claim legislation created a legal duty for local agencies to post the lost and found lists required by section 32001, and at the same time, established a cause of action for an agency's failure to comply.

Accordingly, the Commission finds that Food and Agriculture Code section 32001 imposes a new program or higher level of service by requiring local agencies to provide the owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on "Lost and Found" lists maintained by the pound or shelter.
- Referrals to animals listed that may be the animals the owner or finders have lost or found.
- The telephone numbers and addresses of other pounds and shelters in the same vicinity.
- Advice as to means of publishing and disseminating information regarding lost animals.
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

#### Records

The test claim legislation amended Penal Code section 597.1 and added section 32003 to the Food and Agriculture Code to address the maintenance of records.

Penal Code section 597.1, subdivision (d), provides that "[a]n animal control agency that takes possession of an animal pursuant to subdivision (c) [i.e., injured cats and dogs found without their owners and conveyed to a veterinarian to determine if the animal should be euthanized or treated] shall keep records of the whereabouts of the animal from the time of possession to the end of the animal's impoundment, and those records shall be available for inspection by the public upon request for three years after the date the animal's impoundment ended."

Food and Agriculture Code section 32003 requires the maintenance of records on each animal taken up, medically treated, or impounded. That section states the following:

All public pounds and private shelters shall keep accurate records on each animal taken up, medically treated, or impounded. The records shall include all of the following information and any other information required by the California Veterinary Medical Board:

- (a) The date the animal was taken up, medically treated, euthanized, or impounded.
- (b) The circumstances under which the animal is taken up, medically treated, euthanized, or impounded.
- (c) The names of the personnel who took up, medically treated, euthanized, or impounded the animal.
- (d) A description of any medical treatment provided to the animal and the name of the veterinarian of record.
- (e) The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party. These records shall be maintained for three years after the date the animal's impoundment ends.

The claimant contends that these sections impose new and increased duties. Ms. Bryant, on the other hand, contends that no new records are required. She states that the requirement to keep records was previously required by the Public Records Act and by other areas of California law. Thus, Ms. Bryant contends that Penal Code section 597.1, subdivision (d), and Food and Agriculture Code section 32003 do not impose a new program or higher level of service.

For the reasons described below, the Commission finds that Food and Agriculture Code section 32003 imposes a partial new program or higher level of service.

Before the enactment of the test claim legislation, Penal Code section 597.1, subdivision (d), and Penal Code section 597f, subdivision (c), required animal control agencies to keep records for public inspection indicating the whereabouts of an injured dog or cat conveyed to a veterinarian for a 72-hour period from the time of possession.

In addition, pursuant to the Business and Professions Code and regulations enacted by the California Veterinary Medical Board in 1979, existing law requires all veterinarians to keep a written record of all animals receiving veterinary services. The record shall contain the following information, if available: name, address and phone number of the owner; name and identity of the animal; age, sex and breed of the animal; dates of custody (with the veterinarian); short history of the animal's condition; diagnosis or condition at the beginning of custody; medication and treatment provided; progress and disposition of the case; and surgery log. Such records shall be maintained for a minimum of three years after the last visit.<sup>27</sup>

The Commission agrees that the test claim legislation imposes some of the same record-keeping responsibilities as existing law. For example, the Commission agrees that the requirements imposed by Penal Code section 597.1, subdivision (d), to keep records for three years on the whereabouts of the animal are not new. That section applies to injured cats and dogs that are conveyed to a veterinarian to determine whether the animal should be euthanized

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<sup>27</sup> Business and Professions Code section 4855; California Code of Regulations, title 16, division 20, article 4, section 2032.3.



or treated. Although the test claim legislation increased the retention of the records from 72 hours to three years, existing regulations issued by the Veterinary Medical Board already require the maintenance of records describing the dates of custody, progress and disposition of the case for three years. Thus, the Commission finds that Penal Code section 597.1, subdivision (d), does not constitute a new program or higher level of service.

Similarly, the requirement imposed by Food and Agriculture Code section 32003 to maintain records for three years on animals receiving medical treatment by veterinarians is not new since the same requirement was previously imposed by the regulations issued by the Veterinary Medical Board.

However, the requirement imposed by Food and Agriculture Code section 32003 on local agencies to maintain records describing the "taking up" or "impoundment" of an animal is broader than the record keeping requirements imposed on veterinarians in prior law. Moreover, the requirement for local agencies to keep records regarding the euthanasia of an animal was not a requirement imposed in prior law. In this respect, the Commission disagrees with the arguments raised by Ms. Bryant and other commentators that euthanasia is a veterinary procedure and, thus, information regarding the euthanasia of an animal was required to be kept in the veterinarian's records.<sup>28</sup> The Commission finds that euthanasia is not a veterinary procedure since employees of animal control shelters who are *not* veterinarians or registered veterinary technicians are legally allowed to perform the procedure after eight hours of training. The training covers the following topics: history and reasons for euthanasia; humane animal restraint techniques; sodium pentobarbital injection methods and procedures; verification of death; safety training and stress management for personnel; and record keeping and regulation compliance for sodium pentobarbital.<sup>29</sup>

Accordingly, the Commission finds that Food and Agriculture Code section 32003 imposes new requirements on local agencies to maintain records for three years after the date the animal's impoundment ends on animals that are *not medically treated* by a veterinarian, but are either taken up, euthanized after the end of the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and
- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The Commission agrees that making these records available to the public complies with the Public Records Act, as argued by Ms. Bryant. "Public records" are defined as any writing containing information relating to the conduct of the public's business that is prepared, owned, used or retained by any state or local agency, regardless of the physical form or characteristic

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<sup>28</sup> Comments filed by Ms. Bryant and comments filed by Lois Newman of The Cat and Dog Rescue Association.

<sup>29</sup> See section 2039 of the Veterinary Medical Board's regulations.

of the writing. Local agencies are required under the Public Records Act to keep public records open for inspection at all times during the office hours of the local agency.<sup>30</sup> However, local agencies would not be compelled to make information on animals that do not receive veterinary services available to the public if the state had not created the requirement to maintain such records.

Accordingly, the Commission finds that the requirement to maintain records for three years on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the end of the holding period, or impounded constitutes a new program or higher level of service.

### Veterinary Care

The claimants contend that the test claim legislation imposes a new program or higher level of service by requiring local agencies to provide veterinary care, which was not required under prior law. The claimants cite Civil Code section 1834.4, Penal Code section 599d, and Food and Agriculture Code section 17005, which expresses the state's policy that no adoptable animal should be euthanized and no treatable animal should be euthanized. All of these sections state the following:

(a) It is the policy of the state that no adoptable animal should be euthanized if it can be adopted into a suitable home. Adoptable animals include only those animals eight weeks of age or older that, at or subsequent to the time the animal is impounded or otherwise taken into possession, have manifested no sign of a behavioral or temperamental defect that could pose a health or safety risk or otherwise make the animal unsuitable for placement as a pet, and have manifested no sign of disease, injury, or congenital or hereditary condition that adversely affect the animal's health in the future.

(b) It is the policy of the state that no treatable animal should be euthanized. *A treatable animal shall include any animal that is not adoptable but that could become adoptable with reasonable efforts.* This subdivision, by itself, shall not be the basis of liability for damages regarding euthanasia. (Emphasis added.)

The claimants contend that the italicized language quoted above "requires" local agencies to provide reasonable veterinary treatment services in order to make them adoptable.

The claimants also cite Civil Code section 1834, which was amended by the test claim legislation. That section provides that:

A depositary of living animals *shall* provide the animals with *necessary and prompt veterinary care*, nutrition, and shelter, and treat them kindly. Any depositary that fails to perform these duties may be liable for civil damages as provided by law. (Emphasis added.)

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<sup>30</sup> Government Code section 6253.

Similarly, Civil Code section 1846 was amended by the test claim legislation to provide in part that “[a] gratuitous depository of a living animal *shall provide the animal with necessary and prompt veterinary care.*” (Emphasis added.)

Ms. Bryant contends that veterinary care does not constitute a new program or higher level of service. She states the following:

It is important to note that veterinary care is already mandated under Penal Code Sections 597f and 597.1, which require humane officers and animal control officers to ‘take possession of [a] stray or abandoned animal and . . . **provide care and treatment** for the animal until the animal is deemed to be in suitable condition to be returned to the owner.’ (Penal Code Sec. 597.1(a)) Subsection (b) permits injured or sick animals other than cats or dogs to be killed or impounded and treated. Cats and dogs must be seen by a veterinarian before a determination is made to kill.

Accordingly, the addition of the words ‘prompt and necessary veterinary care’ to Civil Code Section 1834 does not add to shelters’ veterinary care responsibilities because of the pre-existing care provisions of Penal Code Section 597f and 597.1. (Emphasis in original.)

First, the Commission finds that the policy statements found in Civil Code section 1834.4, Penal Code section 599d, and Food and Agriculture Code section 17005 do not impose any requirements on local agencies. They simply describe the state’s policy regarding euthanasia. The Commission acknowledges that the word “shall” is used in the sentence, which provides that “a treatable animal *shall* include any animal that is not adoptable but that could become adoptable with reasonable efforts.” However, that sentence is merely defining “treatable animals.” It is not imposing the requirement to provide veterinary care for animals.

The issue of whether the requirement imposed by Civil Code sections 1834 and 1846 to provide necessary and prompt veterinary care constitutes a new program or higher level of service is more complicated, however.

Before the enactment of the test claim legislation, Penal Code section 597.1 contained a provision requiring local agencies to provide “care and treatment” for the animal until the animal is in a suitable condition to be returned to the owner. The Commission agrees that care and treatment can include necessary veterinary treatment. But, the provisions of Penal Code section 597.1 became operative *only if* the governing body of the local agency determined that it would operate under section 597.1. Penal Code section 597.1 stated in relevant part the following:

(a) . . . Any peace officer, humane society officer, or animal control officer shall take possession of the stray or abandoned animal and shall provide *care and treatment* for the animal until the animal is deemed to be in suitable condition to be returned to the owner. . . .

(l) This section *shall be operative* in a public agency or a humane society under the jurisdiction of the public agency, or both, *only if* the governing body of that public agency, by ordinance or resolution, determines that this section shall be

operative in the public agency or the humane society and that Section 597f shall not be operative. (Emphasis added.)<sup>31</sup>

Thus, the Commission finds that local agencies were not required to comply with the provisions of Penal Code section 597.1 before the enactment of the test claim legislation.

Before the test claim legislation was enacted, existing law, through Penal Code section 597f, also required local agencies to "care" for abandoned animals until the animal is redeemed by the owner. Penal Code section 597f further required local agencies to convey all injured dogs and cats to a veterinarian for treatment or euthanization. Local agencies had the option of providing "suitable care" for abandoned animals, other than cats and dogs, until the animal is deemed to be in a suitable condition to be delivered to the owner. Penal Code section 597f states in relevant part the following:

(a) . . . .And it shall be the duty of any peace officer, officer of the humane society, or officer of a pound or animal regulation department of a public agency, to take possession of the animal so abandoned or neglected and *care* for the animal until it is redeemed by the owner or claimant, and the cost of caring for the animal shall be a lien on the animal until the charges are paid. Every sick, disabled, infirm, or crippled animal, except a dog or cat, which shall be abandoned in any city, city and county, or judicial district, may, if after due search no owner can be found therefore, be killed by the officer; and it shall be the duty of all peace officers, an officer of such society, or officer of a pound or animal regulation department of a public agency to cause the animal to be killed on information of such abandonment. The officer may likewise take charge of any animal, including a dog or cat, that by reason of lameness, sickness, feebleness, or neglect, is unfit for the labor it is performing, or that in any other manner is being cruelly treated; and if the animal is not then in the custody of its owner, the officer shall give notice thereof to the owner, if known, *and may provide suitable care for the animal until it is deemed to be in a suitable condition to be delivered to the owner*, and any necessary expenses which may be incurred for taking care of and keeping the animal shall be a lien thereon, to be paid before the animal can be lawfully recovered.

(b) It *shall* be the duty of all officers of pounds or humane societies, and animal regulation departments of public agencies to convey, and for police and sheriff departments, to cause to be *conveyed all injured cats and dogs found without their owners in a public place directly to a veterinarian* known by the officer or agency to be a veterinarian that ordinarily treats dogs and cats for a determination of whether the animal shall be immediately and humanely destroyed or shall be hospitalized under proper care and given emergency treatment. . . . (Emphasis added.)

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<sup>31</sup> The Commission notes that the test claim legislation deleted subdivision (l) from Penal Code section 597.1 to codify the court's decision in *Carrera v. Bertaini* (1976) 63 Cal.App.3d 721. There, the court held that making optional the provisions on post-seizure hearings in Penal Code section 597.1 was unconstitutional. Thus, with the deletion of subdivision (l), post-seizure hearings are now required.

Based on the language of section 597f, the Commission finds that local agencies had a pre-existing duty to obtain necessary veterinary care for injured cats and dogs. Thus, the Commission finds that providing "necessary and prompt veterinary care" for injured cats and dogs given emergency treatment, as required by Civil Code sections 1834 and 1846, does *not* constitute a new program or higher level of service.

However, the Commission finds that the requirement to provide "prompt and necessary veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, is new. The Commission acknowledges that Penal Code section 597f requires local agencies to provide "care" to other animals. The word "care" is not defined by the Legislature. Nevertheless, for the reasons stated below, the Commission finds that the word "care" in section 597f does *not* include veterinary treatment.

The courts have determined that if a statute on a particular subject contains a particular word or provision, and another statute concerning the same or related subject omits that word or provision, then a different intention is indicated.<sup>32</sup>

Penal Code section 597f requires local agencies to "care" for the animal until it is redeemed by the owner. That section was originally added by the Legislature in 1905, and was last amended in 1989. In 1991, the Legislature added Penal Code section 597.1. That section provides that local agencies shall provide "care *and treatment*" for the animal until it is redeemed by the owner. As indicated above, "care and treatment" can include veterinary care and treatment. However, since the Legislature did *not* use the word "treatment" in Penal Code section 597f like it did in Penal Code section 597.1, the Commission finds that the Legislature did not intend Penal Code section 597f to require local agencies to treat or provide "prompt and necessary veterinary care" to these other abandoned animals.

Accordingly, the Commission finds that providing prompt and necessary veterinary care for abandoned animals, other than injured cats and dogs given emergency treatment, as required by Civil Code sections 1834 and 1846, is new and, thus, imposes a new program or higher level of service.<sup>33</sup>

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<sup>32</sup> Volume 58, Cal. Jur., sections 127 and 172; *Kaiser Steel Corp. v. County of Solano* (1979) 90 Cal.App.3d 662.

<sup>33</sup> Interested party, County of San Diego, contends that the test claim legislation constitutes a new program or higher level of service by "providing veterinary care for stray or abandoned animals found and delivered by any person (other than a peace officer, humane society officer, or animal control officer) to a public animal shelter, that are ultimately euthanized." The County of San Diego contends that Penal Code sections 597f and 597.1, when read in context, only apply when animals are seized by specified officers in the field and do not apply when other individuals find such animals.

The Commission disagrees with this interpretation. Penal Code section 597f, subdivision (a), states that "it shall be the duty of any peace officer, officer of the humane society, or officer of a pound or animal regulation department of a public agency, to take possession of the animal so abandoned or neglected and care for the animal until it is redeemed by the owner. . . ." While section 597f does apply to seized animals, it does not limit the requirement to care for the animal to only those animals that are seized by an officer. The duty to care for the animal is imposed on the "animal regulation department of a public agency" once the animal comes into their possession.

### Construction of New Buildings

Finally, the claimants' are requesting reimbursement for the construction of cat housing, isolation/treatment facilities, and additional kennel buildings in order to comply with the test claim legislation. The Department of Finance and other commentators contend that this request is suspect.

The Commission notes that the test claim legislation does *not* expressly require or mandate local agencies to construct new buildings. However, the Commission's regulations allow reimbursement for the most reasonable methods of complying with the activities determined by the Commission to constitute reimbursable state mandated activities under article XIII B, section 6 of the California Constitution.<sup>34</sup> Therefore, in order for the claimants to be entitled to reimbursement for construction of new buildings, the claimants will have to show at the parameters and guidelines phase that construction of new buildings occurred as a direct result of the mandated activities and was the most reasonable method of complying with the mandated activities.

#### **Issue 3: Does the test claim legislation impose "costs mandated by the state" within the meaning of Government Code sections 17514 and 17556?**

As indicated above, the Commission finds that the test claim legislation constitutes a new program or higher level of service for the following activities:

- Providing care and maintenance for impounded dogs and cats for the increased holding period established by the test claim legislation (measured by calculating the difference between three days from the day of capture, and four business days from the day after impoundment, as specified in the third bullet below, or six business days from the day after impoundment);
- Providing care and maintenance for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property during the increased holding period established by the test claim legislation (measured by calculating the difference between three days from the day of capture, and four business days from the day after impoundment, as specified in the third bullet below, or six business days from the day after impoundment);
- For impounded dogs, cats, and other specified animals that are held for four business days after the day of impoundment, either:
  - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
  - (b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed;

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<sup>34</sup> Title 2, California Code of Regulations, section 1183.1, subdivision (a)(4).

- Requiring the release of the impounded animal to a nonprofit animal rescue or adoption organization upon request prior to the euthanization of the animal;
- Verifying whether a cat is feral or tame by using a standardized protocol;
- Posting lost and found lists;
- Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded; and
- Providing prompt and necessary veterinary care for abandoned animals, other than injured cats and dogs that receive emergency treatment.

The Commission continues its inquiry to determine if these activities impose “costs mandated by the state.”

Increased Holding Periods/ Release to Nonprofit Rescue or Adoption Organization/ Veterinary Care for Animals Other Than Cats and Dogs

The claimants contend that the longer holding periods established by the test claim legislation for impounded and owner-relinquished animals, and the veterinary care result in increased costs mandated by the state. The claimant acknowledges that, in addition to a spay or neuter deposit, the test claim legislation authorizes the local agency to assess a fee, not to exceed the standard adoption fee, for animals released to an adoption organization. However, the claimants argue that the fee authority is not sufficient to cover the “substantial new costs.”

Both the Department of Finance and Ms. Bryant, citing Government Code section 17556, subdivisions (d) and (e), contend that the test claim legislation does not impose “costs mandated by the state” since the legislation authorizes local agencies to assess fees sufficient to pay for the mandated program and that the legislation has no net negative financial impact on local government. Ms. Bryant states the test claim legislation includes a number of cost saving measures such as (a) turning over shelter animals to qualified nonprofit animal rescue and adoption groups, which saves the costs of killing and carcass disposal and brings in adoption revenues paid by the nonprofit groups; (b) waiting before automatically killing owner-relinquished pets so that they can be reunited with their real owner or adopted by a new owner or nonprofit group - - thereby bringing in revenues and saving the expense of killing and disposing of the bodies; (c) providing for lost/found listings and other information to aid owners of lost pets, which obviates the need for many animals to enter the shelters at all; (d) enabling shelters to collect freely offered rewards for the return of lost pets; and (e) creating more legal avenues for dealing with anti-cruelty statute enforcement. The Department of Finance and Ms. Bryant further contend that the costs of impoundment must be passed on to the owners under the existing authority of Penal Code sections 597f and 597.1 and Government Code section 25802.

Government Code section 17514 defines “costs mandated by the state” as *any increased cost* a local agency is required to incur as a result of a statute that mandates a new program or higher level of service.

Government Code section 17556 lists seven exceptions to reimbursement, two of which are pertinent here. That section states that the Commission shall not find "costs mandated by the state" if the Commission finds that:

- The local agency has the authority to levy service charges, fees or assessments sufficient to pay for the mandated program or increased level of service (Gov. Code, § 17556, subd. (d)); or
- The statute provides for offsetting savings to local agencies which result in no net costs to the local agencies; or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate (Gov. Code, § 17556, subd. (e)).

Government Code section 17556, subdivisions (d) and (e), are analyzed below.

**Fee Authority – Government Code Section 17556, Subdivision (d).** Government Code section 17556, subdivision (d), provides that there shall be no costs mandated by the state if the local agency has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program.

In the present case, local agencies do have the authority, under certain circumstances, to assess fees upon the owner of an impounded animal for the care and maintenance of the animal. For example, pursuant to Civil Code section 2080, any public agency that takes possession of an animal has the authority to charge the owner, *if known*, a reasonable charge for saving and taking care of the animal.

Similarly, Penal Code sections 597f and 597.1 also allow local agencies to pass on the costs of caring for abandoned or seized animals to their owners by providing that "the cost of caring for the animal shall be a lien on the animal until the charges are paid."

Moreover, Penal Code section 597f allows the cost of hospital and emergency veterinary services provided for impounded animals to be passed on to the owner, if known.<sup>35</sup>

The fee authority granted under the foregoing authorities applies only if the owner is known. Thus, local agencies have the authority to assess a fee to care and provide treatment for animals relinquished by their owners pursuant to Food and Agriculture Code section 31754. Local agencies also have the authority to assess a fee for the care and treatment of impounded animals that are ultimately redeemed by their owners. Under such circumstances, the Commission finds that the fee authority is sufficient to cover the increased costs to care,

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<sup>35</sup> Penal Code section 597f also allows the cost of such veterinary services to be *partially* paid pursuant to Food and Agriculture Code section 30652, which provides the following: "All fees for the issuance of dog license tags and all fines collected pursuant to this division shall be paid into the county, city, or city and county treasury, as the case may be, and shall be used: (a) First, to pay fees for the issuance of dog license tags; (b) Second, to pay fees, salaries, costs, expenses, or any or all of them for the enforcement of this division and all ordinances which are made pursuant to this division; (c) Third, to pay damages to owners of livestock which are killed by dogs; (d) Fourth, to pay costs of any *hospitalization or emergency care of animals pursuant to Section 597f of the Penal Code*. (Emphasis added.) The monies collected for licenses and fines can be identified as an offset in the Parameters and Guidelines.



maintain, and provide necessary veterinary treatment for the animal during the required holding period since the "cost of caring" for the animal can be passed on to the owner.

Accordingly, pursuant to Government Code section 17556, subdivision (d), the Commission finds that there are no costs mandated by the state for the care, maintenance and necessary veterinary treatment of animals relinquished by their owners or redeemed by their owners during the required holding period.

The Commission further finds that there are no costs mandated by the state under Government Code section 17556, subdivision (d), for the care, maintenance, and treatment of impounded animals that are ultimately adopted by a new owner; for the care, maintenance, and treatment of impounded animals that are requested by a nonprofit animal rescue or adoption organization; or for the administrative activities associated with releasing the animal to such organizations.

The test claim legislation gives local agencies the authority to assess a standard adoption fee, in addition to any spay or neuter deposit, upon nonprofit animal rescue or adoption organizations that request the impounded animal prior to the scheduled euthanization of the animal.<sup>36</sup>

The claimant contends that the "standard adoption fee" is not sufficient to cover the costs for animals adopted or released to nonprofit animal rescue or adoption organizations. However, based on the evidence presented to date, the Commission finds that local agencies are not prohibited by statute from including in their "standard adoption fee" the costs associated with caring for and treating impounded animals that are ultimately adopted by a new owner or released to nonprofit animal rescue or adoption organizations, and the associated administrative costs. Rather, local agencies are only prohibited from charging nonprofit animal rescue or adoption organizations a higher fee than the amount charged to individuals seeking to adopt an animal.

However, the fees recovered by local agencies under the foregoing authorities do *not* reimburse local agencies for the care and maintenance of stray or abandoned animals, or the veterinary treatment of stray or abandoned animals (other than cats and dogs) during the holding period required by the test claim legislation when:

- The owner is unknown;
- The animal is not adopted or redeemed; or
- The animal is not released to a nonprofit animal rescue or adoption organization.

Thus, the fee authority is not sufficient to cover the increased costs for care, maintenance, and treatment during the required holding period for those animals that are ultimately euthanized. Under such circumstances, the Commission finds that that Government Code section 17556, subdivision (d), does not apply to deny this claim. Rather, local agencies may incur increased costs mandated by the state to care for these animals during the required holding period.

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<sup>36</sup> See Food and Agriculture Code sections 31108 (dogs), 31752 (cats), 31752.5 (feral cats), 31753 (other animals), and 31754 (owner-relinquished animals).

**Offsetting Savings or Additional Revenue – Government Code Section 17556,**

**Subdivision (e).** Government Code section 17556, subdivision (e), states that the Commission shall not find costs mandated by the state if:

- The *test claim statute* provides for offsetting savings to local agencies which result in no net costs to the local agencies, or
- The *test claim statute* includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate.

As indicated above, the Department of Finance and Ms. Bryant contend that Government Code section 17556, subdivision (e), applies to this claim since the legislation has no net negative financial impact on local government and includes a number of cost saving measures.

Additionally, the San Francisco SPCA contends that the test claim legislation is cost-effective and can be accomplished on a revenue-neutral or revenue-positive basis without expenditures for new facilities or increased space.

The Commission agrees that one of the purposes of the test claim legislation was to reduce the cost of euthanasia. The Legislature expressly declared in Section 1 of the test claim legislation that the “redemption of owned pets and adoption of lost or stray adoptable animals is preferable to incurring social and economic costs of euthanasia.” To reduce the rate of killing, the Legislature made it easier for owners to redeem their pets by establishing longer holding periods, mandatory record-keeping, and lost and found lists.

In this respect, both the Department of Finance and Ms. Bryant describe a hypothetical situation showing the projected cost savings to a local agency when complying with the test claim legislation. The Commission recognizes that if complying with the test claim legislation really does result in cost savings, then local agencies will not be filing claims for reimbursement with the State Controller’s Office. Government Code section 17514 only authorizes reimbursement by the state for the *increased* costs in complying with the mandate. The Commission notes that the claimants and several other commentators have filed declarations stating that local agencies have incurred increased costs as a result of the test claim legislation.

But, with regard to the legal issue of whether Government Code section 17556, subdivision (e), applies to this test claim, the only provision *in the test claim legislation* that provides for offsetting savings for the care and maintenance of the animal during the required holding period is the authorization to accept advertised rewards or rewards freely offered by the owner of the animal.<sup>37</sup> Rewards are not offered in every case, however. In addition, the rewards do not reimburse local agencies for the care and maintenance of a stray or abandoned animal when the owner cannot be found.

Thus, the Commission finds that there is no evidence that the test claim legislation provides for offsetting savings that result in *no* net costs to local agencies.

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<sup>37</sup> Civil Code section 1845.

Moreover, the test claim legislation does not include additional revenue specifically intended to fund the costs of the mandate.

Accordingly, the Commission finds that Government Code section 17556, subdivision (e), does not apply to this claim.

#### Feral Cats, Lost and Found Lists, Maintaining Records

The Commission finds that none of the exceptions to reimbursement in Government Code section 17556 apply to deny this test claim with respect to the activities listed below. In this regard, the Commission finds that local agencies may incur increased costs mandated by the state pursuant to Government Code section 17514:

- For impounded dogs, cats, and other specified animals that are held for four business days after the day of impoundment, to either:
  - (1) Make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
  - (2) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establish a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);
- To verify whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
- To post lost and found lists (Food & Agr. Code, § 32001); and
- To maintain records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003).

**Issue 4: Do the activities imposed by Penal Code section 597.1, relating to the seizure of animals, constitute a reimbursable state mandated program pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514?**

At the hearing on October 26, 2000, interested party, the County of San Diego, testified that the activities required by Penal Code section 597.1, relating to the seizure of animals, constitutes a reimbursable state mandated program. The claimants did not request reimbursement for such activities.

However, on November 9, 2000, the claimants submitted a "Review of Transcript and Proposed Recommendation" requesting that the Commission's decision incorporate the County of San Diego request. Specifically, the claimants are requesting that the Commission find that the activities listed below constitute reimbursable state mandated activities, and that the Commission adopt the following language in the statement of decision:

For dogs, cats and other animals seized pursuant to Penal Code Section [PC] 597.1:

- A. Conducting pre-seizure hearings [PC 597.1(g)],
- B. Conducting post-seizure hearings [PC 597.1(f)], in those cases where it is determined the seizure was justified,
- C. Providing care, maintenance, and required veterinary treatment, except for emergency treatment of injured dogs and cats, during the new segment of the 14 day holding period, if not paid for by the animals' owner or on the owner's behalf [PC 597.1(h)], or, if required veterinary care is not provided by the owner and the animal is deemed to be abandoned [PC 597.1(i)].

For the reasons stated below, the Commission disagrees with the claimants and interested parties, and finds that the activities listed above do not constitute reimbursable state mandated activities pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514.

#### Pre-Seizure and Post-Seizure Hearings

Before the test claim legislation was enacted, Penal Code section 597.1 made it a misdemeanor to permit an animal to be in any building, street, or lot without proper care and attention. In cases where the local agency determined that prompt action was required to protect the health and safety of the animal or others, the local agency was authorized to immediately seize the animal. Under such circumstances, subdivision (f) required that the local agency provide the owner, if known, with the opportunity for a post-seizure hearing before the commencement of the criminal proceeding to determine the validity of the seizure.

In cases where the immediate seizure was not justified, the local agency was required by subdivision (g) to provide the owner, if known, with the opportunity of a pre-seizure hearing. In such cases, the owner was required to produce the animal at the time of the hearing, unless the owner made arrangements with the local agency to view the animal, or unless the owner could provide verification that the animal was euthanized. The purpose of the hearing was to determine if the animal should be seized for care and treatment.

Although, in prior law, subdivisions (f) and (g) contained language requiring agencies to conduct pre-seizure and post-seizure hearings, the provisions of Penal Code section 597.1, including subdivisions (f) and (g), became operative *only if* the governing body of the local agency determined that it would operate under section 597.1. Former Penal Code section 597.1, subdivision (l), stated the following:

- (l) This section shall be operative in a public agency or a humane society under the jurisdiction of the public agency, or both, only if the governing body of that public agency, by ordinance or resolution, determines that this section shall be operative in the public agency or the humane society and that Section 597f shall not be operative.

Thus, before the test claim legislation was enacted, adherence to Penal Code section 597.1 was optional.

The test claim legislation deleted subdivision (l). With the deletion of subdivision (l), pre-seizure and post-seizure hearings are now required.

Nevertheless, for the reasons provided below, the Commission finds the requirement to conduct either a pre-seizure or post-seizure hearing does *not* constitute a new program or higher level of service, and does not impose costs mandated by the state.

In 1976, the California Court of Appeal determined, in the case of *Carrera v. Bertaini*,<sup>38</sup> that pre-seizure and post-seizure hearings are constitutionally required pursuant to Fourteenth Amendment, Due Process Clause, of the United States Constitution. In *Carrera*, the petitioner's farm animals were seized and impounded for running at large and the owner was charged with cruelty and neglect. The seizure immediately resulted in petitioner incurring several hundred dollars in fees and costs that had to be paid before she could get possession of her animals. Petitioner was not given the opportunity under either a pre-seizure or post-seizure hearing to determine if the seizure was valid. Instead, by the time she was able to institute a lawsuit and obtain a court hearing, six weeks after the seizure, the fees increased to over \$2,500. The court found that the county's procedures violated the Due Process Clause and recognized that where the government takes a person's property, the Due Process Clause requires some form of notice and hearing. The court stated the following:

As a matter of basic fairness, to avoid the incurrence of unnecessary expenses appellant was entitled to a hearing *before* her animals were seized or, if the circumstances justified a seizure without notice and a hearing, she was entitled to a *prompt hearing after* the animals were seized. Manifestly, the hearing in the superior court six weeks after the seizure cannot be said to satisfy appellant's due process rights.<sup>39</sup>  
(Emphasis added.)

Since pre-seizure and post-seizure hearings were *previously required* by the United States Constitution, these same activities imposed by Penal Code section 597.1 do not constitute a new program or higher level of service.

Moreover, the requirement to conduct pre-seizure and post-seizure hearings does not impose costs mandated by the state. Government Code section 17556, subdivision (b), provides that the Commission shall not find costs mandated by the state when "the statute or executive order affirmed for the state that which had been declared existing law or regulation by action of the courts." The Commission finds that Government Code section 17556, subdivision (b), applies here since before the enactment of the test claim legislation, the court in *Carrera* declared that existing law, through the Due Process Clause of the United States Constitution, required local agencies to conduct pre-seizure and post-seizure hearings when animals are seized. Moreover, bill analyses of the test claim legislation reveal that the amendment to Penal Code section 597.1 was intended to codify the court's decision in *Carrera*.

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<sup>38</sup> *Carrera v. Bertaini* (1976) 63 Cal.App.3d 721.

<sup>39</sup> *Id.* at 729.

Accordingly, the Commission finds that the requirement imposed by Penal Code section 597.1 to conduct pre-seizure and post-seizure hearings does not constitute a reimbursable state mandated activity pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514.

#### Holding Period for Seized Animals

The claimants and interested parties also request reimbursement for the following activities as a result of the 14-day holding period for seized animals:

Providing care, maintenance, and required veterinary treatment, except for emergency treatment of injured dogs and cats, during the new segment of the 14 day holding period, if not paid for by the animals' owner or on the owner's behalf [PC 597.1(h)], or, if required veterinary care is not provided by the owner and the animal is deemed to be abandoned [PC 597.1(i)].

The Commission disagrees with the claimants' request.

Penal Code section 597.1, subdivisions (h), provides that if an animal is properly seized, the owner shall be personally liable to the local agency for the cost of the seizure and care of the animal. The owner has 14 days after the animal was seized to pay the charges and redeem the animal. The charges constitute a lien on the animal. If the owner does not pay the charges permitted under section 597.1, then the animal shall be deemed an abandoned animal and may be disposed of by the local agency.

Penal Code section 597.1, subdivision (i), further provides that if the seized animal requires veterinary care and the local agency is not assured, within 14 days of the seizure of the animal, that the owner will provide the necessary care, the animal is deemed abandoned and may be disposed of by the local agency.

The 14-day holding period does *not* apply if it has been determined that the seized animal incurred severe injuries, is incurably crippled, or is afflicted with a serious contagious disease and the owner does not immediately authorize treatment of the animal at the expense of the owner. In such cases, the seized animal may be euthanized without regard to the holding period. (Pen. Code, § 597.1, subd. (i).)

Furthermore, the Commission finds that the 14-day holding period does *not* apply when the owner is truly unknown. Under such circumstances, the animal may be euthanized if sick or injured without regard to the 14-day holding period, or is deemed an abandoned or stray animal requiring the local agency to comply with the four or six day holding period established for dogs, cats, and other animals in Food and Agriculture Code sections 31108, 31752, and 31753. For example, Penal Code section 597.1, subdivision (b), provides that "every sick, disabled, infirm, or crippled animal, except a dog or cat, that is abandoned in any city, county, city and county, or judicial district may be killed by the officer if, after a reasonable search, no owner of the animal can be found." Subdivision (b) further provides that the local agency has the duty to cause the animal to be euthanized or rehabilitated and placed in a suitable home on information that the animal is stray or abandoned. Moreover, subdivision (c) requires that all injured dogs and cats be conveyed to a veterinarian. If the owner does not redeem the injured

dog or cat "within the locally prescribed waiting period," the veterinarian may euthanize the animal.

When the 14-day holding period does apply, the Commission agrees that it constitutes a new program or higher level of service. Before the enactment of the test claim legislation, Penal Code section 597f required local agencies to take possession of animals that were abandoned, neglected, unfit for labor, or cruelly treated, and care for the animal until it is redeemed by the owner.

The Commission finds that prior law established in Penal Code section 597f implies *some* holding period for seized animals to allow the owner to redeem the animal after payment of expenses. However, there was *no prior state or federal law* mandating local agencies to hold seized animals for any specified time period. With the enactment of the test claim legislation, which deleted subdivision (l) of section 597.1 making its provisions mandatory, the state is now requiring local agencies, for the first time, to hold seized animals for 14 days before the animal may be disposed of by the local agency.

Thus, the Commission finds that providing care and maintenance for seized animals during the 14-day holding period constitutes a new program or higher level of service.

The Commission also finds the providing treatment for seized animals during the 14-day holding period, constitutes a new program or higher level of service. Penal Code section 597.1, subdivision (a), states that "any peace officer, humane society officer, or animal control officer shall take possession of the stray or abandoned animal and shall provide care *and treatment* for the animal until it is deemed in suitable condition to be returned to the owner." Subdivisions (f) and (g) of section 597.1 also require that the due process notice given to owners of seized animals contain a statement that the owner is liable for the cost of caring for *and treating* the seized animal. Thus, necessary treatment is required during this time period.

But, the Commission finds that there are *no* costs mandated by the state associated with the 14-day holding period.

Government Code section 17556, subdivision (d), provides that the Commission shall not find costs mandated by the state when the local agency has the authority to levy service charges, fees or assessments sufficient to pay for the mandated program or increased level of service.

The Commission finds that Government Code section 17556, subdivision (d), applies here. Penal Code section 597.1 authorizes the local agency to pass on the costs of the seizure and care, including veterinary care, of the animal to the owner when the seizure is upheld at the due process hearing. The charges become a lien on the animal until paid. If the owner pays all costs associated with the seizure of the animal, then the owner can redeem the animal and the local agency's costs are fully recovered. (Pen. Code, § 597.1, subd. (a).) Under such circumstances, there are no costs mandated by the state.

Even in situations where the owner abandons the seized animal, and fails or refuses to pay the costs of the seizure and care during the 14-day holding period, the local agency still has the authority to recover their costs in full from the owner. Under such circumstances, the owner becomes personally liable for the charges. For example, subdivisions (f) and (g) of section 597.1 provide that the owner's failure to request or attend the due process hearing "shall result

in liability” for the cost of caring for and treating any animal properly seized. Moreover, once the owner is found guilty of a misdemeanor under section 597.1, the costs of caring for and treating the animal become restitution to be paid by the owner to the local agency. Thus, even if the owner abandons the animal, liability for the costs of care and treatment during the 14-day holding period follow the owner and are collectible by the local agency.

The Commission further finds that Government Code section 17556, subdivision (d), applies to deny reimbursement for the costs incurred as a result of the 14-day holding period when the local agency is not able to collect the full amount of the charges from the owner. In *Santa Margarita Water District v. Kathleen Connell, as State Controller*<sup>40</sup> the court rejected the interpretation that authority to levy fees sufficient to cover costs under Government Code section 17556, subdivision (d), turns on economic feasibility. Rather, the court held that the plain language of subdivision (d) precludes reimbursement where the local agency has the authority, the right or the power to levy fees sufficient to cover the costs of the state-mandated program. The court stated the following:

The Districts in effect ask us to construe ‘authority,’ as used in the statute, as a practical ability in light of surrounding economic circumstances. However, this construction cannot be reconciled with the plain language of the statute and would create a vague standard not capable of reasonable adjudication. Had the Legislature wanted to adopt the position advanced by the Districts, it would have used “reasonable ability” in the statute rather than “authority”.<sup>41</sup>

Accordingly, the Commission finds that the 14-day holding period established under Penal Code section 597.1 does not constitute a reimbursable state mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

## CONCLUSION

The Commission concludes that the test claim legislation imposes a partial reimbursable state mandated program on local agencies pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514 for the *increased costs* in performing the following activities:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four business days from the day after impoundment, as specified below in 3(a) and 3(b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);

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<sup>40</sup> (1997) 59 Cal.App.4th 382.

<sup>41</sup> *Id.* pg. 401



2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3(a) and 3(b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For impounded dogs, cats, and other specified animals that are held for four business days after the day of impoundment, either:
  - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
  - (b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);
4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing "necessary and prompt veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ. Code, §§ 1834 and 1846).

The Commission also concludes that all other statutes included in the test claim legislation that are not listed above do not impose a reimbursable state mandated program within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

The Commission further concludes that several statutes outside the test claim legislation that provide local agencies with revenues to offset the costs of the mandated program should be included in the Parameters and Guidelines as offsetting savings to the extent they are collected and received by the local agency. For example, local agencies have the authority to attribute part of the fees collected from owners for dog license tags and fines to pay salaries, costs, and expenses for the enforcement of animal control and emergency care of impounded animals. (Food & Agr. Code, § 30652; Pen. Code, § 597f.) Local agencies also have the authority to use a portion of the unclaimed spay and neuter deposits and fines collected for not complying with spay and neuter requirements to the administrative costs incurred by a local agency. (Food & Agr. Code, §§ 30520 et seq., and 31751 et seq.)<sup>42</sup> Finally, local agencies have the

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<sup>42</sup> The Commission recognizes that as of January 1, 2000, dogs and cats are required to be spayed or neutered before they are adopted or released. (Food & Ag. Code, §§ 30503 and 31751.3.) Thus, local agencies stopped collecting spay/neuter deposits for cats and dogs as of January 1, 2000. (See comments from County of Fresno.) The reimbursement period for this test claim will begin January 1, 1999. Accordingly, the Commission concludes

authority to use the fines imposed and collected from owners of impounded animals to pay for the expenses of operation and maintenance of the public pound and for the compensation of the poundkeeper. (Gov. Code, § 25802.)

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that the spay/neuter deposits collected by local agencies for cats and dogs from January 1, 1999 to January 1, 2000, be identified as an offset.

**Tab 5**

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Civil Code Sections 1834 and 1846;  
Food and Agriculture Code Sections 31108;  
31752, 31752.5, 31753, 32001, and 32003;  
As Added or Amended by Statutes of 1998,  
Chapter 752;

Filed on December 22, 1998;

By the County of Los Angeles, City of  
Lindsay, County of Tulare, County of Fresno,  
and Southeast Area Animal Control Authority,  
Claimants.

No. 98-TC-11

*Animal Adoption*

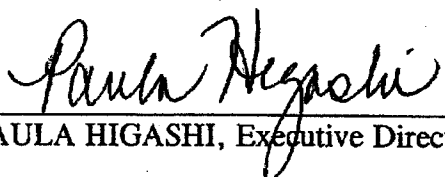
ADOPTION OF PARAMETERS AND  
GUIDELINES PURSUANT TO  
GOVERNMENT CODE SECTION 17557  
AND TITLE 2, CALIFORNIA CODE OF  
REGULATIONS, SECTION 1183.12

*(Adopted on February 28, 2002)*

**ADOPTED PARAMETERS AND GUIDELINES**

The attached Parameters and Guidelines is hereby adopted in the above-entitled matter.

This Decision shall become effective on March 6, 2002.

  
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PAULA HIGASHI, Executive Director

## PARAMETERS AND GUIDELINES

Civil Code Sections 1834 and 1846;  
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003  
As Added or Amended by Statutes of 1998, Chapter 752

### *Animal Adoption*

#### **I. Summary of the Mandate**

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive "necessary and prompt veterinary care."

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
  - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
  - (b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a

mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing "necessary and prompt veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

## **II. Eligible Claimants**

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

## **III. Period of Reimbursement**

Government Code section 17557, as amended by Statutes of 1998, Chapter 681 (which became effective on September 22, 1998), states that a test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. On December 22, 1998, the County of Los Angeles filed the test claim for this mandated program, establishing eligibility for reimbursement beginning on or after July 1, 1997.

However, except for the amendments to Food and Agriculture Code sections 31108 and 31752, Statutes of 1998, Chapter 752 became operative and effective on January 1, 1999. Therefore, except for the amendments to Food and Agriculture Code sections 31108 and 31752, the costs incurred for Statutes of 1998, Chapter 752 are eligible for reimbursement on or after January 1, 1999.

Section 21 of Statutes of 1998, Chapter 752 establishes an operative date of July 1, 1999 for the amendments to Food and Agriculture Code section 31108 (holding period for stray dogs) and Food and Agriculture Code sections 31752 (holding period for stray cats). Therefore, costs incurred for Food and Agriculture Code sections 31108 and 31752, as amended by Statutes of 1998, Chapter 752, are eligible for reimbursement on or after July 1, 1999.

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

If the total costs for a given year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

#### **IV. Reimbursable Activities**

For each eligible claimant, all direct and indirect costs of labor, materials, supplies, fixed assets, contracted services, training and travel for the performance of the activities listed below are eligible for reimbursement.

Except as specified in Component (B)(3) and (4), reimbursement claims for the performance of the activities listed below shall be based on actual or estimated costs as provided in Government Code section 17560.

##### **A. One Time Activities**

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) (8) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

##### **B. Ongoing Activities**

###### **1. Acquisition of Additional Space and/or Construction of New Facilities**

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from

reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board



meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or

abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

2. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);

- Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished dogs and cats; and
- Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
  - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
  - b) Determine the average daily census of dogs and cats.
  - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
  - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
  - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).
- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study

supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
  - b) Account for the total activity for which each employee is compensated;
  - c) Account for the total labor hours of the month;
  - d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
  - e) Document, by signature or initials and date, supervisor approval.
3. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

#### Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and

- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- **Actual Cost Method** – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
  - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
  - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
  - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
  - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
  - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by each reimbursable day (four or six business days from the day after impoundment).
- **Time Study Method** – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the

eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

4. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

5. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

6. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on "lost and found" lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

7. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and
- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

8. "Necessary and Prompt Veterinary Care" (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing "necessary and prompt veterinary care" for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding

period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

#### Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:



- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));
- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

#### **V. Claim Preparation and Submission**

Each claim for reimbursement must be timely filed and identify each cost element for which reimbursement is claimed under this mandate. Claimed costs must be identified to each reimbursable activity identified in Section IV. of these Parameters and Guidelines.

##### **A. Direct Costs**

Direct costs are defined as costs that can be traced to specific goods, services, programs, activities, or functions and shall be supported by the following cost element information:

##### **1. Salaries and Benefits**

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed, specify the actual time devoted to each activity by each employee, and the productive hourly rate, and related fringe benefits.

Reimbursement for personnel services includes compensation paid for salaries, wages, and employee fringe benefits. Employee fringe benefits include regular compensation paid to an employee during periods of authorized absences (e.g., annual leave, sick leave) and the employer's contributions to social security, pension plans, insurance, and worker's compensation insurance. Fringe benefits are eligible for reimbursement when distributed equitably to all job activities performed by the employee.

##### **2. Materials and Supplies**

Only expenditures that can be identified as direct costs of this mandate may be claimed. List the cost of the materials and supplies consumed specifically for the purposes of this mandate. Purchases shall be claimed at the actual price after deducting cash discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

3. **Contract Services**

Provide the name(s) of the contractor(s) who performed the services, including any fixed contracts for services. Describe the reimbursable activity(ies) performed by each named contractor and give the number of actual hours spent on the activities, if applicable. Show the inclusive dates when services were performed and itemize all costs for those services. Attach consultant invoices to the claim.

4. **Travel**

Travel expenses for mileage, per diem, lodging, and other employee entitlements are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of traveler(s), purpose of travel, inclusive dates and times of travel, destination point(s), and travel costs.

5. **Training**

The cost of training an employee to perform the mandated activities, as specified in Section IV (A) of these Parameters and Guidelines, is eligible for reimbursement. Identify the employee(s) by name and job classification. Provide the title and subject of the training session, the date(s) attended, and the location. Reimbursable costs may include salaries and benefits, registration fees, transportation, lodging, and per diem.

6. **Fixed Assets**

List the costs of the fixed assets that have been acquired specifically for the purpose of this mandate. If the fixed asset is utilized in some way not directly related to the mandated program, only the pro-rata portion of the asset that is used for the purposes of the mandated program is reimbursable.

**B. Indirect Costs**

Compensation for indirect costs is eligible for reimbursement. Indirect costs are those 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 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.

Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) pursuant to the Office of Management and Budget (OMB) Circular A-87.

#### **VI. Supporting Data**

For auditing purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, cost allocation reports, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, time studies, etc.) that show evidence of the validity of such costs and their relationship to this mandate. All documentation in support of claimed costs shall be made available to the State Controller's Office, as may be requested. Pursuant to Government Code section 17558.5, these documents must be kept on file by the agency submitting the claim for a period of no less than two years after the later of (1) the end of the calendar year in which the reimbursement claim is filed or last amended, or (2) if no funds are appropriated for the fiscal year for which the claim is made, the date of initial payment of the claim.

#### **VII. Offsetting Savings and Other Reimbursements**

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are

specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section 31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

**VIII. State Controller's Office Required Certification**

An authorized representative of the claimant shall be required to provide a certification of the claim, as specified in the State Controller's Office claiming instructions, for those costs mandated by the state contained herein.

**IX. Parameters and Guidelines Amendments**

Pursuant to title 2, California Code of Regulations, section 1183.2, Parameters and Guidelines amendments filed before the deadline for initial claims as specified in the Claiming Instructions shall apply to all years eligible for reimbursement as defined in the original Parameters and Guidelines. A Parameters and Guidelines amendment filed after the initial claiming deadline must be submitted on or before January 15, following a fiscal year in order to establish eligibility for reimbursement for the fiscal year.

**Tab 6**

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:  
Civil Code Sections 1834 and 1846;  
Food and Agriculture Code Sections 3 1108;  
31752, 31752.5, 31753, 32001, and 32003;  
As Added or Amended by Statutes of 1998,  
Chapter 752;

Filed on December 22, 1998;

By the County of Los Angeles, City of  
Lindsay, County of Tulare, County of Fresno,  
and Southeast Area Animal Control Authority,  
Claimants.

No. 98-TC-11

*Animal Adoption*

ADOPTION OF PARAMETERS AND  
GUIDELINES PURSUANT TO  
GOVERNMENT CODE SECTION 17557  
AND TITLE 2, CALIFORNIA CODE OF  
REGULATIONS, SECTION 1183.12

*(Adopted on February 28, 2002,  
Effective on March 6, 2002;  
Corrected on March 20, 2002)*

**CORRECTED PARAMETERS AND GUIDELINE23**

The Parameters and Guidelines are corrected as follows:

- On page 3, under Section IV .A, paragraph 3, line 4, "Section V (B)(8)" was changed to "Section V (B). "
- On page 6, ongoing activity #2, "Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During, the Increased Holding Period or are Ultimately Euthanized, " was renumbered to " 3. "
- On page 8, ongoing activity #3, "Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized," was renumbered to "4."
- On page 10, ongoing activity #4, "Agencies Using the Holding Period of Four Business Days After the Day of Impoundment"; and ongoing activity #5, "Feral Cats, " were renumbered to "5" and "6," respectively,
- On page 11, ongoing activity #6, "Lost and Found Lists"; ongoing activity #7, "Maintaining *Non-Medical* Records"; and ongoing activity #8, "Necessary and Prompt Veterinary Care, " were renumbered to "7," "8," and "9," respectively.



PAULA HIGASHI, Executive Director

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Civil Code Sections 1834 and 1846;  
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PAULA HIGASHI, Executive Director

## PARAMETERS AND GUIDELINES

Civil Code Sections 1834 and 1846;  
Food and Agriculture Code Sections 31108, 3 1752, 31752.5, 31753, 32001, and 32003  
As Added or Amended by Statutes of 1998, Chapter 752

### *Animal Adoption*

#### I. Summary of the Mandate

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive "necessary and prompt veterinary care."

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 175 14, for the *increased* costs in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 3 1108, 3 1752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 3 1753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
  - (a) Making the **animal** available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
  - (b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a



mutually agreeable time when the agency would otherwise be closed (Food & Agr. Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 3 1752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. **Maintaining** records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, §32003); and
7. Providing "necessary and prompt veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ.Code, §§ 1834 and 1846).

## **II. Eligible Claimants**

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

## **III. Period of Reimbursement**

Government Code section 17557, as amended by Statutes of 1998, Chapter 681 (which became effective on September 22, 1998), states that a test claim shall be submitted on or before June 30 following a fiscal year in order to establish eligibility for reimbursement for that fiscal year. On December 22, 1998, the County of Los Angeles filed the test claim for this mandated program, establishing eligibility for reimbursement **beginning** on or after July 1, 1997.

However, except for the amendments to Food and Agriculture Code sections 3 1108 and 3 1752, Statutes of 1998, Chapter 752 **became** operative and effective on January 1, 1999. Therefore, except for the amendments to Food and Agriculture Code sections 3 1108 and 3 1752, the costs incurred for Statutes of 1998, Chapter 752 are eligible for reimbursement on or after January 1, 1999.

Section 21 of Statutes of 1998, Chapter 752 establishes an operative date of July 1, 1999 for the amendments to Food and Agriculture Code section 3 1108 (holding period for stray dogs) and Food and Agriculture Code sections 3 1752 (holding period for stray cats). Therefore, costs incurred for Food and Agriculture Code sections 3 1108 and 3 1752, as **amended** by Statutes of 1998, Chapter 752, are eligible for reimbursement on or after July 1, 1999.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the **same** claim, if applicable. Pursuant to section 1756 1, subdivision (d)( 1) of the Government Code, all claims for reimbursement of initial years' costs shall be submitted within 120 days of notification by the State Controller of the issuance of claiming instructions.

If the total costs for a given year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

#### IV. Reimbursable Activities

For each eligible claimant, all direct and indirect costs of labor, materials, supplies, fixed assets, contracted services, training and travel for the performance of the activities listed below are eligible for reimbursement.

Except as specified in Component (B)(3) and (4), reimbursement claims for the performance of the activities listed below shall be based on actual or estimated costs as provided in Government Code section 17560.

##### A. One Time Activities

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B)-(8) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

##### B. Ongoing Activities

###### 1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from

reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 3 1108, 3 1752 and 3 1753.

Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board

meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 3 1755, as added by Statutes of 1999, Chapter 8 1 (Assembly Bill 1482).

## 2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 3 1108, 31752 and 31753.

### Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. Average Daily Census is defined as the average number of impounded stray or

abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 3 1108, 3 1752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities.

**Documentation** requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 3 1755, as added by Statutes of 1999, Chapter 8 1 (Assembly Bill 1482).

**2.3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 3 1108, 3 1752)**

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);

- Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished dogs and cats; and
- Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
  - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services,
  - b) Determine the average daily census of dogs and cats.
  - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
  - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
  - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).
- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study

supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

3.4. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 3 1753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 3 1753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and

- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 3 1753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method -Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
  - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 3 1753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
  - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 3 1753.
  - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 3 1753 by 365 = yearly census of animals specified in Food and Agriculture Code section 3 1753.
  - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 3 1753 = cost per animal per day.
  - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 3 1753 that die during the increased holding period or are ultimately euthanized, by each reimbursable day (four or six business days from the day after impoundment).
- Time Study Method -- Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the



eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

4.5 Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 3 1108, 3 1752, 3 1753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 3 1753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

5.6 Feral Cats (Food & Agr. Code, § 3 1752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

6.7. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on "lost and found" lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

7.8. Maintaining Non-Medical Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and
- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

8.9. "Necessary and Prompt Veterinary Care" (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing "necessary and prompt veterinary care" for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding

period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and/or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

#### Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));
- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

#### **V. Claim Preparation and Submission**

Each claim for reimbursement must be timely filed and identify each cost element for which reimbursement is claimed under this mandate. Claimed costs must be identified to each reimbursable activity identified in Section IV. of these Parameters and Guidelines.

##### **A. Direct Costs**

Direct costs are defined as costs that can be traced to specific goods, services, programs, activities, or functions and shall be supported by the following cost element information:

##### **1. Salaries and Benefits**

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed, specify the actual time devoted to each activity by each employee, and the productive hourly rate, and related fringe benefits.

Reimbursement for personnel services includes compensation paid for salaries, wages, and employee fringe benefits. Employee fringe benefits include regular compensation paid to an employee during periods of authorized absences (e.g., annual leave, sick leave) and the employer's contributions to social security, pension plans, insurance, and worker's compensation insurance. Fringe benefits are eligible for reimbursement when distributed equitably to all job activities performed by the employee.

##### **2. Materials and Supplies**

Only expenditures that can be identified as direct costs of this mandate may be claimed. List the cost of the materials and supplies consumed specifically for the purposes of this mandate. Purchases shall be claimed at the actual price after deducting cash discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

3. Contract Services

Provide the name(s) of the contractor(s) who performed the services, including any fixed contracts for services. Describe the reimbursable activity(ies) performed by each named contractor and give the number of actual hours spent on the activities, if applicable. Show the inclusive dates when services were performed and itemize all costs for those services. Attach consultant invoices to the claim.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlements are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of traveler(s), purpose of travel, inclusive dates and times of travel, destination point(s), and travel costs.

5. Training

The cost of training an employee to perform the mandated activities, as specified in Section IV (A) of these Parameters and Guidelines, is eligible for reimbursement. Identify the employee(s) by name and job classification. Provide the title and subject of the training session, the date(s) attended, and the location. Reimbursable costs may include salaries and benefits, registration fees, transportation, lodging, and per diem.

6. Fixed Assets

List the costs of the fixed assets that have been acquired specifically for the purpose of this mandate. If the fixed asset is utilized in some way not directly related to the mandated program, only the pro-rata portion of the asset that is used for the purposes of the mandated program is reimbursable.

B. Indirect Costs

Compensation for indirect costs is eligible for reimbursement. Indirect costs are those 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 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.

Claimants have the option of using 10 % of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) pursuant to the Office of Management and Budget (OMB) Circular A-87.

#### **VI. Supporting Data**

For auditing purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, cost allocation reports, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, time studies, etc.) that show evidence of the validity of such costs and their relationship to this mandate. All documentation in support of claimed costs shall be made available to the State Controller's Office, as may be requested. Pursuant to Government Code section 1755 8.5, these documents must be kept on file by the agency submitting the claim for a period of no less than two years after the later of (1) the end of the calendar year in which the reimbursement claim is filed or last amended, or (2) if no funds are appropriated for the fiscal year for which the claim is made, the date of initial payment of the claim.

#### **VII. Offsetting Savings and Other Reimbursements**

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 3 1108, and all ordinances that are made pursuant to Division 14.

Costs incurred under Food and Agriculture Code section 3 1108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section 3 1108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

**VIII. State Controller's Office Required Certification**

An authorized representative of the claimant shall be required to provide a certification of the claim, as specified in the State Controller's Office claiming instructions, for those costs mandated by the state contained herein.

**IX. Parameters and Guidelines Amendments**

Pursuant to title 2, California Code of Regulations, section 1183.2, Parameters and Guidelines amendments filed before the deadline for initial claims as specified in the Claiming Instructions shall apply to all years eligible for reimbursement as defined in the original Parameters and Guidelines. A Parameters and Guidelines amendment filed after the initial claiming deadline must be submitted on or before January 15, following a fiscal year in order to establish eligibility for reimbursement for the fiscal year.

**Tab 7**



BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Civil Code Sections 1834 and 1846;  
Food and Agriculture Code Sections 31108;  
31752, 31752.5, 31753, 32001, and 32003;  
As Added or Amended by Statutes of 1998,  
Chapter 752;

Filed on December 22, 1998;

By the County of Los Angeles, City of  
Lindsay, County of Tulare, County of  
Fresno, and Southeast Area Animal Control  
Authority, Claimants

NO. 04-PGA-01 and 02 (98-TC-11)

*ANIMAL ADOPTION*

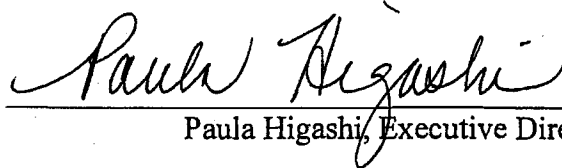
ADOPTION OF PARAMETERS AND  
GUIDELINES AMENDMENT  
PURSUANT TO GOVERNMENT CODE  
SECTION 17557 AND TITLE 2,  
CALIFORNIA CODE OF  
REGULATIONS, SECTION 1183.2.

*Adopted on January 26, 2006*

**PARAMETERS AND GUIDELINES AMENDMENT**

On January 26, 2006, the Commission on State Mandates adopted the attached Parameters and Guidelines Amendment for the *Animal Adoption* program. The period of reimbursement for the activities in this parameters and guidelines amendment begins on July 1, 2005, as specified.

Date: February 1, 2006



Paula Higashi, Executive Director

MAILED: Mail List  
FAXED: \_\_\_\_\_  
DATE: 2/1/06  
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## PARAMETERS AND GUIDELINES AMENDMENT

Civil Code Sections 1834 and 1846;  
Food and Agriculture Code Sections 31108, 31752, 31752.5, 31753, 32001, and 32003  
As Added or Amended by Statutes of 1998, Chapter 752

AND

Amended Pursuant to Statutes 2004, Chapter 313 (AB 2224) and  
Request of the State Controller's Office

### *Animal Adoption*

#### **I. Summary of the Mandate**

The test claim legislation was enacted in an attempt to end the euthanasia of adoptable and treatable animals. Generally, the test claim legislation increased the holding period for stray and abandoned dogs, cats, and other specified animals; required the verification of the temperament of feral cats; required the posting of lost and found lists; required the maintenance of records for impounded animals; and required that impounded animals receive "necessary and prompt veterinary care."

The Commission partially approved this test claim, pursuant to article XIII B, section 6 of the California Constitution and Government Code section 17514, for the *increased costs* in performing the following activities only:

1. Providing care and maintenance during the increased holding period for impounded dogs and cats that are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture and four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment (Food & Agr. Code, §§ 31108, 31752);
2. Providing care and maintenance for four business days from the day after impoundment, as specified below in 3 (a) and 3 (b), or six business days from the day after impoundment, for impounded rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, or tortoises legally allowed as personal property that are ultimately euthanized (Food & Agr. Code, § 31753);
3. For dogs, cats, and other specified animals held for four business days after the day of impoundment, either:
  - (a) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or

(b) For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed (Food & Agr., Code §§ 31108, 31752, and 31753);

4. Verifying whether a cat is feral or tame by using a standardized protocol (Food & Agr. Code, § 31752.5);
5. Posting lost and found lists (Food & Agr. Code, § 32001);
6. Maintaining records on animals that are not medically treated by a veterinarian, but are either taken up, euthanized after the holding period, or impounded (Food & Agr. Code, § 32003); and
7. Providing "necessary and prompt veterinary care" for abandoned animals, other than injured cats and dogs given emergency treatment, that are ultimately euthanized (Civ. Code, §§ 1834 and 1846).

## **II. Eligible Claimants**

Any city, county, city and county, dependent special district, and joint powers authority comprised of a city, county, and/or city and county that incurs increased costs as a result of this reimbursable state mandated program is eligible to claim reimbursement of those costs.

## **III. Period of Reimbursement**

The period of reimbursement for the activities in this parameters and guidelines amendment begins on July 1, 2005.

Pursuant to Government Code section 17560, reimbursement for state-mandated costs may be claimed as follows:

1. A local agency may file an estimated reimbursement claim by January 15 of the fiscal year in which costs are to be incurred, and, by January 15 following that fiscal year shall file an annual reimbursement claim that details the costs actually incurred for that fiscal year; or it may comply with the provisions of subdivision (b).
2. A local agency may, by January 15 following the fiscal year in which costs are incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
3. In the event revised claiming instructions are issued by the Controller pursuant to subdivision (c) of section 17558 between October 15 and January 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim.

Reimbursable actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to Government Code section 17561, subdivision (d)(1), all claims for reimbursement of initial years' costs shall be submitted within

120 days of the issuance of the State Controller's claiming instructions. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed, except as otherwise allowed by Government Code section 17564.

There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

#### **IV. Reimbursable Activities**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

##### **A. One Time Activities**

1. Develop policies and procedures to implement the reimbursable activities listed in Section IV (B) of these parameters and guidelines.
2. Train staff on the reimbursable activities listed in Section IV (B) of these parameters and guidelines. (One-time per employee.)
3. Develop or procure computer software for the maintenance of records on animals specified in Section IV (B) (8) of these parameters and guidelines to the extent these costs are not claimed as an indirect cost under Section V (B) (8) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) (8), only the

pro rata portion of the activity that is used for compliance with Section IV (B) (8) is reimbursable.

B. Ongoing Activities

1. Acquisition of Additional Space and/or Construction of New Facilities

Beginning January 1, 1999 - Acquiring additional space by purchase or lease and/or construction of new facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, acquire, and/or build facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Formula for Proportionate Share of Actual Costs:

Where:

(A) = Shelter square footage, 1998

(B) = Total animal average daily census (ADC), 1998

(C) = Square footage per ADC, 1998 (=A/B)

(D) = Total dog/cat ADC, 1998

(E) = Shelter square footage, claim year

(F) = Total dog/cat ADC, claim year

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(I) = Eligible dog/cat square footage, claim year

For shelters that meet the conditions of to Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:<sup>1</sup>

$$(I) = 2/5 \times C \times F$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(I) = 4/7 \times C \times F$$

(J) = Reduction in eligible square footage due to decline in total dog/cat population (cannot exceed 0)

For shelters that meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:<sup>2</sup>

$$(J) = [(F/5 - D/3 \times C \times D) / (D/3)]$$

For shelters that do not meet the conditions of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats:

$$(J) = [(F/7 - D/3) \times C \times D] / (D/3)$$

(K) = Net eligible dog/cat square footage (cannot be less than 0)

$$(K = I+J)$$

(L) = Percentage of eligible dog/cat ADC, claim year (L = G/F)

(M) = Allowable dog/cat square footage (M = K x L)

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31573 (N = C x H)

(P) = Eligible percentage of acquisition/construction costs (cannot exceed 100%) [P = (M+N) / ((E-A))]

Statutes 2004, chapter 313 specifies that costs incurred to address preexisting shelter overcrowding or animal population growth are not reimbursable. The mandate reimburses for costs required due to the

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<sup>1</sup> In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

<sup>2</sup> In order to select this option claimants must either make the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or (b) Have fewer than three full-time employees or are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

increased holding period required by Statutes 1998, chapter 752. In calculating net eligible dog/cat square footage, the formula recognizes that a decline in the number of animals sheltered may offset the effect of the increased holding period. For example, if the dog/cat average daily census does not change between the 1998 base year and the claim year, there is no additional square footage required.

The mandate reimburses only for costs attributable to eligible animals. Prior to Statutes 1998, chapter 752, shelters were required to hold dogs and cats for three days, whereas there was no required holding period for other animals. Therefore, the mandate reimbursable percentage formula separately calculates allowable square footage for dogs and cats, and allowable square footage for other animals specified by Food and Agricultural Code section 31753.

Acquisition/construction costs that are less than or equal to the cost of contract services for eligible animals are reimbursable.

Claimants may recalculate the eligible percentage of acquisition/construction costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

#### Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Acquiring additional space and/or construction of new facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board that acquiring additional space and/or constructing new facilities is necessary for the increased holding period required by Statutes of 1998, Chapter 752 because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized. The determination by the governing board shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.1, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in a given year under the

holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;

- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Remodeling existing facilities is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holding period required by Statutes 1998, chapter 752; and
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes 1998, chapter 752 is not feasible or is more expensive than acquiring additional space and/or constructing new facilities to comply with the increased holder period required by Statutes 1998, chapter 752. This finding should include the cost to contract with existing shelters..

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

## 2. Remodeling/Renovating Existing Facilities

Beginning January 1, 1999 - Remodeling/renovating existing facilities to provide appropriate or adequate shelter necessary to comply with the mandated activities during the increased holding period for impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that die during the increased holding period or are ultimately euthanized.

Eligible claimants are only entitled to reimbursement for the proportionate share of actual costs required to plan, design, remodel and/or renovate existing facilities in a given fiscal year based on the pro rata representation of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that are held during the *increased* holding period specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines and die during the increased holding period or are ultimately euthanized, to the total population of animals housed in the facility (including those animals that are excluded from reimbursement, as specified in Sections IV (B) (3) and (4) of these Parameters and Guidelines) during the entire



holding period required by Food and Agriculture Code sections 31108, 31752 and 31753.

Since the remodeling/renovation will not increase square footage to address existing overcrowding or future growth issues, the mandate reimbursable percentage formula for remodeling/renovation would exclude the eligible percentage of square footage factor.

Formula for proportionate share of actual remodeling/renovation costs:

(A) = Shelter square footage

(B) = Total animal average daily census (ADC), claim year

(C) = Square footage per ADC, claim year ( $C = A/B$ )

(G) = Eligible dog/cat ADC, claim year

(H) = Eligible other animal ADC, claim year

(M) = Eligible dog/cat square footage, claim year

For shelters that meet the requirements of Food and Agricultural Code section 31108 (a)(1) or (2) for dogs, and section 31752 (a)(1) or (2) for cats,  $M = 2/5 \times C \times G$ .

For shelters that do not meet the requirements of Food and Agricultural Code section 31108(a)(1) or (2) for dogs, and section 31752(a)(1) or (2) for cats,  $M = 4/7 \times C \times G$ .

(N) = Allowable square footage for other animals specified by Food and Agricultural Code section 31753, claim year ( $N = C \times H$ )

(P) = Eligible percentage of remodeling/renovation costs

$[P = (M + N) / A]$

Claimants may recalculate the eligible percentage of remodeling/renovation costs each year, based on current animal population statistics. However, claimants may only claim allowable costs that have not been claimed in previous fiscal years.

#### Supporting Documentation Submitted with the Initial and Subsequent Reimbursement Claims

Remodeling/renovating existing facilities is reimbursable only to the extent that an eligible claimant submits, with the initial and/or subsequent reimbursement claim, documentation reflecting the following:

A determination by the governing board or a delegated representative that remodeling/renovating existing facilities is necessary because the existing facilities do not reasonably accommodate impounded stray or abandoned dogs, cats and other specified animals that are ultimately euthanized for the increased holding period required by Statutes of 1998, Chapter 752. The

determination by the governing board or delegated representative shall include all of the following findings:

- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 that were impounded in 1998. For purposes of claiming reimbursement under section IV.B.2, average Daily Census is defined as the average number of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 housed on any given day, in a 365-day period;
- The average daily census of impounded stray or abandoned dogs, cats, and other animals specified in Statutes of 1998, Chapter 752 in a given year under the holding periods required by Food and Agriculture Code sections 31108, 31752, and 31753, as added or amended by Statutes of 1998, Chapter 752;
- Existing facilities are not appropriately configured and/or equipped to comply with the increased holding period required by Statutes of 1998, Chapter 752;
- Contracting with existing private or public shelters in the area to house the increase of impounded stray or abandoned dogs, cats, or other animals specified in Statutes of 1998, Chapter 752 is not feasible or is more expensive than remodeling/renovating existing facilities to comply with the increased holding period required by Statutes 1998, chapter 752.

Documentation requirements may be satisfied in whole or in part by staff agenda items, staff reports, minutes of governing board meetings, transcripts of governing board meetings, certification by the governing board or declaration from the delegated representative describing the findings and determination, and/or a resolution adopted by the governing board pursuant to Food and Agriculture Code section 31755, as added by Statutes of 1999, Chapter 81 (Assembly Bill 1482).

**3. Care and Maintenance for Impounded Stray or Abandoned Dogs and Cats that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, §§ 31108, 31752)**

Beginning July 1, 1999 - Providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between three days from the day of capture, and four or six business days from the day after impoundment.

### Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of dogs and cats:

- Stray or abandoned dogs and cats that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn stray or abandoned dogs and cats that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned dogs and cats too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished dogs and cats; and
- Stray or abandoned dogs and cats that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

### Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method – Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
  - a) Determine the total annual cost of care and maintenance for all dogs and cats impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
  - b) Determine the average daily census of all dogs and cats impounded at a facility. For purposes of claiming reimbursement under IV.B.3, average daily census is defined as the average number of all dogs and cats at a facility housed on any given day, in a 365-day period..
  - c) Multiply the average daily census of dogs and cats by 365 = yearly census of dogs and cats.
  - d) Divide the total annual cost of care by the yearly census of dogs and cats = cost per animal per day.
  - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned dogs and cats that die

during the increased holding period or are ultimately euthanized, by each reimbursable day (the difference between three days from the day of capture, and four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned dogs and cats are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day (i.e., dog-day, cat-day, etc.), the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

3. Care and Maintenance for Impounded Stray or Abandoned Animals Specified in Food and Agriculture Code Section 31753 that Die During the Increased Holding Period or are Ultimately Euthanized (Food & Agr. Code, § 31753)

Beginning January 1, 1999 - Providing care and maintenance for four or six business days from the day after impoundment for impounded stray or abandoned rabbits, guinea pigs, hamsters, pot-bellied pigs, birds, lizards, snakes, turtles, and tortoises legally allowed as personal property that die during the increased holding period or are ultimately euthanized.

Exclusions

Eligible claimants are *not* entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);
- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Stray or abandoned animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Methods for Claiming Costs

Eligible claimants may elect one of following two methods to claim costs for the care and maintenance of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized:

- Actual Cost Method –Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period.
  - a) Determine the total annual cost of care and maintenance for all animals specified in Food and Agriculture Code section 31753 that are impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.
  - b) Determine the average daily census of the animals specified in Food and Agriculture Code section 31753.
  - c) Multiply the average daily census of the animals specified in Food and Agriculture Code section 31753 by 365 = yearly census of animals specified in Food and Agriculture Code section 31753.
  - d) Divide the total annual cost of care by the yearly census of animals specified in Food and Agriculture Code section 31753 = cost per animal per day.
  - e) Multiply the cost per animal per day, by the number of impounded stray or abandoned animals specified in Food and Agriculture Code section 31753 that die during the increased holding period or are ultimately euthanized, by

each reimbursable day (four or six business days from the day after impoundment).

- Time Study Method – Under the time study method, a random sample of impounded stray or abandoned animals are observed to determine the amount of time to provide care and maintenance during a reimbursable day.

The time study shall be developed using one representative month each quarter and be supported with actual source documentation. Time studies shall be conducted on a more frequent basis if there are significant variations of time expended from month to month. The time study shall identify hours devoted to each specific category. If the time study supports a fixed-cost approach such as an animal day, the eligible claimant shall document the analysis supporting the method used.

Time records used to support the time study shall:

- a) Reflect an after-the-fact distribution of each employee's actual activity;
- b) Account for the total activity for which each employee is compensated;
- c) Account for the total labor hours of the month;
- d) Be signed and dated by the employee not later than the end of the pay period that follows the pay period covered by the report; and
- e) Document, by signature or initials and date, supervisor approval.

4. Agencies Using the Holding Period of Four Business Days After the Day of Impoundment (Food & Agr. Code, §§ 31108, 31752, 31753)

Beginning January 1, 1999 - For impounded animals specified in Food and Agriculture Code section 31753, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999 - For impounded dogs and cats, either:

- Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- For those local agencies with fewer than three full-time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

5. Feral Cats (Food & Agr. Code, § 31752.5)

Beginning January 1, 1999 - Verifying whether a cat is feral or tame by using a standardized protocol within the first three days of the required holding period if an apparently feral cat has not been reclaimed by its owner or caretaker.

6. Lost and Found Lists (Food & Agr. Code, § 32001)

Beginning January 1, 1999 - Providing owners of lost animals and those who find lost animals with all of the following:

- Ability to list the animals they have lost or found on "lost and found" lists maintained by the local agency;
- Referrals to animals listed that may be the animals the owner or finders have lost or found;
- The telephone numbers and addresses of other pounds and shelters in the same vicinity;
- Advice as to means of publishing and disseminating information regarding lost animals; and
- The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

7. Maintaining *Non-Medical* Records (Food & Agr. Code, § 32003)

Beginning January 1, 1999 - Maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

- The date the animal was taken up, euthanized, or impounded;
- The circumstances under which the animal is taken up, euthanized, or impounded;
- The names of the personnel who took up, euthanized, or impounded the animal; and

- The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

The cost of software license renewal contracts, to the extent these costs are not claimed as an indirect cost under these parameters and guidelines, is eligible for reimbursement under Section V (A) (2) of these parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in this section, only the pro rata portion of the software license renewal contract that is used for compliance with this section is reimbursable.

8. "Necessary and Prompt Veterinary Care" (Civ. Code, §§ 1834 and 1846)

Beginning January 1, 1999 - Providing "necessary and prompt veterinary care" for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period or are ultimately euthanized, during the holding periods specified in Statutes of 1998, Chapter 752.

"Necessary and prompt veterinary care" means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals "adoptable." The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal's baseline health status and classification as "adoptable," "treatable," or "non-rehabilitatable."
- A wellness vaccine administered to "treatable" or "adoptable" animals.
- Veterinary care to stabilize and/or relieve the suffering of a "treatable" animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a "treatable" animal or that is likely to adversely affect the animal's health in the future, until the animal becomes "adoptable."

#### Population Exclusions

Eligible claimants are *not* entitled to reimbursement for providing "necessary and prompt veterinary care" to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury (Food & Agr. Code, § 17006);



- Newborn animals that need maternal care and have been impounded without their mothers (Food & Agr. Code, § 17006);
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal. (Pen. Code, §§ 597.1, subd. (e), 597f, subd. (d));
- Owner relinquished animals; and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

#### Veterinary Care Exclusions

Eligible claimants are *not* entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs (Pen. Code, § 597f, subd. (b));
- Administration of rabies vaccination to dogs (Health & Saf. Code, § 121690);
- Implantation of microchip identification;
- Spay or neuter surgery and treatment;
- Euthanasia.

10. Beginning January 1, 1999 - Procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of these parameters and guidelines, to the extent these costs are not claimed as an indirect cost under Section V (B) of these parameters and guidelines. If the medical, kennel, and computer equipment is utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only the pro rata portion of the activity that is used for the purposes of the mandated program is reimbursable.

#### **V. Claim Preparation and Submission**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

##### A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

### 1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

### 2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

### 3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services are also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and attorney invoices with the claim and a description of the contract scope of services.

### 4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

### 5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

### 6. Training

Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates

attended, and location. If the training encompasses subjects broader than the reimbursable activities, only the pro-rata portion can be claimed. Report employee training time for each applicable reimbursable activity according to the rules of cost element A.1, Salaries and Benefits, and A.2, Materials and Supplies. Report the cost of consultants who conduct the training according to the rules of cost element A.3, Contracted Services.

#### B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in the Office of Management and Budget (OMB) Circular A-87. Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in OMB Circular A-87 Attachments A and B) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in OMB Circular A-87 Attachments A and B). However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected; or
2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections,

and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount allowable indirect costs bears to the base selected.

## **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter<sup>3</sup> is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

## **VII. OFFSETTING SAVINGS AND OTHER REIMBURSEMENTS**

Any offsetting savings that the claimant experiences as a direct result of this mandate must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source shall be identified and deducted from this claim. These sources shall include, but not be limited to, rewards received under the authority of Civil Code section 1845; licensing fees and fines received and applied pursuant to Food and Agriculture Code section 30652, Government Code section 28502, and Penal Code section 597f; other state funds, and federal funds. The fees and fines received pursuant to Food and Agriculture Code section 30652 shall be deducted from the claim according to the priority specified in the statute and stated below:

- First, to pay fees for the issuance of dog license tags pursuant to Food and Agriculture Code section 30652, subdivision (a);
- Second, in accordance with Food and Agriculture Code section 30652, subdivision (b), any excess revenue held after the payment of dog license tags shall be applied to the fees, salaries, costs, expenses, or any or all of them for the enforcement of Division 14 of the Food and Agriculture Code, including Food and Agriculture Code section 31108, and all ordinances that are made pursuant to Division 14. Costs incurred under Food and Agriculture Code section 31108 are specified in Section IV (B) (1), (2), (3), and (5), and Section IV (A) of

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<sup>3</sup> This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

these parameters and guidelines. Any or all excess revenue must be applied to the costs incurred under Food and Agriculture Code section 31108 before any revenue can be applied to subdivisions (c) and (d) of Food and Agriculture Code section 30652.

#### **VIII. STATE CONTROLLER'S REVISED CLAIMING INSTRUCTIONS**

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

Pursuant to Government Code section 17561, subdivision (d)(2), issuance of the revised claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon the revised parameters and guidelines adopted by the Commission.

#### **IX. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

#### **X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

## **Tab 8**

**CERTIFIED FOR PUBLICATION**

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION THREE

VEENA PURIFOY et al.,

Plaintiffs and Appellants,

v.

GLENN HOWELL et al.,

Defendants and Respondents.

A123856

(Contra Costa County  
Super. Ct. No. C 06-02174)

Food and Agricultural Code<sup>1</sup> section 31108, subdivision (a) (section 31108(a)) provides that the required “holding period” for a stray dog impounded in a public or private animal shelter is “six business days” (or, if certain exceptions apply, “four business days”), not including the day of impoundment. (§ 31108(a).) Contra Costa County Animal Services (CCCAS) operates two animal shelters, both of which are open to the public Tuesday through Saturday for owner redemption and adoption of animals. CCCAS states that it counts those days as “business days” in calculating the holding period under section 31108(a).

Plaintiffs Veena Purifoy, Lorree Lewis, and Voices for Pets filed suit against defendants Contra Costa County (County) and Glenn Howell, the director of CCCAS,<sup>2</sup> alleging that defendants violated section 31108(a) by counting Saturday as a “business day.” The trial court granted summary judgment in favor of defendants, and plaintiffs appealed.

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<sup>1</sup> All undesignated statutory references are to the Food and Agricultural Code.

<sup>2</sup> Plaintiffs’ operative second amended complaint (SAC) names CCCAS and Howell as defendants; County answered for CCCAS.

We conclude that the term “business days” in section 31108(a) does not include Saturdays. Accordingly, we reverse the judgment and remand for further proceedings.

### I. SECTION 31108(a)

Section 31108(a) provides that the required holding period for a stray dog impounded in a public or private shelter is “six business days, not including the day of impoundment[.]” (§ 31108(a).) There are two exceptions to the six-business-day holding period. (*Ibid.*) First, under section 31108, subdivision (a)(1) (section 31108(a)(1)), if the shelter “has made the dog available for owner redemption on one weekday evening until at least 7:00 p.m. or one weekend day, the holding period shall be four business days, not including the day of impoundment.” (§ 31108(a)(1).) Second, under section 31108, subdivision (a)(2) (section 31108(a)(2)), if the shelter “has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.” (§ 31108(a)(2).) Section 31108(a) provides that, with exceptions that are not relevant here, “stray dogs shall be held for owner redemption during the first three days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period.”<sup>3</sup> (§ 31108(a).)

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<sup>3</sup> Section 31108(a) provides in full:

(a) The required holding period for a stray dog impounded pursuant to this division shall be six business days, not including the day of impoundment, except as follows:

(1) If the public or private shelter has made the dog available for owner redemption on one weekday evening until at least 7:00 p.m. or one weekend day, the holding period shall be four business days, not including the day of impoundment.

(2) If the public or private shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Except as provided in Section 17006, stray dogs shall be held for owner redemption during the first three days of the holding period, not including the day of



## II. FACTUAL AND PROCEDURAL BACKGROUND

Purifoy's dog Duke was impounded by CCCAS on Thursday, October 5, 2006, and was held at the CCCAS animal shelter in Pinole. A new owner adopted Duke on Wednesday, October 11, 2006. Duke was subsequently returned to Purifoy.

As noted above, the shelters operated by CCCAS, including the Pinole shelter, are open Tuesday through Saturday for owner redemption and adoption, and CCCAS counts those days as "business days" in calculating the holding periods under section 31108(a). The shelters are closed on Sunday, Monday, and major holidays.

Because Duke was made available for owner redemption on a weekend day (Saturday, October 7, 2006), a four-business-day holding period applied pursuant to section 31108(a)(1). CCCAS states that, in calculating the four-business-day holding period for Duke, it excluded Thursday, October 5, 2006 (the day of impoundment) and Sunday and Monday, October 8 and 9, 2006 (days on which the shelter was closed). CCCAS counted the following days as "business days": (1) Friday, October 6, 2006; (2) Saturday, October 7, 2006; (3) Tuesday, October 10, 2006; and (4) Wednesday, October 11, 2006. CCCAS held Duke exclusively for owner redemption for the first three of those days, and permitted his adoption on the fourth day, i.e., Wednesday, October 11, 2006.

Purifoy, along with plaintiffs Lorree Lewis and Voices for Pets, filed suit, alleging in their SAC that CCCAS and Howell violated section 31108(a) by counting Saturday as a "business day."<sup>4</sup> The SAC included four causes of action: (1) violation of section 31108 (First Cause of Action); (2) preemption of a Contra Costa County Code provision by section 31108 (Second Cause of Action); (3) trespass and damage to chattel (Third Cause

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impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period.

<sup>4</sup> The parties state that Lewis and Voices for Pets are "taxpayer plaintiffs." The trial court granted a motion by plaintiffs to file a third amended complaint (TAC), in which different taxpayer plaintiffs would replace Lewis and Voices for Pets; however, the TAC apparently had not yet been filed when the trial court granted defendants' motion for summary judgment.

of Action); and (4) a taxpayer claim for waste of public funds (Code of Civil Procedure section 526a) (Fourth Cause of Action). The SAC requested that Purifoy be awarded special and punitive damages, prejudgment interest, costs and attorneys' fees. For the taxpayer plaintiffs, Lewis and Voices for Pets, the SAC requested a writ of mandate requiring defendants to comply with section 31108(a)(1), declaratory and injunctive relief, costs and attorneys' fees.

Defendants filed a demurrer to the SAC. Prior to the initial hearing on the demurrer, the trial judge assigned to hear the matter issued a tentative ruling, in which she stated in part: " 'Business days' in ordinary parlance is generally accepted to mean days other than a weekend (Saturday or Sunday) or public holiday." After holding a hearing, the judge issued an order sustaining the demurrer without leave to amend as to the Second Cause of Action (preemption), overruling it as to the Third and Fourth Causes of Action (the trespass and taxpayer claims), and striking the request for punitive damages. As to the First Cause of Action (violation of section 31108), the judge directed the parties to submit supplemental briefing as to the meaning of "business days" in section 31108(a).

The matter was assigned to another judge, who, after the filing of supplemental briefs and a further hearing, entered an order overruling defendants' demurrer as to the First Cause of Action. The judge stated in part: "The usual and ordinary meaning of the term 'business days' is weekdays, excluding Saturday, Sunday and public holidays. This meaning of 'business days' is also the one most frequently used in the Codes. [¶] Applying the ordinary meaning of the terms also complements the legislative intent of the statute. . . . [¶] Because the Legislature clearly knows how to define the term 'business days,' but elected not to do so, this court applies its ordinary, usual meaning, which comports with the purpose of the statute."

Defendants answered the three remaining causes of action in the SAC.

Subsequently, defendants filed a motion for summary judgment or in the alternative for summary adjudication, and plaintiffs filed a motion for summary adjudication, both of which addressed the interpretation of "business days" in section

31108(a). Defendants argued that, if the term “business days” were construed to include Saturdays, all of plaintiffs’ remaining causes of action failed. Defendants also raised other arguments in their motion, including contending that Purifoy could not establish the elements of public entity liability for a violation of section 31108, that Purifoy could not pursue a common law theory of trespass and damage to chattel against a public entity, and that the taxpayer plaintiffs could not establish a cause of action under Code of Civil Procedure section 526a.<sup>5</sup> Defendants requested the entry of summary judgment, or, in the alternative, summary adjudication on five specified issues.<sup>6</sup>

The matter was again assigned to another judge, Judge Joyce Cram. After a hearing, Judge Cram entered a written order granting defendants’ motion for summary judgment (based on the interpretation of “business days” in section 31108(a)), and denying plaintiffs’ motion for summary adjudication. In her order, Judge Cram stated: “The term ‘business days,’ as used in [section 31108(a)] has more than one possible meaning. This court finds that Defendant’s interpretation of the term ‘business days’ to include all days on which a shelter is open, including Saturdays, is consistent with the purposes and legislative history of the statute, and ‘will best attain the purposes of the statute.[’] [Citation.]” Judge Cram also stated: “Presumably, the legislature was aware that if shelters could not count Saturdays as business days for the purpose of the holdover period, they would have no incentive to stay open on Saturdays. In fact, shelters like the Pinole shelter, which is open on Saturday but closed on a weekday, would, in effect, be

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<sup>5</sup> Plaintiffs’ motion for summary adjudication is not in the record, so it is not clear whether plaintiffs presented issues other than the interpretation of “business days” in section 31108(a).

<sup>6</sup> In their notice of motion and motion, defendants requested “summary adjudication as follows: [¶] 1. ‘Business days’ as defined in [section 31108] includes Saturday; [¶] 2. [Section 31108] authorizes the adoption of stray dogs beginning on the fourth business day after the stray dog was impounded; [¶] 3. Defendants complied with [section 31108] by holding plaintiff Veena Purifoy’s stray dog for three business days exclusively for owner redemption prior to the dog’s adoption by a new owner on the fourth business day; [¶] 4. Plaintiff Veena Purifoy cannot prosecute a common law action for trespass to chattel against defendants; and [¶] 5. Plaintiffs cannot prove any illegal or wasteful expenditure of public funds pursuant to Code of Civil Procedure [section] 526a.”

penalized for staying open on Saturday, because neither day would count toward the holding period.” Judge Cram also ruled on the parties’ objections to evidence submitted in connection with the motions. Because she granted summary judgment on the basis of the meaning of “business days” in section 31108(a), Judge Cram did not reach the other issues defendants raised in their motion (although she suggested at oral argument that she would be inclined to rule against defendants on those issues).

Judge Cram entered judgment in favor of defendants and against plaintiffs.

Plaintiffs appealed. Plaintiffs challenge Judge Cram’s interpretation of section 31108(a), her conclusion that defendants did not violate the statute, and one of her evidentiary rulings.<sup>7</sup>

### III. DISCUSSION

#### A. Standard of Review

“The rules of review [of summary judgment rulings] are well established. If no triable issue as to any material fact exists, the defendant is entitled to a judgment as a matter of law. [Citations.] In ruling on the motion, the court must view the evidence in the light most favorable to the opposing party. [Citation.] We review the record and the determination of the trial court de novo. [Citations.]” (*Shin v. Ahn* (2007) 42 Cal.4th 482, 499.) In particular, the interpretation of section 31108(a) is a question of law that

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<sup>7</sup> Defendants state in a footnote that the Legislature has suspended the operation of section 31108 for fiscal year 2009-2010, and that therefore “to the extent [plaintiffs] are seeking redress for alleged ongoing violations of section 31108, this action is moot.” (See Assem. Bill No. 4X 1 (2009-2010 4th Ex. Sess.) enacted as Stats. 2009, 4th Ex. Sess. 2009-2010, ch. 1, § 537, subd. (3)(c), amending Item 8885-295-0001 of the Budget Act of 2009 (Stats. 2009-2010, 3d Ex. Sess. 2009, ch. 1, § 2.00).) We need not address this undeveloped argument. (See *People v. Lucatero* (2008) 166 Cal.App.4th 1110, 1115, fn. 1 [“[a] footnote is not a proper place to raise an argument on appeal”].) In any event, even if the legislation cited by defendants affected the viability of some of plaintiffs’ underlying claims (a question we need not decide), that legislation provides no basis for dismissing this appeal as moot. Section 31108 was operative in 2006, when Purifoy’s dog was impounded. To resolve the parties’ legal arguments arising from that incident, we must interpret “business days” in section 31108. (See *Eye Dog Foundation v. State Board of Guide Dogs for the Blind* (1967) 67 Cal.2d 536, 541 [appeal will not be dismissed where there remain material questions for the court’s determination].)

we review de novo. (*People ex rel. Lockyer v. Shamrock Foods Co.* (2000) 24 Cal.4th 415, 432.)

### **B. The Meaning of “Business Days” in Section 31108(a)**

In order to resolve the parties’ dispute over the proper construction of the term “business days,” we are guided by the time-honored principles that govern the interpretation of statutes. “In construing a statute, our fundamental task is to ascertain the Legislature’s intent so as to effectuate the purpose of the statute. [Citation.] We begin with the language of the statute, giving the words their usual and ordinary meaning. [Citation.] The language must be construed ‘in the context of the statute as a whole and the overall statutory scheme, and we give “significance to every word, phrase, sentence, and part of an act in pursuance of the legislative purpose.” ’ [Citation.] . . . If the statutory terms are ambiguous, we may examine extrinsic sources, including the ostensible objects to be achieved and the legislative history. [Citation.] In such circumstances, we choose the construction that comports most closely with the Legislature’s apparent intent, endeavoring to promote rather than defeat the statute’s general purpose, and avoiding a construction that would lead to absurd consequences. [Citation.]” (*Smith v. Superior Court* (2006) 39 Cal.4th 77, 83 (*Smith*); accord, *California Highway Patrol v. Superior Court* (2006) 135 Cal.App.4th 488, 496-497 (*California Highway Patrol*)).

#### **1. Legal Definitions of “Business Days”**

Section 31108 does not define the term “business days.” Plaintiffs argue that the usual and ordinary meaning of “business days” is weekdays (Monday through Friday), and that the term excludes Saturdays, Sundays, and legal holidays. As noted above, the assigned trial judge reached this conclusion in overruling defendants’ demurrer.

We agree that this is a common understanding of the term “business days,” as it is used in ordinary discourse. Moreover, as plaintiffs note, several California statutory provisions define “business days” (for purposes of particular statutory schemes) to include weekdays and to exclude Saturdays, Sundays and legal holidays. (See, e.g., Cal.

U. Com. Code, § 6105, subd. (b)(3) [“As used in this subdivision, ‘business day’ means any day other than a Saturday, Sunday, or day observed as a holiday by the state government”]; Ins. Code, § 1215, subd. (g) [as used in Article 4.7 of Chapter 2 of Part 2 of Division 1 of the Insurance Code, “ ‘[b]usiness day’ is any day other than Saturday, Sunday, and any other day that is specified or provided for as a holiday in the Government Code”]; Fin. Code, § 867, subd. (c)(2) [for purposes of section 867 of the Financial Code, “ ‘[b]usiness day’ means any day other than a Saturday, Sunday, or legal holiday”]; *id.*, § 1852, subd. (b) [as used in Chapter 14A of Division 1 of the Financial Code, “ ‘[b]usiness day’ means any day other than Saturday, Sunday or any other day which is specified or provided for as a holiday in the Government Code”]; *id.*, §§ 31030, 31033 [same definition governs Division 15 of the Financial Code]; *id.*, §§ 33040, 33044, subd. (a) [similar definition governs Division 16 of the Financial Code]; see also Code Civ. Proc., §§ 10, 135 [“ ‘[h]olidays’ ” within meaning of Code of Civil Procedure are Sundays and days specified as “judicial holidays,” which include Saturdays]; *id.*, §§ 12, 12a, subd. (a) [in computing time in which to perform an act, if the last day falls on a “holiday,” the time is extended to and including the next day that is not a “holiday”; “ ‘holiday[s]’ ” include Saturdays]; Cal. Rules of Court, rule 1.10(a) & (b) [if last day for performance of act falls on “a Saturday, Sunday, or other legal holiday,” the period is extended to and includes the next day that is not a holiday].)

Additionally, plaintiffs assert that courts, in numerous opinions, have used the term “business days” (in general discussions rather than in connection with particular statutory language) to mean weekdays and not Saturdays, Sundays or legal holidays. (See, e.g., *Southern California Edison Co. v. Public Utilities Com.* (2006) 140 Cal.App.4th 1085, 1106 [“Excluding the weekend and holiday, the time allowed for the parties to respond to the merits of the new proposals was only three business days”]; *Berry v. Chaplin* (1946) 74 Cal.App.2d 669, 680 [“Counsel labored on the case not only during business days but on many nights, Saturdays and Sundays including the holiday season”].)

However, just as Judge Cram found in her order granting summary judgment, a review of California code provisions also reflects that the Legislature has often defined the term “business days” in a manner that includes Saturdays.<sup>8</sup> Specifically, the Civil Code includes a definition of “business days” that includes Saturdays. Civil Code section 9 states that “[a]ll other days than those mentioned in [Civil Code] Section 7 are business days for all purposes . . . .” (Civ. Code, § 9.) Section 7 of the Civil Code states that “holidays” within the meaning of the Civil Code are “every Sunday and such other days as are specified or provided for as holidays in” the Government Code. (Civ. Code, § 7.) Finally, Government Code section 6700 lists California’s state holidays, including “[e]very Sunday” and a number of specified holidays; the list does not include Saturdays. (Gov. Code, § 6700.) Accordingly, under these statutes, Saturday is not a holiday (see *Gans v. Smull* (2003) 111 Cal.App.4th 985, 989); it is instead a “business day.”<sup>9</sup> (Civ. Code, § 9.)

In addition, provisions of the Civil Code and other codes incorporate (for the purposes of those provisions) the definition of “business days” in Civil Code section 9, or use similar definitions that also treat Saturday as a “business day.” (See, e.g., Civ. Code, § 2924b, subd. (h) [incorporating definition in Civ. Code, § 9]; *id.*, § 2924c, subd. (e) [same]; *id.*, § 1689.5, subd. (e) [“ ‘[b]usiness day’ ” means any calendar day except

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<sup>8</sup> At the summary judgment hearing, Judge Cram stated that the term “business days” in section 31108 was ambiguous. Plaintiffs’ counsel appeared to agree, stating: “What is meant [by ‘business days’] is unclear because they [the Legislature] didn’t reference the definition anywhere.”

<sup>9</sup> Government Code section 6702 provides that a portion of each Saturday is considered a holiday for certain purposes. “Every Saturday from noon to midnight is a holiday as regards the transaction of business in the public offices of the state and political divisions where laws, ordinances, or charters provide that public offices shall be closed on holidays. . . .” (Gov. Code, § 6702.) However, this provision does not establish that Saturdays are holidays for all purposes (or that Saturdays are excluded from the term “business days”). (See *Lancel v. Postlethwaite* (1916) 172 Cal. 326, 330-331 [Saturday was not a holiday where statute did not specify the entire day was a holiday]; *People v. Englehardt* (1938) 28 Cal.App.2d 315, 317-318 [same].) This treatment of Saturdays contrasts with the Legislature’s categorical exclusion of Sundays and legal holidays from the term “business days.” (See Civ. Code, §§ 7, 9; Gov. Code, § 6700.)

Sunday and specified “business holidays”]; Bus. & Prof. Code, § 2546.6, subd. (a)(2) [“ ‘business day’ means each day except a Sunday or a federal holiday”]; *id.*, § 7165, subd. (h) [adopting meaning of “business day” in Civ. Code, § 9]; *id.*, § 17550.17, subd. (g) [same]; Food & Agr. Code, § 55601.4 [adopting same definition, “[f]or purposes of this section”]; Ins. Code, § 15027, subd. (k) [adopting definition of “business day” in Civ. Code, § 1689.5, subd. (e)].)

These statutory provisions illustrate that the Legislature has both excluded and included Saturdays in defining the term “business days.” We agree, therefore, with Judge Cram’s conclusion that the term “business days” in section 31108(a) is ambiguous. Accordingly, we must consider the other language in the statute, as well as the legislative purpose underlying the statute, and “choose the construction that comports most closely with the Legislature’s apparent intent[.]” (*Smith, supra*, 39 Cal.4th at p. 83; accord, *California Highway Patrol, supra*, 135 Cal.App.4th at pp. 496-497.)

## **2. The Legislative Intent to Lengthen the Holding Period and to Promote Owner Redemption and Adoption**

### **a. The 1998 Amendments to Section 31108**

Prior to the Legislature’s 1998 amendment of the statute, section 31108 provided that an impounded dog could not be killed before 72 hours had elapsed from the time the dog was impounded. (Former § 31108 (Stats. 1967, ch. 15, § 2, p. 358) amended by Stats. 1998, ch. 752, § 12, p. 4907; see Legis. Counsel’s Dig., Sen. Bill No. 1785, 6 Stats. 1998 (1997-1998 Reg. Sess.) Summary Dig., p. 322.) In 1998, the Legislature replaced the 72-hour holding period with the current holding periods of six or four “business days.” (Stats. 1998, ch. 752, § 12, p. 4907.) The Legislature enacted this amendment as part of Senate Bill No. 1785, which made a number of statutory changes relating to stray animals. (See Stats. 1998, ch. 752, §§ 1-22, pp. 4903-4917; Legis. Counsel’s Dig., *supra*, at pp. 322-323.) In 2000, the Legislature made further changes to section 31108, which



are not material to the issue presented in this appeal.<sup>10</sup> (§ 31108; Assem. Bill No. 2754 (1999-2000 Reg. Sess.) enacted as Stats. 2000, ch. 567.)

### b. The Statutory Language

The amended text of section 31108(a) demonstrates that the Legislature intended both to lengthen the holding period for stray dogs and to ensure that owners and potential adoptive owners have sufficient access to shelters to redeem and adopt dogs. The core mandate of the revised statute is a holding period (six or four “business days”) that is longer (and, in some cases, significantly longer) than the previous 72-hour holding period. (§ 31108(a).) The longer holding period increases opportunities for redemption and adoption. In addition, the Legislature sought to encourage shelters to provide owner access at times other than typical weekday business hours. In this regard, the statute rewards shelters that do so with a shorter holding period of four, rather than six, business days.<sup>11</sup>

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<sup>10</sup> County has incorporated the provisions of section 31108 into its code. (See § 30501, subd. (a) [county or city may adopt specified state statutory provisions, including § 31108, for application within the county or city]; Contra Costa County Code § 416-4.206 [incorporating § 31108 and other provisions by reference].)

<sup>11</sup> As discussed above, the four-business-day holding period applies if (1) the shelter “has made the dog available for owner redemption *on one weekday evening until at least 7:00 p.m. or one weekend day,*” or (2) the shelter “has fewer than three full-time employees or is not open during all regular weekday business hours,” and “*has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the [shelter] would otherwise be closed[.]*” (§ 31108(a)(1)-(2), italics added.)

In a letter printed in the Senate Daily Journal, the author of Senate Bill No. 1785, Senator Tom Hayden, stated that the shorter holding period specified in the second of these exceptions (section 31108(a)(2)) is “intended to accommodate the needs of shelters in rural areas or very small cities where shelters have limited staffing capability, and are not open during regular weekday business hours.” (Sen. Tom Hayden, letter to Sen. Secretary Gregory Schmidt, Aug. 28, 1998, 4 Sen. J. (1997-1998 Reg. Sess.) p. 6534, also reprinted at Historical & Statutory Notes, 31C, pt. 2, West’s Ann. Food & Agr. Code (2001 ed.) foll. § 31108, p. 140.)

### c. Statements of Intent in the Enacting Legislation

In section 1 of Senate Bill No. 1785 (which is uncodified) (section 1), the Legislature included findings and declarations and summarized the intent of the act. (Stats. 1998, ch. 752, § 1, pp. 4903-4905.) Section 1 confirms that the central purposes of the act included lengthening holding periods and ensuring access to shelters for owner redemption and adoption.

In section 1, the Legislature stated that it sought to provide for an adequate holding period, increase opportunities for redemption and adoption of impounded stray animals, and end euthanasia of adoptable and treatable animals. (See Stats. 1998, ch. 752, §§ 1(a)(2), (b)(1)-(2), (c)(1), (h), (i), pp. 4903-4905.) The Legislature stated in section 1 that “lost animals should be held for a period of time to ensure that the owner has proper access to redeem the animal.” (*Id.*, § 1(i), p. 4905.) The Legislature also found and declared that “[r]edemption of owned pets and adoption of lost or stray adoptable animals is preferable to incurring social and economic costs of euthanasia.” (*Id.*, § 1(b)(1), p. 4904; see also *id.*, § 1(a)(2), pp. 4903-4904 [finding that “[p]ublic and private shelters and humane groups should work together to end euthanasia of adoptable and treatable animals by 2010”].)<sup>12</sup>

Consistent with the purpose of promoting access to shelters, the Legislature found that “[s]helters should be open during hours that permit working pet owners to redeem pets during nonworking hours.” (Stats. 1998, ch. 752, § 1(b)(2), p. 4904; accord, *id.*, § 1(i), p. 4905.) If the owner does not claim the animal, the shelter “should have the duty to make the animal available for adoption for a reasonable period of time . . .” (*Id.*, § 1(h), p. 4905.) Finally, the Legislature stated that one purpose of the act was to “[i]ncrease the focus of shelters to owner redemption and adoption by making recordkeeping mandatory to aid in owner redemption, providing owner relinquished pets

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<sup>12</sup> Senate Bill No. 1785 also added provisions to the Food and Agricultural Code and the Civil Code specifying that it is “the policy of the state” that adoptable and treatable animals should not be euthanized. (See § 17005, subds. (a), (b), added by Sen. Bill No. 1785, § 10; Civ. Code, § 1834.4, subds. (a), (b), added by Sen. Bill No. 1785, § 5.)

the same holding period as stray animals to allow for adoption, and providing for an explicit adoption period.” (*Id.*, § 1(c)(1), p. 4904.)

#### d. Legislative History

The legislative history of Senate Bill No. 1785<sup>13</sup> includes no direct evidence of legislative intent as to the meaning of “business days.”<sup>14</sup> However, the committee analyses of Senate Bill No. 1785 include general statements of legislative intent (some attributed to the author of the bill, and others stated generally by the reporting committees) that are consistent with the purposes the Legislature ultimately expressed in section 1 of Senate Bill No. 1785, including lengthening the holding period, increasing opportunities for owner redemption and adoption, and reducing euthanasia. (See, e.g., Sen. Rules Com., Off. of Sen. Floor Analyses, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended August 24, 1998, “ARGUMENTS IN SUPPORT”; Sen. Com. on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 14, 1998, “COMMENT,” par. 1, 4; Assem. Com. on Appropriations, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended June 18, 1998, “BACKGROUND,” par. 1;

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<sup>13</sup> We take judicial notice of the legislative history of Senate Bill No. 1785. (See *People v. Superior Court* (2005) 132 Cal.App.4th 1525, 1531-1533.)

<sup>14</sup> Some committee reports refer to a statement by an opponent of Senate Bill No. 1785, Pat Claerbout, the Director of El Dorado County Animal Control, who stated that a holding period of six business days “would necessitate the holding of animals for a minimum of up to eight days, since weekends do not constitute business days. During the holidays, shelters could be required to hold animals for as long as eleven or twelve days.” (Sen. Rules Com., Off. of Sen. Floor Analyses, 3d reading analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 29, 1998, “ARGUMENTS IN OPPOSITION”; Sen. Com. on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 14, 1998, “COMMENT,” par. 2(a).) This statement by an individual opponent of the bill is not evidence of the Legislature’s collective intent. (See, e.g., *Metropolitan Water Dist. v. Imperial Irrigation Dist.* (2000) 80 Cal.App.4th 1403, 1425-1426 [in analyzing legislative history, courts generally consider only materials “indicative of the intent of the Legislature *as a whole*”; materials showing the motive or understanding of an individual legislator, including the bill’s author, or other interested persons, are generally not considered, because “such materials are generally not evidence of the Legislature’s *collective* intent”].) Judge Cram correctly declined to consider this statement in seeking to ascertain the Legislature’s intent.

Sen. Com. on Appropriations, Fiscal Summary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 29, 1998, "STAFF COMMENTS.")

### 3. "Business Days" Do Not Include Saturdays.

In light of the statutory language and the express legislative findings accompanying the 1998 amendments to section 31108(a), we conclude that the term "business days" in that statute includes weekdays (Monday through Friday), but excludes Saturdays. As we explain below, our construction of "business days" most reasonably comports with the Legislature's express findings in amending the statute.

Consideration of the legislative purposes—lengthening holding periods and ensuring access for redemption and adoption—supports a construction of "business days" that *excludes* Saturdays. Treating only weekdays, and not Saturdays, as "business days" will in many instances result in longer holding periods, at least when a holding period includes a weekend. Excluding Saturdays is also consistent with the legislative goal of access, because longer holding periods will often provide more opportunities for redemption and adoption. As the trial judge noted in his order overruling defendants' demurrer, if "business days" means weekdays, "the hold period is significantly expanded, if a weekend falls in the middle of the four business days. Impounded dogs are held longer, making owner redemption more likely and decreasing the chance of having to euthanize the dog."<sup>15</sup>

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<sup>15</sup> Defendants contend that construing "business days" to include Saturdays would not shorten holding periods. CCCAS does not count Monday as a "business day," because its shelters are closed on Monday; defendants argue that, under their interpretation, there are five "business days" in a typical calendar week, just as there are if Monday through Friday are counted as "business days." As discussed below, we need not determine in this appeal whether a weekday on which a shelter is closed (such as Monday, in CCCAS's case) is a "business day." But, under either resolution of that question, construing "business days" to exclude Saturdays results in longer holding periods — counting Tuesday through Friday (instead of Tuesday through Saturday) as "business days" results in a longer holding period; counting Monday through Friday (instead of Monday through Saturday) also results in a longer period.

In addition, as noted above, the exceptions to the six-business-day holding period promote access by providing an incentive (a shorter, four-business-day holding period) for shelters that make dogs available for owner redemption on weekend days or weekday evenings (§ 31108(a)(1)), and for smaller shelters that establish procedures for owners to reclaim their dogs by appointment at a mutually agreeable time when the shelter would otherwise be closed (§ 31108(a)(2)). This incentive applies regardless of whether Saturday is treated as a “business day.” The Legislature thus expressly addressed the significance to be given to “weekend day[s]” in determining the length of the holding period—a shelter that makes a dog available for owner redemption on a “weekend day” only needs to hold that dog for four, instead of six, business days. (§ 31108(a)(1).) Accordingly, a construction of “business days” that excludes Saturdays is consistent with the legislative goal of access, including the specific goal of encouraging shelters to “be open during hours that permit working pet owners to redeem pets during nonworking hours.”<sup>16</sup> (Stats. 1998, ch. 752, § 1(b)(2), p. 4904.)

By contrast, a construction of “business days” that *includes* Saturdays would often result in shorter holding periods, and thus fewer opportunities for redemption or adoption. Arguably, such a construction would promote the goal of access to some degree by providing an *additional* incentive for shelters to remain open on Saturdays, i.e., a shelter that is open on Saturdays could take advantage of the shorter, four-business-day holding

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<sup>16</sup> In her order granting summary judgment, Judge Cram stated that, if shelters could not count Saturdays as “business days” in calculating the holding period, they “would have no incentive to stay open on Saturdays.” This is incorrect. As we discuss above, under any interpretation of “business days,” section 31108(a) provides an incentive for shelters to make dogs available on weekend days—the shorter holding period of four business days. (§ 31108(a)(1).)

Judge Cram also stated that shelters (like the CCCAS shelters) that are open on Saturday but closed on a weekday would be “penalized,” because “neither day would count toward the holding period.” As noted, we do not reach in this appeal the question of whether a weekday on which a shelter is closed is a “business day.” But, regardless of the answer to that question, a shelter that is open on Saturday is not penalized, but is rewarded with the shorter, four-business-day holding period; a shelter that instead is open Monday through Friday and is closed on weekday evenings and weekends must comply with the six-business-day holding period. (§ 31108(a).)

period *and* could count Saturday as a “business day” in computing that period. However, because the Legislature already provided an explicit incentive for shelters to remain open on “weekend days,” and because construing “business days” to include Saturdays would result in shorter holding periods, we conclude that this result is not reasonable in light of the legislative purposes.

In short, if the Legislature, having provided an incentive for shelters to remain open on weekend days, had also intended to permit shelters to count Saturdays as “business days” (thus further shortening the total number of calendar days in the holding period), we would expect a clearer expression of such an intention in the statute. More broadly, a construction of “business days” that includes Saturdays would both (1) shorten the holding period, and (2) reduce the opportunities for redemption and adoption. It thus would fail to achieve the dual purposes reflected in the legislative findings.

Accordingly, in the absence of a clear expression of legislative intent to treat Saturdays as “business days,” and in light of our obligation to choose a construction that most closely comports with the Legislature’s intent and promotes, rather than defeats, the statute’s general purposes (see *Smith, supra*, 39 Cal.4th at p. 83; *California Highway Patrol, supra*, 135 Cal.App.4th at pp. 496-497), we conclude that “business days” in section 31108(a) means Monday through Friday, the meaning most commonly used in ordinary discourse.

Defendants’ remaining arguments to the contrary are not persuasive. First, defendants contend that we should adopt the definition of “business days” in Civil Code section 9 (which includes Saturdays), because the different codes should be regarded as “blending” into each other, and because we must presume the Legislature was aware of Civil Code section 9 when it included the term “business days” in section 31108. Courts have stated that, “for purposes of statutory construction the codes are to be regarded as blending into each other and constituting but a single statute.” (*In re Porterfield* (1946) 28 Cal.2d 91, 100; *People v. Vassar* (1962) 207 Cal.App.2d 318, 322-323.) And, in construing section 31108, we presume the Legislature was aware of existing laws, including prior statutory and judicial constructions of the term “business

days.” (See *Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072, 1096; *People v. Scott* (1987) 194 Cal.App.3d 550, 556, fn. 5.) However, neither of these principles is dispositive here, because the codes reflect differing definitions of “business days.” Neither the principle of “blending” codes together nor the Legislature’s presumed knowledge of existing definitions of “business days” serves as an interpretive aid in determining the proper construction of the term “business days” here.<sup>17</sup>

Second, defendants, citing *Yamaha Corp. of America v. State Bd. of Equalization* (1998) 19 Cal.4th 1 (*Yamaha Corp.*), argue that we should defer to CCCAS’s interpretation of “business days.” While it is often appropriate for a court to give some deference to an interpretation by a state agency charged with administering a particular statutory scheme (see *Yamaha Corp.*, 19 Cal.4th at pp. 7-8, 14-15), this principle is of little assistance in this case, because the many local public and private agencies that operate shelters may have inconsistent interpretations of “business days.” (See *California Highway Patrol, supra*, 135 Cal.App.4th at pp. 501-502 [rejecting argument that Legislature failed to modify, and thus tacitly approved, a local agency practice; “While this principle may apply when a state agency is charged with administering a particular statutory scheme, it has dubious application when numerous cities and counties are charged with applying state law, particularly when they apply the law inconsistently”].)<sup>18</sup>

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<sup>17</sup> In his order overruling defendants’ demurrer, the trial judge stated that treating the codes as “blending together” would require the court “to arbitrarily select a meaning of ‘business days’ from the many definitions in the law.”

<sup>18</sup> Defendants note that the City of Berkeley and the County of Los Angeles have adopted local code provisions stating that Saturdays are treated as “business days” in this context. (See Berkeley Mun. Code, § 1.04.080(C) [“[f]or purposes of calculating the number of days an animal is to be held at the animal shelter pursuant to state or local law, a business day shall include any Saturday on which the shelter is open”]; Los Angeles County Code, §§ 10.08.010, 10.08.075 [for purposes of Title 10 of Code (“Animals”), “[b]usiness days’ are all days other than Sunday and legal holidays”].) These local code provisions, which were adopted after the Legislature added the term “business days” to section 31108 in 1998, are not persuasive evidence as to the Legislature’s intent. (See Berkeley Mun. Code, § 1.04.080, added by “[Berkeley] Ord. 6779-N.S. § 1, 2003:

Third, defendants assert that interpreting “business days” in section 31108(a) to exclude Saturdays would require shelters to maintain “dual calendaring systems for stray dogs: one which would determine if a stray dog was made available for owner redemption on a Saturday, thus reducing the holding period from six to four business days; and a second calendar which would calculate the overall holding period for the stray dog, yet exclude Saturday.” However, any recordkeeping burden on shelters does not result from our interpretation of “business days,” but from the structure of the statute itself. Under any interpretation of “business days,” a shelter must keep track of (1) whether an individual dog was made available for owner redemption on a weekday evening or a weekend day and thus may be held for four, rather than six, business days (see § 31108(a)(1)), and (2) how many “business days” the dog has been held (see § 31108(a)).

Finally, defendants focus on the language of section 31108(a)(2), which specifies a shorter, four-business-day holding period for a shelter that “has fewer than three full-time employees or is not open during all *regular weekday business hours*” and has a procedure for owners to reclaim dogs by appointment. (§ 31108(a)(2), italics added.) Defendants argue that if we construe “business days” to mean Monday through Friday, then the phrase “regular weekday” before “business hours” is surplusage, a result that should be avoided. However, in our view, the phrase “regular weekday business hours” is simply a reference to the usual hours of operation during weekdays. This language in section 31108(a)(2) provides an incentive (a shorter holding period) for shelters to provide a procedure for owners to redeem their dogs by appointment, just as section 31108(a)(1) provides an incentive (a shorter holding period) for shelters to make dogs available for owner redemption on weekday evenings and weekend days. The reference to “regular weekday business hours” in section 31108(a)(2) does not address or define the broader term at issue in this suit—“business days.” Accordingly, defendants’ argument based on the language of section 31108(a)(2) is not persuasive.

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[Berkeley] Ord. 6511-N.S. § 1, 1999”; Los Angeles County Code, § 10.08.075, added by Los Angeles County Ord. 2000-0075 § 6, 2000.)



For the foregoing reasons, we conclude that the trial court erred by interpreting “business days” in section 31108(a) to include Saturdays.

#### 4. The Holding Period in This Case

Because Saturday is not a “business day,” the holding period that CCCAS calculated for Purifoy’s dog Duke did not comply with section 31108(a). As noted above, Duke was impounded on Thursday, October 5, 2006, and was adopted by a new owner on Wednesday, October 11, 2006. Because Duke was made available for owner redemption on a weekend day (Saturday, October 7, 2006), the applicable holding period under section 31108(a)(1) was “four business days, not including the day of impoundment.” (§ 31108(a)(1).) In calculating the holding period, CCCAS counted the following days as “business days”: (1) Friday, October 6, 2006; (2) Saturday, October 7, 2006; (3) Tuesday, October 10, 2006; and (4) Wednesday, October 11, 2006.

For the reasons discussed above, Saturday, October 7, 2006 was not a “business day” within the meaning of section 31108(a).<sup>19</sup> In the trial court, defendants conceded that, if Saturday is not a “business day” under section 31108, CCCAS did not hold Duke

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<sup>19</sup> In addition, the parties agree (for different stated reasons) that Monday, October 9, 2006 was not a “business day.” Defendants do not count Mondays as “business days” because the CCCAS shelters are closed on Mondays; plaintiffs argue more narrowly that Monday, October 9, 2006 was not a “business day” because it was Columbus Day, a legal holiday.

In their briefs, plaintiffs do not state a position as to whether a *non-holiday* weekday on which a shelter is closed is a “business day” under section 31108(a). Plaintiffs do argue generally that an interpretation of “business days” that depends on whether a given shelter is open on certain days (such as the interpretation adopted by Judge Cram) is inappropriate because it permits individual shelters to “decide the meaning” of the term “business days.” In a related argument, plaintiffs challenge Judge Cram’s ruling excluding evidence of the number of shelters in California, which plaintiffs introduced to support their claim that allowing a large number of shelters to “define” the term “business days” would be unworkable.

In this appeal, we need not decide whether a shelter must be open on a non-holiday weekday in order to count that day as a “business day,” because the only weekday on which the CCCAS shelters were closed during the holding period for Duke was a holiday (Monday, October 9, 2006). Accordingly, we need not address plaintiffs’ arguments on this point, or their challenge to Judge Cram’s evidentiary ruling.

for the minimum holding period. CCCAS held Duke for only three business days, not including the day of impoundment: (1) Friday, October 6, 2006; (2) Tuesday, October 10, 2006; and (3) Wednesday, October 11, 2006.<sup>20</sup>

### **C. The Three-Day Owner Redemption Period**

Plaintiffs contend that, even if “business days” in section 31108(a) includes Saturdays, CCCAS violated the statute by permitting the adoption of Purifoy’s dog Duke on the fourth business day after his impoundment. Plaintiffs claim that CCCAS was obligated to hold Duke exclusively for owner redemption for the entire four-business-day holding period. Although we need not reach this question in light of our conclusion above that Saturdays are not “business days” and that therefore CCCAS did not hold Duke for the required minimum holding period, we will address plaintiffs’ argument to provide guidance to the parties and future litigants.

Plaintiffs are incorrect in asserting that a shelter must hold a dog exclusively for owner redemption for the entire holding period. The last sentence of section 31108(a) expressly specifies that “stray dogs shall be held for owner redemption during the first *three* days of the holding period, not including the day of impoundment, and shall be available for *owner redemption or adoption* for the remainder of the holding period.” (§ 31108(a), italics added.)

Plaintiffs argue briefly that this sentence applies only to the four-business-day holding period set forth in section 31108(a)(2) (applicable to smaller shelters). This is incorrect. The last sentence of section 31108(a) applies to all of the holding periods specified in section 31108(a), i.e., the default six-business-day holding period and the four-business-day holding periods specified in sections 31108(a)(1) and 31108(a)(2). That sentence appears in a separate paragraph at the end of section 31108(a). It is not

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<sup>20</sup> Plaintiffs argue in their reply brief that Contra Costa County Code § 22-2.202 requires county offices to be open Monday through Friday, and that the CCCAS shelters violate this provision by staying open on Saturday and closing on Monday. We need not address this argument, because plaintiffs did not raise it in their opening brief (see *Reichardt v. Hoffman* (1997) 52 Cal.App.4th 754, 764), and because we reverse on other grounds.

part of section 31108(a)(2), and there is no indication that it should apply only to the holding period specified in section 31108(a)(2).

Even if this result were not clear from the face of the statute, we also note that plaintiffs' interpretation would be contrary to legislative intent and would lead to absurd results. As noted above, in section 1 of Senate Bill No. 1785, the Legislature stated its intention to promote both owner redemption *and* adoption, and to reduce euthanasia. (Stats. 1998, ch. 752, §§ 1(a)(2), (b)(1)-(2), (c)(1), (h), (i), pp. 4903-4905.) To promote these goals, the Legislature stated that "the duties of shelters to properly care for an animal do not cease *if the owner of a lost animal does not claim the animal*"; in that event, the shelter "*should have the duty to make the animal available for adoption for a reasonable period of time and to care properly for the animal during this period*" (*id.*, § 1(h), p. 4905, italics added). Under plaintiffs' interpretation, a shelter would have to hold an impounded dog exclusively for owner redemption for the entire holding period (if either the default six-business-day holding period or the four-business-day holding period in section 31108(a)(1) applied); the dog could then be euthanized without ever being made available for adoption.

The legislative history of Senate Bill No. 1785 provides additional confirmation that an impounded dog is to be held exclusively for owner redemption for the first three days of the holding period, and is to be available for owner redemption *or* adoption for the remainder of the period. For example, one analysis of the bill states: "Any impounded animal that may be legally owned must be held for six business days before it may be killed. [Senate Bill No. 1785] provides that an impounded animal would be available for owner redemption during the first three business days and for adoption or owner redemption during the following three business days." (Sen. Rules Com., Off. of Sen. Floor Analyses, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended August 24, 1998, "ANALYSIS," par. 1; accord, Assem. Com. on Appropriations, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended June 18, 1998, "SUMMARY," par. 2.a; Assem. Com. on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended June 18, 1998, "SUMMARY," par. 2.a; Sen. Com.

on Judiciary, Analysis of Sen. Bill No. 1785 (1997-1998 Reg. Sess.) as amended April 14, 1998, "DESCRIPTION.")

Finally, the Legislative Counsel's Digest accompanying the Legislature's subsequent amendments to section 31108 (in 2000) states: "Existing law provides that stray animals shall be held for owner redemption during the first 3 days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period." (Legis. Counsel's Dig., Assem. Bill No. 2754 (1999-2000 Reg. Sess.) Stats. 2000, ch. 567, par. 1.)

#### **IV. DISPOSITION**

The judgment is reversed. The case is remanded to the trial court with directions to consider the remaining issues raised in defendants' motion for summary judgment/adjudication and in plaintiffs' motion for summary adjudication.

In addressing the above matters, the court shall treat the following as established: (1) Saturday is not a "business day" within the meaning of section 31108(a); (2) under all of the holding periods outlined in section 31108(a), a shelter must hold an impounded dog exclusively for owner redemption for the first three business days of the holding period, not including the day of impoundment, and may then make the dog available for owner redemption or adoption beginning on the fourth business day of the holding period; and (3) CCCAS did not hold Purifoy's dog for the minimum holding period specified in section 31108(a).

Plaintiffs shall recover their costs on appeal.

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Jenkins, J.

We concur:

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McGuinness, P. J.

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Pollak, J.

*Purifoy et al. v. Howell et al.*, A123856

Trial Court: Superior Court, Contra Costa County

Trial Judge: Hon. Joyce Cram, Judge

Counsel for Appellant: Corey A. Evans, EVANS & PAGE

Counsel for Respondent: Silvano B. Marchesi, County Counsel  
Steven P. Rettig, Deputy County Counsel,  
Contra Costa County

**Tab 9**

**Assembly Bill No. 222**

**CHAPTER 97**

An act to amend Sections 221.1, 492, 4171, 31108, 31752, and 77067 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 25, 2011. Filed with  
Secretary of State July 25, 2011.]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 222, Committee on Agriculture. Food and Agriculture: omnibus bill.

(1) Existing law establishes the Department of Food and Agriculture Fund, a continuously appropriated fund used for specified purposes relating to enforcement of various provisions of law relating to various agriculture programs. Notwithstanding those provisions, existing law requires the Department of Food and Agriculture to establish all permanent positions within the department with the Controller's office pursuant to standard state administrative practices, and to report to the chairs of the fiscal committees of the Legislature, no later than January 10, 2005, on the positions established and funded, as specified.

Existing law also establishes the Food Biotechnology Task Force and authorizes the task force to request particular agencies to lead the effort to evaluate various factors related to food biotechnology. Existing law requires the task force to report the issues studied, findings, basis for their findings, and recommendations to the Governor and the Legislature by January 1, 2003.

This bill would delete the obsolete reporting requirements from these provisions.

(2) Existing law divides the state into agricultural districts, as specified, and provides for district agricultural associations, which are state institutions. Existing law authorizes the 50th District Agricultural Association, with the consent of the Secretary of Food and Agriculture, to enter into a joint powers agreement for, among other purposes, the purpose of creating a joint powers agency to operate, maintain, and improve the facilities and functions of the 50th District Agricultural Association. Existing law requires, prior to the commencement of the joint powers agreement, the parties to the agreement and the Department of Food and Agriculture to ensure that every employee in the civil service of the 50th District Agricultural Association is provided with the option of continuing his or her employment with the state. Existing law requires the joint powers agency to contract with the department for the services of the employee who chooses to continue his or her employment with the state, consistent with his or her civil service classification and status.



This bill would authorize the joint powers agency to contract with the department or the 50th District Agricultural Association for the services of an employee, consistent with his or her civil service classification and status.

(3) Existing law requires that the holding period for a stray dog or a stray cat impounded in a shelter be 6 business days, not including the day of impoundment, with exceptions, as provided.

This bill would define the term "business day" for purposes of these provisions as any day that a public or private shelter is open to the public for at least 4 hours, excluding state holidays.

(4) Existing law establishes the California Walnut Commission, composed of 8 walnut producers, 4 walnut handlers, and one member of the public. Existing law requires the commission to elect alternate members, and provides for the appointment of ex officio members.

Existing law provides that each member of the commission or each alternate member serving in place of a member, except for ex officio government members, and each member of a committee established by the commission who is a nonmember of the commission, may receive per diem not to exceed \$100 per day, as established by the commission, for each day spent in actual attendance at, or in traveling to and from, meetings of the commission or committees of the commission, or on special assignment from the commission. Existing law also authorizes members of the commission to receive necessary traveling expenses and meal allowances, as approved by the commission.

This bill would delete the provision for a \$100 per diem for members, alternate members, and committee members, and would instead provide that members of the commission may receive an amount not to exceed the reasonable and necessary traveling expenses and meal allowances, as established by the commission.

*The people of the State of California do enact as follows:*

SECTION 1. Section 221.1 of the Food and Agricultural Code is amended to read:

221.1. Notwithstanding Section 221, the department shall establish all permanent positions with the Controller's office, pursuant to standard state administrative practices.

SEC. 2. Section 492 of the Food and Agricultural Code is amended to read:

492. (a) The Legislature hereby creates the Food Biotechnology Task Force. The task force shall be cochaired by the Secretary of California Health and Human Services, and the Secretary of the California Department of Food and Agriculture. The task force shall consult with appropriate state agencies and the University of California. The Department of Food and Agriculture shall be the lead agency.

(b) An advisory committee shall be appointed by the task force to provide input on issues reviewed by the task force. The advisory committee shall

consist of representatives from consumer groups, environmental organizations, farmers, ranchers, representatives from the biotechnology industry, researchers, organic farmers, food processors, retailers, and others with interests in the issues surrounding biotechnology.

(c) The Department of Food and Agriculture shall make funds available to other agencies to accomplish the purposes of this article and shall contract, where appropriate, with the California Council on Science and Technology, the University of California, or other entities to review issues evaluated by the task force or support activities of the advisory committee.

(d) The task force may request particular agencies to lead the effort to evaluate various factors related to food biotechnology. As funding becomes available, the task force shall evaluate factors including all of the following:

(1) Definition and categorization of food biotechnology and production processes.

(2) Scientific literature on the subject, and a characterization of information resources readily available to consumers.

(3) Issues related to domestic and international marketing of biotechnology foods such as the handling, processing, manufacturing, distribution, labeling, and marketing of these products.

(4) Potential benefits and impacts to human health, the state's economy, and the environment accruing from food biotechnology.

(5) Existing federal and state evaluation and oversight procedures.

(e) An initial sum of one hundred twenty-five thousand dollars (\$125,000) is hereby appropriated from the General Fund for disbursement to the Department of Food and Agriculture. It is the intent of the Legislature to make further funds available to accomplish the purposes contained in this article.

SEC. 3. Section 4171 of the Food and Agricultural Code is amended to read:

4171. (a) Notwithstanding any other provision of law, the 50th District Agricultural Association, with the consent of the secretary, may enter into a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code for the purpose of creating a joint powers agency to operate, maintain, and improve the facilities and functions of the 50th District Agricultural Association. This joint powers agency's duties shall include planning, designing, and constructing real property improvements, including new construction, alteration, extension, betterment, and repair, and purchasing fixed and movable equipment related to the facilities and functions of the 50th District Agricultural Association.

(b) The joint powers agency may accept the donation of, acquire, own, sell, or lease real property, and may pledge its property or revenue for the sale of bonds to construct, equip, and furnish the facilities, parking facilities, and any betterments, improvements, and facilities related thereto.

(c) The joint powers agency may make and enter into contracts and employ agents and employees. The joint powers agency may manage, maintain, and operate the facilities, or may enter into management contracts for the operation of the facilities. The planning, designing, and constructing

of these improvements, and the agency's other duties, as specified in this section, shall be undertaken in accordance only with those restrictions applicable to the joint powers agency.

(d) Prior to the commencement of the joint powers agreement, the parties to the agreement and the department shall ensure that every employee in the civil service of the 50th District Agricultural Association is provided with the option of continuing his or her employment with the state, or of accepting a position as an employee of the joint powers agency.

(1) With respect to an employee who chooses to continue his or her employment with the state, the employee shall continue to be subject to all of the provisions governing civil service employees, and, additionally, all of the following shall apply:

(A) The joint powers agency shall contract with the department or the 50th District Agricultural Association for the services of the employee, consistent with his or her civil service classification and status.

(B) The employee has the right to continue to provide services to the joint powers agency pursuant to that contract during the time the employee continues in the civil service classification he or she held at the time of the employee's election.

(2) With respect to an employee who chooses to leave his or her employment with the state and become an employee of the joint powers agency, those employees are not employees of the state, and are not subject to the requirements of Chapter 10.3 (commencing with Section 3512) and Chapter 10.5 (commencing with Section 3525) of Division 4 of Title 1 of the Government Code.

(3) If a position filled by a civil service employee pursuant to contract with the department becomes vacant, the joint powers agency may fill the position with a non-civil-service employee.

(e) If the joint powers agency contracts with another entity for the operation or management of the facilities, the requirements of subdivision (d) shall apply to the new entity prior to commencement of any agreement.

(f) The State of California is not liable for any debts, liabilities, settlements, liens, or any other obligations incurred by or imposed upon the joint powers agency. The joint powers agreement executed pursuant to this section shall expressly provide that the General Fund and the Fair and Exposition Fund shall be held harmless from all debts, liabilities, settlements, judgments, or liens incurred by the joint powers agency, and that neither the state nor any agency or division thereof shall be liable for any contract, tort, action or inaction, error in judgment, mistake, or other act taken by the joint powers agency, or any of its employees, agents, servants, invitees, guests, or anyone acting in concert with, or on the behalf of, the joint powers agency.

SEC. 4. Section 31108 of the Food and Agricultural Code is amended to read:

31108. (a) The required holding period for a stray dog impounded pursuant to this division shall be six business days, not including the day of impoundment, except as follows:

(1) If the public or private shelter has made the dog available for owner redemption on one weekday evening until at least 7 p.m. or one weekend day, the holding period shall be four business days, not including the day of impoundment.

(2) If the public or private shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their dogs by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Except as provided in Section 17006, stray dogs shall be held for owner redemption during the first three days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period.

(b) Except as provided in Section 17006, any stray dog that is impounded pursuant to this division shall, prior to the euthanasia of that animal, be released to a nonprofit, as defined in Section 501(c)(3) of the Internal Revenue Code, animal rescue or adoption organization if requested by the organization prior to the scheduled euthanasia of that animal. The public or private shelter may enter into cooperative agreements with any animal rescue or adoption organization. In addition to any required spay or neuter deposit, the public or private shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for animals adopted or released.

(c) During the holding period required by this section and prior to the adoption or euthanasia of a dog impounded pursuant to this division, a public or private shelter shall scan the dog for a microchip that identifies the owner of that dog and shall make reasonable efforts to contact the owner and notify him or her that his or her dog is impounded and is available for redemption.

(d) As used in this division, a "business day" includes any day that a public or private shelter is open to the public for at least four hours, excluding state holidays.

SEC. 5. Section 31752 of the Food and Agricultural Code is amended to read:

31752. (a) The required holding period for a stray cat impounded pursuant to this division shall be six business days, not including the day of impoundment, except as follows:

(1) If the public or private shelter has made the cat available for owner redemption on one weekday evening until at least 7 p.m. or one weekend day, the holding period shall be four business days, not including the day of impoundment.

(2) If the public or private shelter has fewer than three full-time employees or is not open during all regular weekday business hours, and if it has established a procedure to enable owners to reclaim their cats by appointment at a mutually agreeable time when the public or private shelter would otherwise be closed, the holding period shall be four business days, not including the day of impoundment.

Except as provided in Sections 17006 and 31752.5, stray cats shall be held for owner redemption during the first three days of the holding period, not including the day of impoundment, and shall be available for owner redemption or adoption for the remainder of the holding period.

(b) Except as provided in Section 17006, any stray cat that is impounded pursuant to this division shall, prior to the euthanasia of that animal, be released to a nonprofit, as defined in Section 501(c)(3) of the Internal Revenue Code, animal rescue or adoption organization if requested by the organization prior to the scheduled euthanasia of that animal. In addition to any required spay or neuter deposit, the public or private shelter, at its discretion, may assess a fee, not to exceed the standard adoption fee, for animals adopted or released. The public or private shelter may enter into cooperative agreements with any animal rescue or adoption organization.

(c) During the holding period required by this section and prior to the adoption or euthanasia of a cat impounded pursuant to this division, a public or private shelter shall scan the cat for a microchip that identifies the owner of that cat and shall make reasonable efforts to contact the owner and notify him or her that his or her cat is impounded and is available for redemption.

(d) As used in this division, a "business day" includes any day that a public or private shelter is open to the public for at least four hours, excluding state holidays.

SEC. 6. Section 77067 of the Food and Agricultural Code is amended to read:

77067. No member of the commission or of any committee established by the commission that may include nonmembers of the commission shall receive a salary. Except for ex officio government members, the members may receive an amount not to exceed reasonable and necessary traveling expenses and meal allowances, as established by the commission, for each day spent in actual attendance at, or in traveling to and from, meetings of the commission or committees of the commission, or on special assignment for the commission, as approved by the commission.

**Tab 10**

City of Los Angeles  
 Legislatively Mandated Animal Adoption Program  
 FY's 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
 Summary of Care and Maintenance Costs  
 Audit ID # S09-MCC-055

WP H.6.1  
 Page 1/9

	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Care &amp; Maint</b>									
<b>Claimed Costs:</b>									
Dogs and Cats	\$ 186,383	\$ 577,369	\$ 463,535	\$ 686,106	\$ 291,737	\$ 244,197	\$ 193,875	\$ 194,118	\$ 2,837,320
Other animals	5,510	40,450	13,107	21,184	12,018	37,227	99,093	44,252	272,841
<b>Subtotal</b>	<b>\$ 191,893</b>	<b>\$ 617,819</b>	<b>\$ 476,642</b>	<b>\$ 707,290</b>	<b>\$ 303,755</b>	<b>\$ 281,424</b>	<b>\$ 292,968</b>	<b>\$ 238,370</b>	<b>\$ 3,110,161</b>
<b>Allowable Costs:</b>									
Dogs and Cats	\$ -	\$ 364,573	\$ 480,423	\$ 299,445	\$ 221,567	\$ 225,970	\$ 189,039	\$ 219,708	\$ 2,000,725
Other animals	3,081	6,834	7,060	7,165	5,463	14,833	17,269	18,619	80,324
<b>Subtotal</b>	<b>\$ 3,081</b>	<b>\$ 371,407</b>	<b>\$ 487,483</b>	<b>\$ 306,610</b>	<b>\$ 227,030</b>	<b>\$ 240,803</b>	<b>\$ 206,308</b>	<b>\$ 238,327</b>	<b>\$ 2,081,049</b>
<b>Audit adjustment:</b>									
Dogs and Cats	\$ (186,383)	\$ (212,796)	\$ 16,888	\$ (386,661)	\$ (70,170)	\$ (18,227)	\$ (4,836)	\$ 25,590	\$ (836,595)
Other animals	(2,429)	(33,616)	(6,047)	(14,019)	(6,555)	(22,394)	(81,824)	(25,633)	(192,517)
<b>Total adjustment</b>	<b>\$ (188,812)</b>	<b>\$ (246,412)</b>	<b>\$ 10,841</b>	<b>\$ (400,680)</b>	<b>\$ (76,725)</b>	<b>\$ (40,621)</b>	<b>\$ (86,660)</b>	<b>\$ (43)</b>	<b>\$ (1,029,112)</b>

H.6.1 p2

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H.6.1 p5

H.6.1 p6

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H.6.FS

EX3

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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	<b>16.47%</b>	<b>87.07%</b>			
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
		<b>H 14.9</b>	<b>I 1.9</b>		<b>H 6.3</b>	
		A * 16.47%	A * 87.07%	A+B+C		D*E

(all employees in these classif)

**H 6.2**

Animal Care Technicians	2,524,693.78	415,817.07	2,198,250.87	5,138,762	80%	4,111,009.00
ACT Supervisor	224,950.16	37,049.29	195,864.10	457,864	40%	183,145.00

**Total Eligible Labor Costs**

\$ 4,294,154



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

\$ 4,294,154



**Step 4 - Annual Census of All Animals**

**H 15.7**

476,517



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

\$ 9.01

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

<b>DOGS &amp; CATS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 9.01	<b>H 15.7</b>	3	

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

<b>OTHER ANIMALS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 9.01	<b>H 15.7</b>	57	6

**Step 8 - Total Allowable Care and Maintenance Costs**

\$ 3,081



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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	24.89%	93.27%			
	A	B H.14.9	C I.1.9	D	E H.6.3	F
		A * 24.89%	A * 93.27%	A+B+C		D*E

(all employees in these classif)

H.6.2

Animal Care Technicians	2,633,910.26	655,580.26	2,456,648.10	5,746,139	80%	4,596,911.00
ACT Supervisor	234,681.35	58,412.19	218,887.30	511,981	40%	204,792.00

**Total Eligible Labor Costs**

\$ 4,801,703



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

\$ 4,801,703



**Step 4 - Annual Census of All Animals**

H.15.7

476,517



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

10.08

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

DOGS & CATS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 10.08	H.15.7 12,056	3	\$ 364,579

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

OTHER ANIMALS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 10.08	H.15.7 113	6	\$ 6,839

**Step 8 - Total Allowable Care and Maintenance Costs**

371,407

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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	<b>25.56%</b>	<b>105.92%</b>			
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
		<b>H 14.9</b>	<b>I 1.9</b>		<b>H 6.3</b>	
		A * 25.56%	A * 105.92%	A+B+C		D*E

(all employees in these classif)

**H 6.2**

Animal Care Technicians	2,739,866.55	700,309.89	2,902,066.65	6,342,243	80%	5,073,794.00
ACT Supervisor	244,122.05	62,397.60	258,574.08	565,094	40%	226,037.00

**Total Eligible Labor Costs**

\$ 5,299,831



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

\$ 5,299,831



**Step 4 - Annual Census of All Animals**

**H 15.7**

455,088



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

11.65

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

<b>DOGS &amp; CATS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 11.65	<b>H 15.7</b> 13,746	3	\$ 480,423

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

<b>OTHER ANIMALS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 11.65	<b>H 15.7</b> 101	6	\$ 7,060

**Step 8 - Total Allowable Care and Maintenance Costs**

487,483

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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	<b>24.31%</b>	<b>81.16%</b>			
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
		<b>H 14.9</b>	<b>I 1.9</b>		<b>H 6.3</b>	
		A * 24.31%	A * 81.16%	A+B+C		D*E

(all employees in these classif)

**H 6.2**

Animal Care Technicians	2,791,377.61	678,583.90	2,265,482.07	5,735,444	80%	4,588,355.00
ACT Supervisor	248,711.68	60,461.81	201,854.40	511,028	40%	204,411.00

**Total Eligible Labor Costs**

\$ 4,792,766



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

\$ 4,792,766



**Step 4 - Annual Census of All Animals**

**H 15.7**

497,945



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

9.63

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

<b>DOGS &amp; CATS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 9.63	<b>H 15.7</b> 10,365	3	\$ 299,445

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

<b>OTHER ANIMALS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 9.63	<b>H 15.7</b> 124	6	\$ 7,165

**Step 8 - Total Allowable Care and Maintenance Costs**

\$ 306,610

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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	<b>22.89%</b>	<b>59.27%</b>			
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
		<b>H 14.9</b>	<b>I 1.9</b>		<b>H 6.3</b>	
		A * 22.89%	A * 59.27%	A+B+C		D * E

(all employees in these classif)

**H 6.2**

Animal Care Technicians	2,894,399.72	662,528.10	1,715,510.71	5,272,439	80%	4,217,951.00
ACT Supervisor	257,890.95	59,031.24	152,851.97	469,774	40%	187,910.00

**Total Eligible Labor Costs**

**\$ 4,405,861**



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

**\$ 4,405,861**



**Step 4 - Annual Census of All Animals**

**H 15.7**

**450,176**



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

**9.79**

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

<b>DOGS &amp; CATS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 9.79	<b>H 15.7</b> 7,544	3	<b>221,567</b>

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

<b>OTHER ANIMALS</b>	Aver Cost per Animal per Day <b>A</b>	Eligible Dogs & Cats <b>B</b>	Increased Days <b>C</b>	Allowable Annual Cost <b>A*B*C</b>
	\$ 9.79	<b>H 15.7</b> 93	6	<b>5,463</b>

**Step 8 - Total Allowable Care and Maintenance Costs**

**227,030**

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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	43.39%	98.27%			
	A	B H.14.9	C I.1.9	D	E H.6.3	F
		A * 43.39%	A * 98.27%	A+B+C		D*E

(all employees in these classif)

H.6.2

Animal Care Technicians	3,355,065.05	1,455,762.73	3,297,022.42	8,107,850	80%	6,486,280.00
ACT Supervisor	298,936.22	129,708.43	293,764.62	722,409	40%	288,964.00

**Total Eligible Labor Costs**

\$ 6,775,244



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

\$ 6,775,244



**Step 4 - Annual Census of All Animals**

H.15.7

515,312



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

13.15

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

DOGS & CATS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 13.15	H.15.7 5,728	3	225,970

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

OTHER ANIMALS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 13.15	H.15.7 188	6	14,833

**Step 8 - Total Allowable Care and Maintenance Costs**

\$ 240,803

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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	49.07%	82.29%			
	A	B H.14.9	C I.1.9	D	E H.6.3	F
		A * 49.07%	A * 82.29%	A+B+C		D*E

(all employees in these classif)

H.6.2

Animal Care Technicians	4,477,083.06	2,196,904.66	3,684,191.65	10,358,179	80%	8,286,543.00
ACT Supervisor	433,789.46	212,860.49	356,965.35	1,003,615	40%	401,446.00

**Total Eligible Labor Costs**

\$ 8,687,989



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

\$ 8,687,989



**Step 4 - Annual Census of All Animals**

H.15.7

706,491



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

12.30

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

DOGS & CATS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 12.30	H.15.7 5,123	3	189,039

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

OTHER ANIMALS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 12.30	H.15.7 234	6	17,289

**Step 8 - Total Allowable Care and Maintenance Costs**

206,309

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**Step 1 - Labor Costs (actual salaries, benefits, and related indirect costs associated with care and maintenance functions)**

Labor (related to Care and Maintenance)	Annual Salary	Ben Rate (CAP)	I/C Rate (CAP)	Total Labor	% attributed to Care and Maintenance %	Annual Labor Costs Allowable
	<b>ACTUAL</b>	<b>42.73%</b>	<b>64.46%</b>			
	<b>A</b>	<b>B</b> H.14.9	<b>C</b> I.1.9	<b>D</b>	<b>E</b> H.6.3	<b>F</b> D*E
		A * 42.73%	A * 64.46%	A+B+C		

(all employees in these classif)

H.6.2

Animal Care Technicians	5,922,866.98	2,530,841.06	3,817,880.06	12,271,588	80%	9,817,270.00
ACT Supervisor	742,134.62	317,114.12	478,379.98	1,537,629	40%	615,051.00

**Total Eligible Labor Costs**

\$ 10,432,321



**Step 2 - Food, Supplies, and Other Materials and Supplies**



**Step 3 - Total Annual Care and Maintenance Expenditures**

\$ 10,432,321



**Step 4 - Annual Census of All Animals**

H.15.7

816,858



**Step 5 - Average Cost Per Animal Per Day**

(Total Annual Costs / Annual Census of All Animals)

12.77

**Step 6 - Eligible Care and Maintenance Costs for Dogs and Cats**

DOGS & CATS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 12.77	H.15.7 5,735	3	\$ 219,708

**Step 7 - Eligible Care and Maintenance Costs for Other Eligible Animals**

OTHER ANIMALS	Aver Cost per Animal per Day A	Eligible Dogs & Cats B	Increased Days C	Allowable Annual Cost A*B*C
	\$ 12.77	H.15.7 243	6	\$ 18,618

**Step 8 - Total Allowable Care and Maintenance Costs**

238,327

City of Los Angeles  
 Legislatively Mandated Animal Adoption Program  
 Salary expenses relating to Care and Maintenance  
 FY's 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
 Audit ID # S09-MCC-055

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The actual salary expenses were only available for the last three years of the audit period (FY's 2005-06, 2006-07, and 2007-08)  
 The auditor used the IPD index to deflate the expenses to the prior years.

**H 1337**

102.91	88.78	85.62	84.04	80.79	77.44
1.159157468	1.036907265	1.018800571	1.040227751	1.043259298	

Employee Classifications	FY 2007-08	FY 2006-07	FY 2005-06	FY 2002-03	FY 2001-02	FY 2000-01	FY 1999-00	FY 1998-99
	Actual Total Salary Paid	Actual Total Salary Paid	Actual Total Salary Paid	IPD Index	IPD Index	IPD Index	IPD Index	IPD Index
Animal Care Tech	5,922,866.98	4,477,083.06	3,355,065.05	2,894,399.72	2,791,377.61	2,739,866.55	2,633,910.26	2,524,693.78
ACT Supervisor	742,134.62	433,789.46	298,936.22	257,890.95	248,711.68	244,122.05	234,681.35	224,950.16
				15.9157468%	3.6907265%	1.8800571%	4.0227751%	4.3259298%

**H 132**

**H 132**



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Pg 111

**From:** Linda Barth [linda.barth@lacity.org]  
**Sent:** Tuesday, October 19, 2010 04:30 PM  
**To:** Vorobyova, Mariya; Venneman, Jim; Forland, John  
**Subject:** Percentage of Time - Care and Feed - Los Angeles Animal Services  
Department/Hayden Mandate Reimbursement

In response to our discussion today on the topic above, we have completed our analysis relative to the portion of time that Animal Care Technicians and Animal Care Technician Supervisors perform care and feeding of impounded animals.

As you are aware, the position descriptions for these classifications include care and feeding of animals, a primary for both. However, our review indicates that neither classification is dedicated 100% to performing care and feed duties.

Animal Care Technicians spend some time intaking animals and assisting volunteers with adoption counseling. Our analysis estimates that **80%** of an Animal Care Technician's time is caring (including clean up) and feeding impounded animals.

Animal Care Technician Supervisors do perform care of animals, particularly aiding Animal Care Technicians in handling the more difficult animal situations, and filling in where needed. However, Supervisors also do intake of animals and help in adoption situations, but additionally they inventory and order supplies, assist in customer service matters, coordinate with vendors and volunteers, prepare work schedules, and perform general supervisory tasks. Our analysis estimates that **40%** of an Animal Care Technician Supervisor's time is directly providing care and feed to impounded animals.

Please advise if you have additional questions in this regard.

City of Los Angeles

Tues, Wed, Thur, Friday = 8-5pm

Open Saturday, non-business day

Animals Impounded 7 days a week

WP  
H.G.4  
111  
pg

Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri
noon impound			noon								
noon impound			business day	business day							
			5pm								

#1 Old Law, 72 hours  
New Law, 4 days - after impound

= 29 hours (1 day, 5 hours)

Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri
noon impound			noon								
noon impound			business day	business day							
			5pm								

#2 Old Law, 72 hours  
New Law, 4 days - after impound

= 101 hours (4 days, 5 hours)

Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri
noon impound			noon impound								
noon impound			business day	business day							
			5pm								

#3 Old Law, 72 hours  
New Law, 4 days - after impound

= 101 hours (4 days, 5 hours)

Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri
noon impound			noon impound								
noon impound			business day	business day							
			5pm								

#4 Old Law, 72 hours  
New Law, 4 days - after impound

= 101 hours (4 days, 5 hours)

Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri
noon impound			noon impound								
noon impound			business day	business day							
			5pm								

#5 Old Law, 72 hours  
New Law, 4 days - after impound

= 101 hours (4 days, 5 hours)

Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri
noon impound			noon impound								
noon impound			business day	business day							
			5pm								

#6 Old Law, 72 hours  
New Law, 4 days - after impound

= 77 hours (3 days, 5 hours)

Mon	Tues	Wed	Thur	Fri	Sat	Sun	Mon	Tues	Wed	Thur	Fri
noon impound			noon impound								
noon impound			business day	business day							
			5pm								

#7 Old Law, 72 hours  
New Law, 4 days - after impound

= 53 hours (2 days, 5 hours)

Average = 80.43 hours (3 days, 8.43 hours = 3.36 days)

Rememberable Days = 3

Category	Claimed	Allowable Per Audit		Allowable Costs	Audit Adjustments
	Annual Costs	Salaries, Benefits & Related Indirect Costs	Materials & Supplies		
<u>January 1, 1999, through June 30, 1999</u>					
Total care and maintenance costs	\$ 3,398,931	\$ 4,294,154	\$ -		
Total animal census	258,420 ÷	476,517 ÷	476,517 ÷		
Cost per day	\$ 13.12	\$ 9.01	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 13.12	\$ 9.01	\$ -		
Number of eligible dogs and cats	7,103 x	- x	- x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 186,383	\$ -	\$ -	\$ -	\$ (186,383)
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 13.12	\$ 9.01	\$ -		
Number of eligible other animals	105 x	57 x	57 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 5,510	\$ 3,081	\$ -	\$ 3,081	\$ (2,429)
Total care and maintenance	\$ 191,893	\$ 3,081	\$ -	\$ 3,081	\$ (188,812)
<u>July 1, 1999, through June 30, 2000</u>					
Total care and maintenance costs	\$ 4,304,979	\$ 4,801,703	\$ -		
Total animal census	258,420 ÷	476,517 ÷	476,517 ÷		
Cost per day	\$ 16.66	\$ 10.08	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 16.66	\$ 10.08	\$ -		
Number of eligible dogs and cats	17,328 x	12,056 x	12,056 x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 577,369	\$ 364,573	\$ -	\$ 364,573	\$ (212,796)
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 16.66	\$ 10.08	\$ -		
Number of eligible other animals	607 x	113 x	113 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 40,450	\$ 6,834	\$ -	\$ 6,834	\$ (33,616)
Total care and maintenance	\$ 617,819	\$ 371,407	\$ -	\$ 371,407	\$ (246,412)
<u>July 1, 2000, through June 30, 2001</u>					
Total care and maintenance costs	\$ 4,890,106	\$ 5,299,831	\$ -		
Total animal census	322,295 ÷	455,088 ÷	455,088 ÷		
Cost per day	\$ 15.17	\$ 11.65	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 15.17	\$ 11.65	\$ -		
Number of eligible dogs and cats	15,278 x	13,746 x	13,746 x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 463,535	\$ 480,423	\$ -	\$ 480,423	\$ 16,888
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 15.17	\$ 11.65	\$ -		
Number of eligible other animals	216 x	101 x	101 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 13,107	\$ 7,060	\$ -	\$ 7,060	\$ (6,047)
Total care and maintenance	\$ 476,642	\$ 487,483	\$ -	\$ 487,483	\$ 10,841

WP H.65  
2/3

Category	Claimed	Allowable Per Audit		Allowable Costs	Audit Adjustments
	Annual Costs	Salaries, Benefits & Related Indirect Costs	Materials & Supplies		
<u>July 1, 2001, through June 30, 2002</u>					
Total care and maintenance costs	\$ 6,899,953	\$ 4,792,766	\$ -		
Total animal census	272,290 +	497,945 +	497,945 +		
Cost per day	\$ 25.34	\$ 9.63	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 25.34	\$ 9.63	\$ -		
Number of eligible dogs and cats	13,538 x	10,365 x	10,365 x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 686,106	\$ 299,445	\$ -	\$ 299,445	\$ (386,661)
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 25.34	\$ 9.63	\$ -		
Number of eligible other animals	209 x	124 x	124 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 21,184	\$ 7,165	\$ -	\$ 7,165	\$ (14,019)
Total care and maintenance	\$ 707,290	\$ 306,610	\$ -	\$ 306,610	\$ (400,680)
<u>July 1, 2002, through June 30, 2003</u>					
Total care and maintenance costs	\$ 6,257,289	\$ 4,405,861	\$ -		
Total animal census	449,730	450,176 +	450,176 +		
Cost per day	\$ 13.91	\$ 9.79	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 13.91	\$ 9.79	\$ -		
Number of eligible dogs and cats	10,484 x	7,544 x	7,544 x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 291,737	\$ 221,567	\$ -	\$ 221,567	\$ (70,170)
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 13.91	\$ 9.79	\$ -		
Number of eligible other animals	216 x	93 x	93 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 12,018	\$ 5,463	\$ -	\$ 5,463	\$ (6,555)
Total care and maintenance costs	\$ 303,755	\$ 227,030	\$ -	\$ 227,030	\$ (76,725)
<u>July 1, 2005, through June 30, 2006</u>					
Total care and maintenance costs	\$ 10,487,509	\$ 6,775,244	\$ -		
Total animal census	509,248 +	515,312 +	515,312 +		
Cost per day	\$ 20.59	\$ 13.15	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 20.59	\$ 13.15	\$ -		
Number of eligible dogs and cats	5,930 x	5,728 x	5,728 x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 244,197	\$ 225,970	\$ -	\$ 225,970	\$ (18,227)
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 20.59	\$ 13.15	\$ -		
Number of eligible other animals	452 x	188 x	188 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 37,227	\$ 14,833	\$ -	\$ 14,833	\$ (22,394)
Total care and maintenance costs	\$ 281,424	\$ 240,803	\$ -	\$ 240,803	\$ (40,621)

WP H.6.5  
3/3

Category	Claimed	Allowable Per Audit		Allowable Costs	Audit Adjustments
	Annual Costs	Salaries, Benefits & Related Indirect Costs	Materials & Supplies		
<u>July 1, 2006, through June 30, 2007</u>					
Total care and maintenance costs	\$ 11,585,706	\$ 8,687,989	\$ -		
Total animal census	655,576 ÷	706,491 ÷	706,491 ÷		
Cost per day	\$ 17.67	\$ 12.30	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 17.67	\$ 12.30	\$ -		
Number of eligible dogs and cats	5,486 x	5,123 x	5,123 x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 193,875	\$ 189,039	\$ -	\$ 189,039	\$ (4,836)
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 17.67	\$ 12.30	\$ -		
Number of eligible other animals	1,402 x	234 x	234 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 99,093	\$ 17,269	\$ -	\$ 17,269	\$ (81,824)
Total care and maintenance costs	\$ 292,968	\$ 206,308	\$ -	\$ 206,308	\$ (86,660)
<u>July 1, 2007, through June 30, 2008</u>					
Total care and maintenance costs	\$ 12,856,179	\$ 10,432,321	\$ -		
Total animal census	799,326 ÷	816,858 ÷	816,858 ÷		
Cost per day	\$ 16.08	\$ 12.77	\$ -		
Care and Maintenance of Dogs and Cats:					
Cost per day	\$ 16.08	\$ 12.77	\$ -		
Number of eligible dogs and cats	6,036 x	5,735 x	5,735 x		
Reimbursable days	2 x	3 x	3 x		
Total care and maintenance costs for dogs and cats	\$ 194,118	\$ 219,708	\$ -	\$ 219,708	\$ 25,590
Care and Maintenance of Other 'Eligible' Animals:					
Cost per day	\$ 16.08	\$ 12.77	\$ -		
Number of eligible other animals	688 x	243 x	243 x		
Reimbursable days	4 x	6 x	6 x		
Total care and maintenance costs for other animals	\$ 44,252	\$ 18,619	\$ -	\$ 18,619	\$ (25,633)
Total care and maintenance costs	\$ 238,370	\$ 238,327	\$ -	\$ 238,327	\$ (43)
<u>Summary: Fiscal Years 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)</u>					
Care and maintenance of dogs and cats	\$ 2,837,320	\$ 2,000,725	\$ -	\$ 2,000,725	\$ (836,595)
Care and maintenance of other 'eligible' animals	272,841	80,324	-	80,324	(192,517)
Total care and maintenance costs	\$ 3,110,161	\$ 2,081,049	\$ -	\$ 2,081,049	\$ (1,029,112)

WP H.15.7  
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City of Los Angeles  
Legislatively Mandated Animal Adoption Program  
Summary of Animal Data  
FY's 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
Audit ID # S09-MCC-055

	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08
<b>Audited Annual Census:</b>								
Dogs and Cats	H.15.1 405,287	H.15.2 418,756	H.15.3 407,574	H.15.4 415,652	H.15.5 525,522	H.15.6 695,980		
Birds	H.15.1 21,792	H.15.2 37,926	H.15.3 13,821	H.15.4 17,307	H.15.5 15,520	H.15.6 34,574		
Other Animals	H.15.1 28,009	H.15.2 41,263	H.15.3 28,781	H.15.4 82,353	H.15.5 165,449	H.15.6 86,304		
<b>Total Allowable Census</b>	<b>H.6.1 476,517</b>	<b>H.6.1 497,945</b>	<b>H.6.1 450,176</b>	<b>H.6.1 515,312</b>	<b>H.6.1 706,491</b>	<b>H.6.1 816,858</b>		
<b>Claimed Annual Census</b>	<b>258,420</b>	<b>272,290</b>	<b>449,730</b>	<b>509,248</b>	<b>655,576</b>	<b>799,326</b>		
<b>Audit Adjustment</b>	<b>218,097</b>	<b>225,655</b>	<b>446</b>	<b>6,064</b>	<b>50,915</b>	<b>17,532</b>		
<b>Eligible Dogs and Cats</b>	<b>H.6.1 12,056</b>	<b>H.6.1 10,365</b>	<b>H.6.1 7,544</b>	<b>H.6.1 5,728</b>	<b>H.6.1 5,123</b>	<b>H.6.1 5,735</b>		
<b>Claimed Dogs and Cats</b>	<b>7,103</b>	<b>15,278</b>	<b>10,484</b>	<b>5,930</b>	<b>5,486</b>	<b>6,036</b>		
<b>Audit Adjustment</b>	<b>(7,103)</b>	<b>(1,532)</b>	<b>(2,940)</b>	<b>(202)</b>	<b>(363)</b>	<b>(301)</b>		
<b>Eligible Other Animals:</b>								
Birds	H.15.1 4	H.15.2 7	H.15.3 11	H.15.4 32	H.15.5 18	H.15.6 11		
Other	H.15.1 97	H.15.2 117	H.15.3 82	H.15.4 156	H.15.5 216	H.15.6 232		
<b>Total Allowable Other</b>	<b>H.6.1 101</b>	<b>H.6.1 124</b>	<b>H.6.1 93</b>	<b>H.6.1 188</b>	<b>H.6.1 234</b>	<b>H.6.1 243</b>		
<b>Claimed Other Animals</b>	<b>105</b>	<b>607</b>	<b>216</b>	<b>452</b>	<b>1,402</b>	<b>688</b>		
<b>Audit Adjustment</b>	<b>(48)</b>	<b>(494)</b>	<b>(115)</b>	<b>(85)</b>	<b>(264)</b>	<b>(1,168)</b>	<b>(445)</b>	

The auditee was not able to provide Chameleon data for the earliest two years of the audit period. The auditor did the following:

1. To determine the allowable annual census in the first two years of the audit period, the auditor used an average of FY's 2000-01 and 2001-02.
2. To determine the eligible dogs and cats and other animals, the auditor used an average of the same two years.
3. Reimbursement for dogs and cats begins in FY 1999-00.
4. Reimbursement for other animals begins mid year in FY 1998-99 (thus only half of costs are reimbursable)

## **Tab 11**

City of Los Angeles  
 Legislatively Mandated Animal Adoption Program  
 Component of Holding Period, Salaries and Benefits  
 FY's 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
 Audit I.D. # S09-MCC-055

**SUMMARY**

Fiscal Year	Claimed Information			Audited Information			Adjustment Reasons			
	Salaries Claimed	Benefits Claimed	Total Claimed	Allowable Salaries	Allowable Benefits	Total Allowable	Misstated Hours and # of Eligible Positions	Ineligible Positions	Misstated PHR	Total
1998-99	289,509	47,682	337,191	77,501	12,765	90,266	(127,325)	(131,043)	11,443	(246,925)
1999-00	603,815	150,290	754,105	161,701	40,248	201,949	(290,076)	(295,003)	32,923	(552,156)
2000-01	624,587	159,644	784,231	168,210	42,995	211,205	(296,855)	(308,221)	32,050	(573,026)
2001-02	647,704	157,456	805,160	171,366	41,659	213,025	(304,768)	(317,011)	29,644	(592,135)
2002-03	98,200	17,585	115,785	177,730	40,683	218,413	93,619	-	9,009	102,628
2005-06	172,106	74,677	246,783	206,023	89,394	295,417	30,307	-	18,327	48,634
2006-07	369,095	181,114	550,209	207,147	101,647	308,794	(189,855)	(41,630)	(9,930)	(241,415)
2007-08	205,634	87,867	293,501	211,703	90,461	302,164	5,166	-	3,497	8,663
<b>Total</b>	<b>\$ 3,010,650</b>	<b>\$ 876,315</b>	<b>\$ 3,886,965</b>	<b>\$ 1,381,381</b>	<b>\$ 459,852</b>	<b>\$ 1,841,233</b>	<b>\$ (1,079,787)</b>	<b>\$ (1,092,908)</b>	<b>\$ 126,963</b>	<b>\$ (2,045,732)</b>

**H.7.PS**

**EX 4**

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Reimbursable Criteria for this component:

Reimbursement begins: 01/1999 for other animals and 07/1999 for dogs and cats  
 (FY 1998-99 is reimbursed at 50%)

Allowable hours: one weekend day or one weeknight until 7 pm

Allowable staffing: Additional staffing that is required to comply with this requirement and stay open additional hours as per requirements of the mandate.

Los Angeles Shelters:

The city has 6 shelters. All shelters operate the same schedule. They are closed on Mondays and are open Tuesday through Sundays, daily, from 8 am till 5 (9 hours).

The auditor reviewed each shelter's schedule and compared staffing needs on Saturdays vs. Mondays when the shelter is closed.

The following classifications are eligible for reimbursement under this component based on schedules and staffing needs:

- \* Animal Care Technicians - 9 hours each. The schedules specified that ACTs shifts vary in length.
- \* Front Counter staff (Clerks) - 8 hours each. The schedules specified that Clerks work 7 or 8 hour shifts.
- \* ACT Supervisor - 9 hours. The schedules for ACT classification indicated shifts of varied length.

B29	Job Description	Claimed Information				Auditor's Analysis								Adjustment Reason							
		A # of Emp Claimed	B PHR Claimed	C Salary Claimed (B * C)	D Benefit Rate Claimed	E Benefit Claimed (B * D)	F Total Claimed (C + D)	G # of Employees H7.1	H Allowable Weekly Hours	I Allowable Annual Hours (G*H*52)	J Allowable Hourly Rate H13.36	K Allowable Ben Rate H14.9	L Allowable Salaries (I*J)	M Allowable Benefits (L*K)	N Total Allowable (L+M)	O Audit Adjustments (N-F)	Missited Hours or # of Emp (Eligible Positions)	Unallowable Positions	Missited PHR	Total	
	<b>FY 2006-07</b>																				
	Animal Care Technicians	14,001.25	23.57	330,009.46	49.07%	161,935.64	491,945.10	10	9.00	4,680	22.68	106,142	52,084	158,226	(333,719)	(327,510)	(6,209)	(333,719)			
	Animal Care Tech Supv							1	9.00	468	28.09	13,146	6,451	19,597	19,597	19,597	-	19,597			
	Clerk Typists	513.75	21.72	11,158.65	49.07%	5,475.55	16,634.20	10	8.00	4,160	21.12	87,859	43,112	130,971	114,337	114,337	(3,721)	114,337			
	Relier Animal Regulation Wk Rounding	1,757.50	15.89	27,926.68	49.07%	13,703.62	41,630.30								(41,630)	(41,630)		(41,630)			
	<b>Subtotal</b>			<b>\$ 369,095.00</b>		<b>\$181,114.00</b>	<b>\$ 550,209.00</b>		<b>9,308</b>		<b>207,147</b>	<b>101,647</b>	<b>308,794</b>	<b>(241,415)</b>	<b>(189,855)</b>	<b>(41,630)</b>	<b>(9,930)</b>	<b>(241,415)</b>			
	<b>FY 2007-08</b>																				
	Animal Care Technicians	33	8,580.00	196,567.80	42.73%	83,993.42	280,561.22	10	9.00	4,680	22.90	107,172	45,795	152,967	(127,594)	(127,528)	(67)	(127,595)			
	Animal Care Tech Supv							1	9.00	468	28.69	13,427	5,737	19,164	19,164	19,164	-	19,164			
	Clerk Typists	6	425.63	9,065.92	42.73%	3,873.87	12,939.79	10	8.00	4,160	21.90	91,104	38,929	130,033	117,093	113,530	3,564	117,094			
	<b>Subtotal</b>			<b>\$ 205,634.00</b>		<b>\$ 87,867.00</b>	<b>\$ 293,501.00</b>		<b>9,308</b>		<b>211,703</b>	<b>90,461</b>	<b>302,164</b>	<b>8,663</b>	<b>5,166</b>	<b>(41,630)</b>	<b>(9,930)</b>	<b>(241,415)</b>			
	<b>GRANT TOTAL</b>			<b>\$ 3,010,650</b>		<b>\$ 876,315</b>	<b>\$ 3,886,965</b>		<b>69,810</b>		<b>\$ 1,381,381</b>	<b>\$ 459,852</b>	<b>\$ 1,841,233</b>	<b>\$ 2,301,085</b>	<b>\$ 2,301,085</b>	<b>\$ 1,092,508</b>	<b>\$ 126,963</b>	<b>\$ 2,428,048</b>			

W.P. H.F.1  
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pg 4

City of Los Angeles  
 Legislatively Mandated Animal Adoption Program  
 Component of Increased Holding Period  
 FY's 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
**Audit I.D. # S09-MCC-055**

Analysis of Shelters' Staff requireemtns  
 Jim Venneman and Masha Vorobyova analyzed the department's schedules to arrive at allowable "increased" positions.

Shelter Name	Position Name	# of Increased Positions
<b>H.7.4</b>		
North Central	ACT	3
	Clerical	1
<b>H.7.6</b>		
South LA	ACT	1
	Clerical	2
<b>H.7.2</b>		
East Valley	ACT	2
	Clerical	2
	Sr. ACT	1
<b>H.7.3</b>		
West Valley	ACT	1
	Clerical	3
<b>H.7.5</b>		
West LA	ACT	2
	Clerical	1
<b>H.7.7</b>		
Harbor	ACT	1
	Clerical	1
	Totals	21
	ACT Total	10
	Clerical Total	10
	Sr. ACT Total	1

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**H.7.1**



CERICAL

City of Los Angeles  
Department of Animal Regulation  
DISTRICT WORK SCHEDULE

WP  
H.7.2 2/2

East Valley Animal Shelter

REPORTING PERIOD		DATE:	
PERIOD	# WORK DAYS	REG. DAYS OFF	# HOLIDAYS
1			
		07/01/10	07/31/10

NAME	2nd							1st							2nd							1st										
	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	7	M	T	S	M	T					
Bernard, M							7	5	x	x	X	X	x	X	X	X	X	X	X	X	X	X		X	X	X	X	8	X	X	X	
Escobar, E							x	x	x	x	X	X	X	X	X	X	X	X	X	X	X	X	7	X	X	X	X	X	X	7	X	X
Foley, J							7	x	x	x	X	X	X	X	X	X	X	X	X	X	X	8	7	X	X	X	X	X	7	X	X	
Bostick, K							x	x	8	8	8	8	8	X	H	8	8	X	4v	V	x	x								x	x	
Luna, D							x	x	8	8	8	8	8	x	H	X	8	8	8	8	x	x	8	8	4	8	8	X	8	8		
Patterson, C							x	x	8	8	8	8	8	x	H	9	X	8	8	7	x	x	8	4	8	8	8	x	x	8		
Thang, C							x	x	8	8	8	8	8	x	H	8	4	8	8	X	x	x	8	8	8	8	V	x	x	8		
7/18 and 31																																
Mary cannot work																																
Helen											V	V	V	V	V																	
Coloso, P							x	8	8	8	8	8	6	X	X	H	V	V	V	4v	X	X	8	8	8	8	8	x	8	8		

REVISED:  
07/20/10

7:15-3:45	Y "Y" TIME	11:15-5:15	8 7:30-4:00	6
H HOLIDAY	7 10:30-5:30	V VAC	6 11:30-5:30	T
2 3:30-5:30	furlough	8 8:30-5:30	1:00-7:00	

West Valley

WP H.7.3

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ACTS

City of Los Angeles West Valley District Animal Care Center Work Shift Schedule From 6/27/2010

FACE 02

WEST VALLEY SHELTER

1816756911 07/26/2010 12:45

LA ANIMAL SERVICES		S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
GRAVE 12AM -	Denise M.	Y	Y	X	X	Y	Y	Y	GN	H	X	X	G	G	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G
	Sarah A.	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G	G	G	G	G	X	X
	Alice E.	X	X	G	G	G	G	G	G	X	X	G	G	G	OH	X	X	GN	G	G	G	G	X	X	G	G	G	G	G
	Thomas K.	Y	G	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G	G	GN	X	X
										H																			
NIGHT 4PM - 12	OLIVER G	N	N	N	N	FH	X	X	N	N	N	N	N	X	X	GN	N	N	N	N	X	X	N	N	N	N	N	X	X
	Michelle J.	N	N	N	FH	X	X	N	N	N	N	N	X	X	N	N	N	N	N	X	X	GN	N	N	V	V	X	X	V
	Joe K.	G	X	X	N	N	N	N	N	X	X	N	N	N	N	N	X	X	GN	N	N	N	X	X	N	N	N	N	N
	stephanie R.	N	N	X	X	N	N	V	X	X	OH	V	V	V	GN	X	X	V	V	N	N	N	N	N	X	X	N	N	N
										H																			
DAY SHIFT 8AM - 5PM	Alex D.	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	GN	8	8	X	X	8	8	8
	Caroline M.	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	GN	X	X	8	8	8	8	8	X	X
	Scott J.	8	8	8	X	X	8	8	8	H	8	X	X	N	8	8	8	8	8	X	X	8	8	8	8	X	X	GN	8
	Jeronimo H.	X	X	8	8	8	8	8	X	X	8	8	8	8	8	X	X	OH	8	8	8	8	X	X	GN	8	8	8	8
	JESSE	X	X	8	8	8	8	8	X	X	8	8	OH	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	8
	Mark S.	8	8	8	X	X	8	8	V	H	V	X	X	V	GN	8	8	8	X	X	8	8	8	8	8	X	X	8	8
	RUBY C	X	X	8	8	V	V	Y	X	X	OH	8	8	8	8	X	X	8	8	FH	8	8	X	X	8	8	8	8	8
	Candido S.	8	X	X	8	8	8	8	8	X	X	OH	8	8	8	8	X	X	8	8	8	8	8	8	X	X	8	8	8
	Larry H.	8	8	8	8	8	X	X	GN	H	8	8	8	X	X	8	8	8	8	V	X	X	V	8	8	8	8	X	X
	Kevin F.	X	X	8	8	8	8	V	X	X	8	8	GN	8	8	X	X	8	8	8	8	8	X	X	OH	8	8	8	8
Michelle M.	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	GN	X	X	
										H																			
VOL	Jo A.	X	X	8	8	8	8	8	X	X	8	8	8	OH	GN	X	X	8	8	V	V	V	X	X	8	8	8	8	8
N/H	Stella S.	8	8	8	8	8	X	X	V	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	8	8	X
	COLON S. ACTS	X	X	8	8	8	8	8	X	X	OH	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	8
	RIOS. S. ACTS	8	8	8	8	8	X	X	V	H	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	8	8	X

NEW

# DEPARTMENT OF ANIMAL SERVICES

WP H.7.3  
Pg 2/4

WEST VALLEY

PREPARED BY \_\_\_\_\_  
APPROVED BY \_\_\_\_\_

WEEK STARTING DATE: \_\_\_\_\_  
WEEK ENDING DATE: \_\_\_\_\_

NAME		SUN	MON	TUES	WED	THUR	FRI	SAT	Initials
		25-Jul	26-Jul	27-Jul	28-Jul	29-Jul	30-Jul	31-Jul	
CAJUCOM, A	Hours			8		8	8	8	
	Code	RDO	RDO		GN				
CANTERO, D	Hours				8	8	8	8	
	Code	RDO	RDO	VC					
GONZALEZ, M	Hours			8	8	8	8	8	
	Code	RDO	RDO						
EDURESE, C	Hours	7	X	8	8	X	X	7	
	Code								
NOODCHAYA, M	Hours								
	Code								
UMALI, E	Hours	7	X	8	8	7	X	X	
	Code								
LUMBAD, F	Hours								
	Code								
QUIJOTE, R	Hours		8	8	8	8	8		
	Code	RDO						RDO	
	Hours								
	Code								

\*Time Off and Overtime Worked shall be approved in advance by supervisor.

\*\* Overtime worked will not be posted until an approved FormGen. 68-A has been completed and turned in to the timekeeper

BL = Bereavment Leave  
FH = Floating Holiday  
LW = Leave without Pay

LP = Leave with Pay  
PM = Preventive Medicine  
RDO = Regular Day Off

FI = Family Illness  
OT = Overtime Worked  
SK = Sick Time

HO = Holiday  
JD = Jury Duty  
VC = Vacation

TO = Tin

# DEPARTMENT OF ANIMAL SERVICES

**WEST VALLEY**

PREPARED BY \_\_\_\_\_

WEEK STARTING DATE: \_\_\_\_\_

APPROVED BY \_\_\_\_\_

WEEK ENDING DATE: \_\_\_\_\_

NAME		SUN	MON	TUES	WED	THUR	FRI	SAT	Initials
		18-Jul	19-Jul	20-Jul	21-Jul	22-Jul	23-Jul	24-Jul	
CAJUCOM, A	Hours			8	8	8	8	8	
	Code	RDO	RDO						
CANTERO, D	Hours			8	8	8	8	8	
	Code	RDO	RDO						
GONZALEZ, M	Hours			8	8			8	
	Code	RDO	RDO			VC	GN		
EDURESE, C	Hours	7	X	X	6	8	X	8	
	Code								
NOODCHAYA, M	Hours								
	Code								
UMALI, E	Hours	7	X	6	X	7	8	X	
	Code								
LUMBAD, F	Hours								
	Code								
QUIJOTE, R	Hours		8	8	8	8	4		
	Code	RDO					4GN	RDO	
	Hours								
	Code								

\*Time Off and Overtime Worked shall be approved in advance by supervisor.

\*\* Overtime worked will not be posted until an approved FormGen. 68-A has been completed and turned in to the timekeeper

BL = Bereavment Leave  
FH = Floating Holiday  
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VC = Vacation

TO = Tin



# DEPARTMENT OF ANIMAL SERVICES

*WP H.7.3  
pg 4/4*

**WEST VALLEY**

PREPARED BY \_\_\_\_\_

WEEK STARTING DATE: \_\_\_\_\_

APPROVED BY \_\_\_\_\_

WEEK ENDING DATE: \_\_\_\_\_

NAME		SUN	MON	TUES	WED	THUR	FRI	SAT	Initials
		01-Aug	02-Aug	03-Aug	04-Aug	05-Aug	06-Aug	07-Aug	
<b>CAJUCOM, A</b>	Hours			8	8	8	8	8	
	Code	RDO	RDO						
<b>CANTERO, D</b>	Hours			8	8	8	8	8	
	Code	RDO	RDO						
<b>GONZALEZ, M</b>	Hours			8	8	8	8		
	Code	RDO	RDO					VC	
<b>EDURESE, C</b>	Hours	7	X	8	X	X	7	8	
	Code								
<b>NOODCHAYA, M</b>	Hours								
	Code								
<b>UMALI, E</b>	Hours	7	X	8	8	7	X	X	
	Code								
<b>LUMBAD, F</b>	Hours								
	Code								
<b>QUIJOTE, R</b>	Hours		8	8	8	8	4		
	Code	RDO					GN4	RDO	
	Hours								
	Code								

\*Time Off and Overtime Worked shall be approved in advance by supervisor.

\*\* Overtime worked will not be posted until an approved FormGen. 68-A has been completed and turned in to the timekeeper

BL = Bereavment Leave  
 FH = Floating Holiday  
 LW = Leave without Pay

LP = Leave with Pay  
 PM = Preventive Medicine  
 RDO = Regular Day Off

FI = Family Illness  
 OT = Overtime Worked  
 SK = Sick Time

HO = Holiday  
 JD = Jury Duty  
 VC = Vacation

TO = Tin

WP H.7.4  
PS 113

City of Los Angeles  
DEPARTMENT OF ANIMAL REGULATION

**DISTRICT WORK SCHEDULE**  
REPORTING PERIOD

DISTRICT  
**North Central Shelter**

PERIOD	WORK DAYS	DAYS OFF	HOLIDAYS	DATE																															
				FROM: July 1st, 2010														TO: July 31st, 2010																	
22	10	1		S	M	T	S	TH	F	S	S	H	T	W	TH	F	S	S	M	T	S	TH	F	S	S	M	T	W	TH	F	S	S	M	T	
ACT NAMES				27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
15 RANGEL, M. #341								X	X	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	X	X	8	8	8	8		
Start time 2:30am #485																																			
16 VALENCIA, Y. #531								8	11	11	X	X	8	8	8	11	11	X	X	HO	8	8	11	11	X	X	8	8	8	11	11	X	X	8	
17 OBREGON, M. #528								11	8	8	N	X	X	11	11	8	8	X	X	HO	11	11	8	8	X	X	11	11	11	8	8	X	X	11	
18 CARPIO, G. #498								X	8	8	8	N	11	X	X	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8		
19 LEE, D. #498								8	8	8	X	X	HO	8	8	8	8	X	X	V	G	8	8	8	X	X	8	8	8	8	8	X	X	8	
20 VALDEZ, T. #514								TO	X	X	TO	H	N	N	N	X	X	N	N	N	N	N	X	X	N	N	N	N	N	N	X	X	N	N	
21 ANGELO, J. #514								N	N	N	X	X	N	N	HO	N	N	X	X	N	N	N	N	N	X	X	N	N	N	N	N	X	X	N	
22 SOLORZANG, C. #332								N	N	N	X	X	N	N	N	N	N	X	X	HO	N	N	N	N	X	X	N	N	N	N	N	X	X	N	
23 PRIETO, BONES #527								N	N	N	7	H	X	X	N	N	N	N	N	X	X	N	N	N	N	N	X	X	N	N	N	N	N	X	
24 TSE, D. #532								X	N	N	N	N	N	X	X	N	N	N	N	N	N	X	X	N	N	N	N	N	X	X	N	N	N	N	
25 RODRICK, J. #533																																			
26 LOPEZ, M. #401																																			
27 RODRICK, T. #401																																			
Days				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Mid Day				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Nights				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Days				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Volunteer Liaison #486								8	8	8	X	X	HO	V	V	V	V	X	X	V	8	8	8	8	X	X	8	8	8	8	V	X	X	8	
New Hope Coordinator #495								8	8	V	X	X	HO	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	V	X	X	8	
HERNANDEZ, A. #495								8	8	V	X	X	HO	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	V	X	X	8	
SUPERVISOR #433								6*	6*	6*	X	X	HO	6*	6*	6*	6*	X	X	6*	6*	6*	V	V	X	X	V	V	V	V	X	X	6*		
SUPERVISOR #433								7	7	7	X	X	HO	7	7	7	7	X	X	7	7	7	7	7	X	X	7	7	7	7	7	X	X	7	
1 LOUZAN, C. #432								V	V	V	V	X	X	V	H	V	V	V	X	X	7	7	7	7	V	X	X	V	V	7	7	7	X	X	7
2 LOPEZ, J. #432								V	V	V	V	X	X	V	H	V	V	V	X	X	7	7	7	7	V	X	X	V	V	7	7	7	X	X	7

Work Furloughs 3.5hrs per \$ period	7 7am - 4pm	V Vacation	N 4pm - 12am	TO Day off (Overtime)
X Sched. Days off	H Holiday	8 8am - 5pm	G 12am - 8am	LW Leave Without Pay
SE Special event (On site)	11 11AM - 8PM	L Liaison Meeting	CC City Council	HO Holiday Owed
		IC ACT In Charge	G 11pm - 7am	In Charge (Swing)



CLERICAL

WP H-7.4  
3/13

# CITY OF LOS ANGELES DEPARTMENT OF ANIMAL REGULATORY SERVICES DISTRICT WORK SCHEDULE

<b>REPORTING PERIOD</b>										District: _____			
Period #	1	Work Days #	31	Reg. Days Off #		Holidays #	1	Date From:	07/01/10	To:	07/31/10	Prepared by:	

NAME	MM					H					Vac																				
	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	
	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S		
<b>CASTRO CHRISTINA</b>	6	x	x	x	x	x	x	x	H	x	x	x	x	x	6	x	x	x	x	x	x	6	x	x	x	x	x	x	6	x	
<b>SPENCER TAMAICA</b>	X	4	x	x	x	x	6	x	H	4	x	4	x	8	7	X	4	x	x	x	7	7	X	x	x	x	x	7	7	4	
<b>Chenier Marguerita</b>	X	8	8	8	X	8	8	X	H	8	8	4W	8	X	X	8	8	8	8	8	8	X	X	8	8	8	8	8	X	8	
<b>Glasco Sonja</b>	X	8	8	8	8	8	X	X	H	8	8	x	4w	8	X	X	8	8	8	8	8	X	8	8	8	8	8	4w	X	X	X
<b>Woodard Cassandra</b>	X	X	8	8	8	8	8	X	H	x	7.5w	8	8	8	X	8	7.5w	7	7.5w	8	X	X	x	7.5w	8.5w	7.5w	8	8	X	X	
<b>Morales, Sara</b>						X	X	H	8	8	8	8	x	x	8	8	8	8	8	4w	x	x	8	8	8	8	8	x	x	8	
<i>9/24/15</i>																															
<b>NUMBER OF SUPERVISORS ON DUTY</b>	0	2	3	3	2	3	2	0	0	3	3	2	3	3	0	2	3	3	3	3	2	0	2	3	3	3	3	2	0	2	
<b>Cortes Marisol</b>	X	8	8	8	8	8	x	x	H	8	8	8	4w	x	X	8	8	8	8	8	x	X	8	8	8	8	8	4w	x	x	8

X = REGULAR DAYS OFF	E = EARLY SHIFT 7AM - 4PM	AW = ABSENT WITHOUT PAY	L = LATE SHIFT 8:30-5:30 pm	H = HOLIDAY
8 = REGULAR DAY SHIFT 8AM - 5PM	V = VACATION	T = TRAINING	ID = INJURY ON DUTY	JD = JURY DUTY
N = NIGHT 4PM - 12AM	S = SICK	FH = FLOATING HOLIDAY	FI = FAMILY ILLNESS	PM = PREVENTIVE ME
FLD = NIGHT FIELD OFFICER	IC = DAY OFFICER IN CHARGE	NIC = NIGHT OFFICER IN CHARGE	D = 10:00 - 18:00	R = RANGE

WP H-7.5  
pg 112

**DISTRICT WORK SCHEDULE**  
REPORTING PERIOD

DISTRICT  
**WEST LOS ANGELES**  
PREPARED BY:  
**Pat Kellogg, AC**

PERIOD	WORK DAYS	DAYS OFF	HOLIDAYS	DATE																														
				FROM: July 1, 2010														TO: JULY 31, 2010																
NAME	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	
GRAVE	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
1 BELL, DON	X	X	G	G	G	G	G	X	X	H	G	G	G	G	X	X	G	G	FH	FH	V	X	X	V	V	V	G	G	X	X	F	G	G	
2 DELGADILLO	G	G	G	X	X	G	G	G	G	X	X	FH	FH	V	V	F	X	X	G	G	G	G	X	X	G	G	G	G	G	X	X	F	G	G
3 URBINA, RICARDO	V	V	V	G	G	X	X	G	G	G	G	F	X	X	G	G	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G	G	G	
4 SWING	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
5 CROSBY	E	E	E																															
6 DAVIS, JOHN	N	N	N	N	N	X	X	N	N	N	N	N	X	X	N	N	N	X	8	X	N	N	N	N	X	N	X	N	F	N	N	10		
7 LADLAD, JUN	G	G	N	N	N	X	X	FH	N	X	X	G	G	G	G	X	N	N	N	X	N	N	F	N	N	X	X	N	N	N	N	N	N	
8 OLIVAS, RICARDO	X	X	H	N	N	N	N	N	X	N	N	X	N	N	X	N	H	X	G	G	G	8	X	X	G	G	N	N	X	X	N	F	N	
9 DAY	2	2	3	3	3	2	2	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
10 CARTER	8	X	8	E	8	8	X	X	H	V	V	V	V	X	X	V	V	V	V	V	X	X	8	8	F	8	8	X	X	8	8	8	8	
11 FITZPATRICK	7	7	7	7	6	2P	X	X																										
12 MEZA	X	X	8	8	8	E																												
13 MITCHELL	N	X	X	8	8	8	N	X	8	H	X	8	8	N	8	X	X	8	8	8	8	X	X	8	8	F	8	8	8	X	X	8	8	
14 SAN JOSE	X	8	8	8	8	X	8	X	8	8	8	8	X	8	X	8	8	8	8	X	8	X	8	8	F	8	X	8	X	8	8	8	8	
15 TRICKETT	8	S	S	X	X	8	8	8	X	8	8	8	8	8	X	H	X	8	8	X	8	8	8	8	8	8	8	8	8	8	8	8	8	
16 BENTIVEGNA	8	X	X	8	8	8	8	V	X	X	H	F	8	8	8	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
17																																		
18																																		
19 NEW HOPE WESTBROOK	X	X	8	8	8	8	V	X	X	H	8	8	8	8	X	X	8	8	8	8	8	8	8	X	X	8	F	8	8	8	X	X	8	
20																																		
21 VOL LIASON FALES	X	8	8	X	8	8	8	X	H	8	8	8	8	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
22																																		
23																																		
24																																		
25																																		
26																																		
27 DISTRICT MANAGER DEDEAUX, LOUIS	X	8	8	8	8	8	8	X	X	H	8	8	8	8	4F	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
28 SUPERVISORS																																		
29 COLON, FRED	X	X	8	8	8	8	8	V	X	X	H	V	V	V	V	X	X	4F	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
30 KELLOGG, PAT	8	8	8	8	8	X	X	X	H	X	8	8	8	8	4F	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	

West LA  
ACTs

1-2

7= 7:00 AM to 4:00P.M. F= Furlough VACATION  
 8= 8:00 AM to 5:00P.M. H= Holiday FH= Flooding Holiday PM= Preventive Medicine BH= BEVERLY HILL  
 10=10:00 A.M. to 7:00P.M. S=Sick E= Euthanasia CC= CITY COUNCIL T=TRAINN

*cleared West L.A.*

*WP H.715  
pg 212*

City of Los Angeles  
Department of Animal Regulation  
DISTRICT WORK SCHEDULE

REPORTING PERIOD		D																														
PERIOD	# WORK DAYS	REG. DAYS OFF														# HOLIDAYS	DATE:															
	22	8														1	7/4/10-8/14/10															
NAME	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH						
	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29						
BRAME, K.	X	X	8	L	8	8	WF	8	L	X	X	8	L	8	8	8	8	L	X	X	8	L	8	8	L	8	8	X	X	8	8	8
	FRI 7-9-10 8AM-12:30PM														FRI 7-30-10 8AM-12:30PM																	
															TUES, WED, THUR. 8AM-5PM																	
MELCHOR, R.	X	X	L	8	WF	8	8	8	X	X	L	8	8	8	L	8	X	X	L	8	8	8	X	X	L	8	WF	8				
	WED 7-7-10 8AM-12:30PM														WED 7-28-10 8AM-12:30PM																	
															TUES, WED. THUR 8AM-5PM																	
															L=9AM-6PM																	
SANDERS, S.	X	X	2	2	2	X	X	7	X	2	2	2	X	X	7	6	X	X	X	X	X	7	6	X	X	X						
	MON 7-19-10 10AM-4PM														TUES, WED, THUR 3:30PM-5:30PM																	
															SUN 10:30AM-5:30PM																	
SAN JOSE, T.	X	X	X	X	X	X	X	7	X	X	X	X	X	X	7	X	X	X	X	X	7	X	X	X	X							
															SUN 10:30AM-5:30PM																	
ROBERTS, S.	X	H	V	8	8	8	X	X	8	8	8	8	WF	X	X	V	V	V	V	V	X	X	V	8	8	8						
	FRI 7-16-10 7:30AM-12PM														FRI 7-23-10 7:30AM-12PM																	
															MELCHOR OWE 1H INDEPEI																	

T= Training      AH= Administrative Hearing 7:00am      IC= In Char  
E= 0700-0400hrs      L=9AM-6PM      N= 1600-2

South LA South LA

WP H-76 113  
JL

DISTRICT

DISTRICT WORK SCHEDULE  
REPORTING PERIOD

PREPARED

ACTS

PERIOD	WORK DAYS	DAYS OFF	HOLIDAYS	July 1st, 2010														July 31st, 2010																											
22	10	1		S	M	T	S	TH	F	S	S	H	T	W	TH	F	S	S	M	T	S	TH	F	S	S	M	T	W	TH	F	S	S	M	T	S										
1 GONZALES, L.								G	G	G	X	X	HO	G	G	G	G	X	X	G	G	wf	G	G	G	X	X	G	G	G	G	X	X	G	G	G	G	X	X	G	G				
2 NEWMAN, N.								G	X	X	X	X	G	G	HO	G	G	X	X	G	G	wf	G	G	G	G	X	X	G	G	G	G	X	X	G	G	G	G	X	X	G	G			
3 LOPEZ, C.								G	X	X	G	G	G	G	G	X	X	G	G	G	G	wf	X	X	G	G	G	G	G	G	X	X	G	G	G	G	G	G	G	G	G				
4 CRUZ, J.								X	G	G	G	11	11	X	X	G	G	G	11	11	X	X	G	G	G	11	11	X	X	G	G	G	G	G	G	G	G	G	G	G	G	G			
5 SANDOVAL, M.								G	X	X	G	G	G	G	G	X	X	G	G	G	G	G	G	X	X	G	G	G	G	G	G	wf	X	X	G	G	G	G	G	G	G	G			
6 MEZA, A.								G	G	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G	G	G	X	X	G	G	G	G	G	G	G	G	G	G	G	G	G	G			
7 RINCON, R.	#311							7	G	G	X	X	8	8	wf	G	G	X	X	HO	V	V	TO	TO	X	X	8	8	7	G	G	X	X	8	8	7	G	G	X	X	8	8			
8 LAZOYA, A.	#459							7	X	X	7	7	7	7	7	X	X	7	7	7	7	wf	X	X	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7		
9 SALAS, J.	#409							7	X	X	7	7	7	7	7	X	X	7	7	7	7	7	X	X	7	7	7	7	7	7	wf	X	X	7	7	7	7	7	7	7	7	7	7		
10 WHITE, M.	#489	1st In Charge						8	X	X	8	8	8	8	8	X	X	8	8	8	8	wf	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
11 TAYLOR, T.	#402							X	8	8	N	11	8	X	X	8	8	8	8	8	8	X	X	wf	TO	8	8	8	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
12 SMITH, A.	#513							8	8	8	X	X	8	8	8	8	8	8	X	X	HO	8	8	8	8	X	X	wf	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
13 URIAS, S.	#515							8	FH	FH	X	X	8	8	8	8	8	8	X	X	HO	8	8	8	8	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
14 ALVAREZ, J.	#310							V	V	V	V	X	X	HO	V	V	V	V	X	X	V	wf	8	8	8	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
15 BINGLEY, R.	#329							8	8	8	X	X	8	8	8	8	8	8	X	X	HO	wf	8	8	8	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
16 CORTEZ, A.	#428							X	X	8	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
17 OBREGON, M.	#537							NC	sla	sla	NC	X	X	HO	V	V	wf	X	X	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11		
18 MENDOZA, S.	#464	ANNEX						8	8	8	X	X	8	8	HO	TO	TO	X	X	wf	8	8	8	8	X	X	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
19 PAUL, D.	#463	In Charge (Swing)						V	X	X	V	N	N	N	N	X	X	N	N	N	N	N	N	X	X	N	N	N	N	N	wf	X	X	N	N	N	N	N	N	N	N	N	N	N	
20 GOMEZ, G.	#319							N	N	N	X	X	HO	N	N	N	N	X	X	N	N	N	N	N	N	X	X	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
21 PENA, J.	#349	ANNEX RELIEF						A	N	N	N	X	X	N	N	N	N	X	X	HO	N	N	N	N	X	X	wf	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
22 ROBINSON, G.	#484							N	X	X	N	N	HO	N	N	X	X	N	N	N	wf	V	X	X	V	V	N	N	N	N	X	X	N	N	N	N	N	N	N	N	N	N	N	N	
23 DELGADO, D.	#349							N	V	V	V	H	X	X	N	N	N	N	N	X	X	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
24 DIAZ, M.	#491	ANNEX						X	N	N	N	N	N	X	X	N	N	N	N	N	N	N	X	X	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
OUT IOD	#441																																												
25 GONZALEZ, J.																																													

NOV 11 2010

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25					
Days	D	D	D	D	S	S	4	4	10	9	7	7	5	5	5	5	7	5	5	6	6	5	9	10	6	6	6	5		
Mid Day	0	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Nights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Code	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Volunteer Liaison #455																														
26 DIAZ, D.				X	8	8	8	H	8	X	X	8	8	8	8	8	X	X	8	8	8	8	X	X	8	8	8	8		
New Hope Coordinator #468																														
27 JOHNSON, T.				8	8	8	X	X	HO	8	8	8	8	X	X	8	8	8	8	8	8	X	X	8	8	8	8	X	X	
SUPERVISOR #433																														
1 HILL, G.				6*	6*	6*	X	X	HO	6*	6*	6*	6*	X	X	6*	6*	6*	V	V	X	X	V	V	V	V	X	X		
SUPERVISOR #499																														
2 LOPEZ, M.				8	X	X	PH	H	8	8	8	X	X	8	8	8	8	8	8	X	X	8	8	8	8	8	X	X	8	8

**SCHEDULE REVISED 07/08/2010 ///// CHECK YOUR SCHEDULE**

Work furloughs 4.0 hours per pay period	7 7am - 4pm	Vacation	N 4pm - 12am	TO Day off (Overtime)
X Sched. Days off	H Holiday	8 8am - 5pm	G 12am - 8am	LW Leave Without Pay
SE Special event (On site)	11 11AM - 8PM	Liasion Meeting	City Council	HO Holiday Owed
		ACT In Charge	6 11pm - 7am	ICS In Charge (Swing)

WP H.7.6 2/3



WP H.7.6 3/3

South LA

C

CITY OF LOS ANGELES  
Department of Animal Regulation

Schedule is subject to change by Supervision

REPORTING PERIOD		DISTRICT: SL																																								
PERIOD	WORK DAYS	REG.DAYS OFF								HOLIDAYS					DATE				PREPARED BY																							
1 NO.		NO. 8								NO. 1					FROM: 07/01-7/31-2010				BYS Davila																							
		S								H					S																											
		S	M	T	W	TH	F	S	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M	T	W	TH	F	S	S	M			
9:00-5:30 PM					30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31						
CHARLES, S.	X	X		p/l	P/L	p	c	c			p/c	p/l	c	p			p/c	c	p/c	p	c			p	c	p/l	p/c	c														
8:00-5:00 PM				p/l	p	p/c	c	p/c			p/l	c	p/l	p/c			p/l	p	p/l	c	p/l			p/c	p	p	c	p/c														
HILL, L.	X								X	X	H																															
KERNS, M.	X	X		c	p/c	p/c	p	c				p/c	p/l	c	p/c																											
8:30-5:30 PM																																										
7:30-4:30	p/c				c	p/l	c	p/c				c	p/c	c	c																											
MARINO, C.	8	X	X						X	H	X					X	X	V																								
IN CHARGE		p	p/c	c	c	p/c					c		c	4										p	c	p/c	c	p/c														
VELA, E.	X	8	8	8	8	8	X	X	H	8	FI	8	4FI	X										X	X	8	8	8	8	X	X	8	8	8	8	GN	X	X				
9:30-6:00				c								c																														
MENDOZA, P	X	X	8	X	X	X	X	X	X	8	X	X	X	X										p/c																		
SUN 11:30-5:00	c											p/c																														
CARTER, R.	5	X	X	X	X	X	6	X	X	5	X	X	X	7	5	X	6	X	X	X	X	5	X	7	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
DAVILA, S.	X	8	8	8	8	6	X	X	H	8	8	8	X											X	8	8	8	8	4	X	X	8	8	8	8	8	8	8	X	X		
LUNCH SCHEDULE							2GN																																			
Christine 11:30-12:30																																										
LARRY 12:30-1:30																																										
ERIKA 1:00-2:00																																										
MIKE 1:30-2:30																																										
STACIE 2:00-2:30																																										

P PHONES ONLY

C-COUNTER P/C PHONE & COUNTER P/L PHONES/L



WP H.7.7  
 PS 2/2

**CITY OF LOS ANGELES DEPARTMENT OF ANIMAL REGULATION  
 DISTRICT WORK SCHEDULE**

Reporting Period		Date From			Date To		District																												
Period #	Week Days #	Reg. Days Off	Holidays #	06/27/10		06/30/10																													
NAME	S							M							TU							W							TH						
	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
BOYKINS, JULIE	X	X	R	4																															
LEE, MIKE	X	X	R	V	V	X	X	X	H																										
HENDERSON, SHARRON	X	X	R																																
CASTRO, CHRISTINA																																			
VAIL, MARK																																			
CASTILLO, VICTORIA	X	X	R																																

X = REGULAR DAYS OFF	R = REGULAR DAY OFF (NIGHT)	V = VACATION	S = SICK	AV = AVOIDANCE/STAY HOME	M = MENTAL HEALTH
0 = REGULAR DAY OFF (NIGHT)	S = SICK	TR = TRAINING	HL = HOLIDAY	L = LATE	BU = BUI/UPPER
U = UNCLE SAM	D = DUTY	FL = FLEETING HOLIDAY	HL = HOLIDAY	LA = LATE	BO = BUI/LOWER
W = WEDNESDAY	DU = DUTY	FR = FLEETING HOLIDAY	HL = HOLIDAY	LO = LATE	BU = BUI/UPPER
TH = THURSDAY	DU = DUTY	FR = FLEETING HOLIDAY	HL = HOLIDAY	LO = LATE	BU = BUI/UPPER
FR = FRIDAY	DU = DUTY	FR = FLEETING HOLIDAY	HL = HOLIDAY	LO = LATE	BU = BUI/UPPER
SA = SATURDAY	DU = DUTY	FR = FLEETING HOLIDAY	HL = HOLIDAY	LO = LATE	BU = BUI/UPPER
SU = SUNDAY	DU = DUTY	FR = FLEETING HOLIDAY	HL = HOLIDAY	LO = LATE	BU = BUI/UPPER

**Tab 12**

**Reimbursable Criteria for this component:**

**Definition:** Necessary and prompt veterinary care - reasonable procedures to make animals adoptable

**Eligible population:** Animals (other than injured cats and dogs given emergency treatment) that died / euth during the holding period (holding period - days 2 through 6)

**Eligible procedures:** initial physical exam to determine health status and class (adoptable, treatable, non-rehabilitatable) wellness vaccine administered to treatable or adoptable animals care to stabilize or relieve the suffering of a treatable animal remedy any applicable disease, injury, or hereditary condition of the treatable animal

**Vet Care Exclusions:**  
 emergency treatment given to injured cats and dogs  
 administration of rabies vaccine to dogs  
 implantation of microchip identification  
 spay or neuter surgery  
 euthanasia

**Population Exclusions:**  
 serious illness or injury  
 newborn animals that are not weaned from their mothers  
 disposed for humane reasons  
 owner relinquished  
 returned, adopted, or released

Employee Classification	Total Hours Claimed	PHR Claimed	Ben Rate Claimed	Total Salary Claimed	Total Benefits Claimed	Total Vet Care Labor Costs	Vet Tech Class											
							Eligible Animals	Eligible Min per Animal	Allowable Annual Hours	Allowable PHR	Allowable Ben Rate	Allowable Salaries	Allowable Benefits	Total Allowable	Audit Adjustments	Ineligible & Misstated Hours	Misstated PHR	Total Adjustments
<b>B22</b> FY 1998-99 Veterinarian				\$ -	\$ -	\$ -	6,128	H11.3	10	1,021.33	21.36	16.47%	\$ 21,816	\$ 3,593	\$ 25,409	\$ 25,409	\$ -	\$ 25,409
<b>B23</b> FY 1999-00 Veterinarian				\$ -	\$ -	\$ -	12,255	H11.3	10	2,042.50	22.28	24.89%	\$ 45,507	\$ 11,327	\$ 56,834	\$ 56,834	\$ -	\$ 56,834
<b>B25</b> FY 2000-01 Veterinarian				\$ -	\$ -	\$ -	13,916	H11.3	10	2,319.33	23.18	25.56%	\$ 53,762	\$ 13,742	\$ 67,504	\$ 67,504	\$ -	\$ 67,504
<b>B25</b> FY 2001-02 Veterinarian				88,983	21,632	110,615	10,593	H11.3	10	1,765.50	23.62	24.31%	41,701	10,138	51,839	(110,615)	1,887	(110,615)
<b>B25</b> FY 2001-02 Vet Technician				55,615	13,520	69,135	10,593	H11.3	10	1,287.67	24.49	22.89%	31,555	7,218	38,773	(88,203)	63	(88,203)
<b>B25</b> FY 2001-02 Subtotals				\$ 144,598	\$ 35,152	\$ 179,750							\$ 41,701	\$ 10,138	\$ 51,839	\$ (127,911)	\$ 1,887	\$ (127,911)
<b>B26</b> FY 2002-03 Veterinarian				71,774	16,429	88,203	7,726	H11.3	10	1,287.67	24.49	22.89%	31,555	7,218	38,773	(88,203)	63	(88,203)
<b>B26</b> FY 2002-03 Vet Technician				44,905	10,279	55,184	7,726	H11.3	10	1,287.67	24.49	22.89%	31,555	7,218	38,773	(16,431)	63	(16,431)
<b>B26</b> FY 2002-03 Subtotals				\$ 116,679	\$ 26,708	\$ 143,387							\$ 31,555	\$ 7,218	\$ 38,753	\$ (104,634)	\$ 63	\$ (104,634)
<b>B27</b> FY 2005-06 Veterinarian				159,203	-	159,203	6,017	H11.3	10	1,002.83	28.39	43.39%	28,470	12,353	40,823	(159,203)	-	(159,203)
<b>B27</b> FY 2005-06 Vet Technician				103,437	-	103,437	6,017	H11.3	10	1,002.83	28.39	43.39%	28,470	12,353	40,823	(62,053)	(561)	(62,053)
<b>B27</b> FY 2005-06 Subtotals				\$ 262,640	\$ -	\$ 262,640							\$ 28,470	\$ 12,353	\$ 40,823	\$ (221,817)	\$ (561)	\$ (221,817)
<b>B28</b> FY 2006-07 Veterinarian				132,173	-	132,173	5,455	H11.3	10	909.17	29.83	49.07%	27,121	13,308	40,429	(132,173)	81	(132,173)
<b>B28</b> FY 2006-07 Vet Technician				80,248	-	80,248	5,455	H11.3	10	909.17	29.83	49.07%	27,121	13,308	40,429	(39,819)	81	(39,819)
<b>B28</b> FY 2006-07 Subtotals				\$ 212,421	\$ -	\$ 212,421							\$ 27,121	\$ 13,308	\$ 40,429	\$ (171,992)	\$ 81	\$ (171,992)
<b>B29</b> FY 2007-08 Veterinarian				184,125	-	184,125	6,090	H11.3	10	1,015.00	30.08	42.73%	30,531	13,046	43,577	(184,125)	188	(184,125)
<b>B29</b> FY 2007-08 Vet Technician				113,702	-	113,702	6,090	H11.3	10	1,015.00	30.08	42.73%	30,531	13,046	43,577	(70,125)	188	(70,125)
<b>B29</b> FY 2007-08 Subtotals				\$ 297,827	\$ -	\$ 297,827							\$ 30,531	\$ 13,046	\$ 43,577	\$ (254,250)	\$ 188	\$ (254,250)
<b>Grand Total</b>				\$ 1,034,165	\$ 61,860	\$ 1,096,025							\$ 280,443	\$ 84,725	\$ 365,168	\$ (730,857)	\$ 1,658	\$ (730,857)

EX7

City of Los Angeles  
 Legislatively Mandated Animal Adoption Program  
 Summary of Animal Data  
 Eligible Dogs and Cats and Other Animals for the Vet Care Component  
 FY's 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
 Audit ID # S09-MCC-055

Eligible Animals for this component include those that died during the holding period (days 2 through 6) and those that were euthanized after the holding period (day 7 and forward)  
 Eligible Animals also take into account all exceptions noted in the parameters and guidelines for eligible dogs and cats and other animals.

	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08
Eligible Dogs and Cats	6,071	12,142	H.15.1 13,815	H.15.2 10,469	H.15.3 7,633	H.15.4 5,829	H.15.5 5,221	H.15.6 5,847
Eligible Other Animals:								
Birds			H.15.1 4	H.15.2 7	H.15.3 11	H.15.4 32	H.15.5 18	H.15.6 11
Other			H.15.1 97	H.15.2 117	H.15.3 82	H.15.4 156	H.15.5 216	H.15.6 232
Total Allowable Other	57	113	101	124	93	188	234	243
Total Eligible Animals	6,128	12,255	13,916	10,593	7,726	6,017	5,455	6,090
	H.11.1	H.11.1	H.11.1	H.11.1	H.11.1	H.11.1	H.11.1	H.11.1

The auditee was not able to provide Chameleon data for the earliest two years of the audit period. The auditor did the following:

- 1 To determine the eligible dogs and cats and other animals, the auditor used an average of FY's 2000-01 and 2001-02.
- 2 Reimbursement for this component begins in January 1999, thus only half of the eligible animals can be counted for FY 1998-99

City of Los Angeles  
 Legislatively Mandated Animal Adoption Program  
**Review of Claimed and Allowable Costs**  
**Veterinary Care Component**  
 Materials and Supplies  
 Audit ID # S09-MCC-055

**Reimbursable Criteria for this component:**

Definition: Necessary and prompt veterinary care - reasonable procedures to make animals adoptable  
Vet Care Exclusions: emergency treatment given to injured cats and dogs  
 administration of rabies vaccine to dogs  
 implantation of microchip identification  
 spay or neuter surgery  
 euthanasia

Eligible population: Animals (other than injured cats and dogs given emergency treatment) that died / euth during the holding period (holding period - days 2 through 6)

Eligible procedures: initial physical exam to determine health status and class (adoptable, treatable, non-rehabilitatable)  
 wellness vaccine administered to treatable or adoptable animals  
 care to stabilize or relieve the suffering of a treatable animal  
 remedy any applicable disease, injury, or hereditary condition of the treatable animal

Population Exclusions: serious illness or injury  
 newborn animals that are not weaned from their mothers  
 disposed for humane reasons  
 owner relinquished  
 redeemed, adopted, or released

Fiscal Year	Types of Costs Claimed	Total Mat & Suppl
FY 1998-99		50,984
FY 1999-00		129,149
FY 2000-01		308,004
FY 2001-02		65,114
FY 2002-03		83,002
FY 2005-06		117,278
FY 2006-07		178,953
FY 2007-08		164,502

Estimated costs total \$488,137

488,137  
608,849

H11.PS  
H11.PS

Unsupported costs total \$608,849

1,096,986

Total \$ 1,096,986

H11.PS

EX7

**Tab 13**



ACCT 3190  
 Sample  
 City's provided expenses

DEPARTMENT OF ANIMAL SERVICES  
 SUMMARY OF EXPENDITURES  
 ACCOUNT 4580, 6020 AND 3190  
 FOR THE PERIOD COVERED BY 2007 - 2008

Dept No.	Budget Year	Record Date (YYMMDD)	Fund Number	Appropriation Account	Trans Code	Transaction Number	Ref Tran Code	Reference Tran No	Vendor ID Code	Vendor Name	Line Description	Amount	Unallowable Costs
06	08	080118	100	6020	IV	SM06011808					Material Issues	270.58	(270.58)
06	08	080122	100	6020	IV	SM06012208					Material Issues	66.16	(36.16)
06	08	080122	100	6020	JV	02115					GEN FUND USE TAX ADJ	132.87	(132.87)
06	08	080123	100	6020	IV	SM06012308					Material Issues	579.54	(579.54)
06	08	080124	100	6020	IV	SM06012408					Material Issues	47.77	(47.77)
06	08	080130	100	6020	IV	SM06013008					Material Issues	51.64	(51.64)
06	08	080208	100	6020	IV	SM06020808					Material Issues	1,321.76	(1,321.76)
06	08	080212	100	6020	IV	SM06021208					Material Issues	97.97	(97.97)
06	08	080214	100	6020	IV	SM06021408					Material Issues	124.98	(124.98)
06	08	080215	100	6020	IV	SM06021508					Material Issues	1,824.32	(1,824.32)
06	08	080228	100	6020	IV	SM06022808					Material Issues	344.24	(344.24)
06	08	080306	100	6020	IV	SM06030608					Material Issues	289.03	(289.03)
06	08	080311	100	6020	IV	SM06031108					Material Issues	258.18	(258.18)
06	08	080312	100	6020	IV	SM06031208					Material Issues	1,871.87	(1,871.87)
06	08	080313	100	6020	IV	SM06031308					Material Issues	981.41	(981.41)
06	08	080321	100	6020	IV	SM06032108					Material Issues	124.06	(124.06)
06	08	080326	100	6020	IV	SM06032608					Material Issues	4.02	(4.02)
06	08	080408	100	6020	IV	SM06040808					Material Issues	784.87	(784.87)
06	08	080409	100	6020	IV	SM06040908					Material Issues	183.28	(183.23)
06	08	080423	100	6020	JV	03577					GEN FUND USE TAX ADJ	48.96	(48.96)
<b>Total Account 6020 BFY 2007 - 2008</b>												<b>360,663.80</b>	<b>(108,974.74)</b>

06	08	070712	100	3190	SM	B078439708	SM	B078439708	000005202	WESTERN ME	JOURNAL ID: PO00052304	1,393.83	
06	08	070716	100	3190	SM	B078736208	SM	B078736208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052322	3,161.05	
06	08	070717	100	3190	SM	B078730508	SM	B078730508	000005202	WESTERN ME	JOURNAL ID: PO00052333	275.82	
06	08	070717	100	3190	SM	B078773008	SM	B078773008	000005202	WESTERN ME	JOURNAL ID: PO00052333	1,491.97	
06	08	070718	100	3190	SM	B078806708	SM	B078806708	000005202	WESTERN ME	JOURNAL ID: PO00052352	1,061.53	
06	08	070720	100	3190	SM	B078942408	SM	B078942408	000005202	WESTERN ME	JOURNAL ID: PO00052368	359.18	
06	08	070720	100	3190	SM	B078945008	SM	B078945008	000005202	WESTERN ME	JOURNAL ID: PO00052368	536.16	
06	08	070720	100	3190	SM	B078944508	SM	B078944508	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052374	2,024.56	
06	08	070720	100	3190	SM	B078969108	SM	B078969108	000005202	WESTERN ME	JOURNAL ID: PO00052374	620.82	
06	08	070725	100	3190	SM	B078960708	SM	B078960708	000005202	WESTERN ME	JOURNAL ID: PO00052401	1,192.66	
06	08	070725	100	3190	SM	B078962908	SM	B078962908	000005202	WESTERN ME	JOURNAL ID: PO00052401	583.72	
06	08	070725	100	3190	SM	B078736308	SM	B078736308	000005202	WESTERN ME	JOURNAL ID: PO00052407	284.97	
06	08	070801	100	3190	SM	B079357608	SM	B079357608	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052465	2,299.56	

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Dept. No.	Budget Year	Record Date (YYMMDD)	Fund Number	Appropriation Account	Trans Code	Transaction Number	Ref Tran Code	Reference Tran No	Vendor ID Code	Vendor Name	Line Description	Amount
06	08	070802	100	3190	SM	B079359208	SM	B079359208	000005202	WESTERN ME	JOURNAL ID: PO00052470	297.19
06	08	070806	100	3190	SM	B079425708	SM	B079425708	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052492	2,789.63
06	08	070809	100	3190	SM	B079598908	SM	B079598908	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052525	2,908.30
06	08	070813	100	3190	SM	B079702608	SM	B079702608	000005202	WESTERN ME	JOURNAL ID: PO00052547	1,104.15
06	08	070813	100	3190	SM	B079712008	SM	B079712008	000005202	WESTERN ME	JOURNAL ID: PO00052553	378.14
06	08	070814	100	3190	SM	B079710208	SM	B079710208	000005202	WESTERN ME	JOURNAL ID: PO00052558	554.38
06	08	070814	100	3190	SM	B079726608	SM	B079726608	000005202	WESTERN ME	JOURNAL ID: PO00052564	445.50
06	08	070821	100	3190	SM	B079805608	SM	B079805608	000005202	WESTERN ME	JOURNAL ID: PO00052619	8.87
06	08	070821	100	3190	SM	B079869508	SM	B079869508	000005202	WESTERN ME	JOURNAL ID: PO00052619	1,493.05
06	08	070823	100	3190	SM	B080027708	SM	B080027708	000005202	WESTERN ME	JOURNAL ID: PO00052635	603.99
06	08	070823	100	3190	SM	B079803208	SM	B079803208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052641	2,239.30
06	08	070823	100	3190	SM	B079805608	SM	B079805608	000005202	WESTERN ME	JOURNAL ID: PO00052641	311.52
06	08	070823	100	3190	SM	B079811808	SM	B079811808	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052641	2,294.50
06	08	070823	100	3190	SM	B079814008	SM	B079814008	000005202	WESTERN ME	JOURNAL ID: PO00052641	358.19
06	08	070823	100	3190	SM	B079824508	SM	B079824508	000005202	WESTERN ME	JOURNAL ID: PO00052641	23.63
06	08	070824	100	3190	SM	B080112908	SM	B080112908	000005202	WESTERN ME	JOURNAL ID: PO00052646	71.70
06	08	070827	100	3190	SM	B080056408	SM	B080056408	000005202	WESTERN ME	JOURNAL ID: PO00052657	1,079.92
06	08	070827	100	3190	SM	B080111108	SM	B080111108	000005202	WESTERN ME	JOURNAL ID: PO00052657	72.90
06	08	070827	100	3190	SM	B080116208	SM	B080116208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052657	1,974.94
06	08	070829	100	3190	SM	B080165208	SM	B080165208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052680	2,768.50
06	08	070904	100	3190	SM	B080191308	SM	B080191308	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052719	3,035.34
06	08	070905	100	3190	SM	B080425208	SM	B080425208	000005202	WESTERN ME	JOURNAL ID: PO00052731	22.70
06	08	070906	100	3190	SM	B080423408	SM	B080423408	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052744	4,000.11
06	08	070906	100	3190	SM	B080499008	SM	B080499008	000005202	WESTERN ME	JOURNAL ID: PO00052750	499.15
06	08	070907	100	3190	SM	B080507408	SM	B080507408	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052761	2,211.73
06	08	070907	100	3190	SM	B080509508	SM	B080509508	000005202	WESTERN ME	JOURNAL ID: PO00052761	579.11
06	08	070912	100	3190	SM	B080708508	SM	B080708508	000005202	WESTERN ME	JOURNAL ID: PO00052798	664.70
06	08	070918	100	3190	SM	B080767708	SM	B080767708	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052840	2,907.88
06	08	070920	100	3190	SM	B080821208	SM	B080821208	000005202	WESTERN ME	JOURNAL ID: PO00052865	1,528.68
06	08	070920	100	3190	SM	B080821408	SM	B080821408	000005202	WESTERN ME	JOURNAL ID: PO00052865	122.01
06	08	070921	100	3190	SM	B081031808	SM	B081031808	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052878	1,792.62
06	08	070921	100	3190	SM	B081032008	SM	B081032008	000005202	WESTERN ME	JOURNAL ID: PO00052878	1,236.21
06	08	070921	100	3190	SM	B081062408	SM	B081062408	000005202	WESTERN ME	JOURNAL ID: PO00052884	176.61
06	08	070924	100	3190	SM	B080966008	SM	B080966008	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052890	2,579.78
06	08	070924	100	3190	SM	B080967808	SM	B080967808	000005202	WESTERN ME	JOURNAL ID: PO00052890	159.83
06	08	070926	100	3190	SM	B081006508	SM	B081006508	000005202	WESTERN ME	JOURNAL ID: PO00052915	643.39

Unallowable Costs

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06	08	071001	100	3190	SM	B081337508	SM	B081337508	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052959	2,397.35
06	08	071003	100	3190	SM	B081369708	SM	B081369708	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052984	1,918.21
06	08	071003	100	3190	SM	B081372808	SM	B081372808	000005202	WESTERN ME	JOURNAL ID: PO00052984	513.13
06	08	071003	100	3190	SM	B081401108	SM	B081401108	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00052984	2,920.52
06	08	071004	100	3190	SM	B081502908	SM	B081502908	000005202	WESTERN ME	JOURNAL ID: PO00052997	380.05
06	08	071005	100	3190	SM	B081439508	SM	B081439508	000005202	WESTERN ME	JOURNAL ID: PO00053003	177.53
06	08	071005	100	3190	SM	B081515008	SM	B081515008	000005202	WESTERN ME	JOURNAL ID: PO00053003	431.38
06	08	071009	100	3190	SM	B081556408	SM	B081556408	000005202	WESTERN ME	JOURNAL ID: PO00053022	316.75
06	08	071009	100	3190	SM	B081556508	SM	B081556508	000005202	WESTERN ME	JOURNAL ID: PO00053022	887.11
06	08	071011	100	3190	SM	B081632008	SM	B081632008	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053048	3,084.48
06	08	071011	100	3190	SM	B081632508	SM	B081632508	000005202	WESTERN ME	JOURNAL ID: PO00053048	734.43
06	08	071016	100	3190	SM	B081829108	SM	B081829108	000005202	WESTERN ME	JOURNAL ID: PO00053085	142.58
06	08	071016	100	3190	SM	B081831408	SM	B081831408	000005202	WESTERN ME	JOURNAL ID: PO00053085	754.22
06	08	071019	100	3190	SM	B081968908	SM	B081968908	000005202	WESTERN ME	JOURNAL ID: PO00053114	1,225.40
06	08	071022	100	3190	SM	B081876808	SM	B081876808	000005202	WESTERN ME	JOURNAL ID: PO00053132	780.29
06	08	071023	100	3190	SM	B081972908	SM	B081972908	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053138	2,715.35
06	08	071023	100	3190	SM	B082027008	SM	B082027008	000005202	WESTERN ME	JOURNAL ID: PO00053138	379.35
06	08	071024	100	3190	SM	B082007408	SM	B082007408	000005202	WESTERN ME	JOURNAL ID: PO00053149	526.12
06	08	071024	100	3190	SM	B082077708	SM	B082077708	000005202	WESTERN ME	JOURNAL ID: PO00053149	395.83
06	08	071025	100	3190	SM	B082112808	SM	B082112808	000005202	WESTERN ME	JOURNAL ID: PO00053161	136.11
06	08	071026	100	3190	SM	B082200908	SM	B082200908	000005202	WESTERN ME	JOURNAL ID: PO00053174	265.75
06	08	071029	100	3190	SM	B081853608	SM	B081853608	000005202	WESTERN ME	JOURNAL ID: PO00053187	11.50
06	08	071029	100	3190	SM	B082257208	SM	B082257208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053187	2,258.43
06	08	071030	100	3190	SM	B082241408	SM	B082241408	000005202	WESTERN ME	JOURNAL ID: PO00053206	1,334.82
06	08	071030	100	3190	SM	B082242108	SM	B082242108	000005202	WESTERN ME	JOURNAL ID: PO00053206	279.65
06	08	071102	100	3190	SM	B082351108	SM	B082351108	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053237	2,970.04
06	08	071102	100	3190	SM	B082359308	SM	B082359308	000005202	WESTERN ME	JOURNAL ID: PO00053237	951.27
06	08	071102	100	3190	SM	B082463808	SM	B082463808	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053237	2,157.47
06	08	071106	100	3190	SM	B082467208	SM	B082467208	000005202	WESTERN ME	JOURNAL ID: PO00053269	488.22
06	08	071106	100	3190	SM	B082589608	SM	B082589608	000005202	WESTERN ME	JOURNAL ID: PO00053269	1,476.82
06	08	071107	100	3190	SM	B082571308	SM	B082571308	000005202	WESTERN ME	JOURNAL ID: PO00053280	969.21
06	08	071108	100	3190	SM	B082652408	SM	B082652408	000005202	WESTERN ME	JOURNAL ID: PO00053285	866.00
06	08	071116	100	3190	SM	B082799408	SM	B082799408	000005202	WESTERN ME	JOURNAL ID: PO00053344	666.09
06	08	071116	100	3190	SM	B082816308	SM	B082816308	000005202	WESTERN ME	JOURNAL ID: PO00053344	244.43
06	08	071119	100	3190	SM	B082781708	SM	B082781708	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053351	2,925.69
06	08	071119	100	3190	SM	B082882708	SM	B082882708	000005202	WESTERN ME	JOURNAL ID: PO00053351	894.01

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06	08	071120	100	3190	SM	B082789208	SM	B082789208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053370	1,919.83
06	08	071120	100	3190	SM	B082791208	SM	B082791208	000005202	WESTERN ME	JOURNAL ID: PO00053370	641.00
06	08	071121	100	3190	SM	B083041908	SM	B083041908	000005202	WESTERN ME	JOURNAL ID: PO00053383	797.57
06	08	071127	100	3190	SM	B083102508	SM	B083102508	000005202	WESTERN ME	JOURNAL ID: PO00053401	716.34
06	08	071127	100	3190	SM	B082883508	SM	B082883508	000005202	WESTERN ME	JOURNAL ID: PO00053407	972.50
06	08	071128	100	3190	SM	B083147308	SM	B083147308	000005202	WESTERN ME	JOURNAL ID: PO00053412	1,160.71
06	08	071130	100	3190	SM	B083002108	SM	B083002108	000005202	WESTERN ME	JOURNAL ID: PO00053437	971.27
06	08	071205	100	3190	SM	B083336208	SM	B083336208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053475	2,989.82
06	08	071205	100	3190	SM	B083340008	SM	B083340008	000005202	WESTERN ME	JOURNAL ID: PO00053475	356.36
06	08	071206	100	3190	SM	B083387208	SM	B083387208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053488	3,022.21
06	08	071206	100	3190	SM	B083391808	SM	B083391808	000005202	WESTERN ME	JOURNAL ID: PO00053488	878.07
06	08	071207	100	3190	SM	B083223408	SM	B083223408	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053500	3,398.83
06	08	071207	100	3190	SM	B083224108	SM	B083224108	000005202	WESTERN ME	JOURNAL ID: PO00053500	148.48
06	08	071210	100	3190	SM	B083350308	SM	B083350308	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053513	2,489.26
06	08	071210	100	3190	SM	B083394308	SM	B083394308	000005202	WESTERN ME	JOURNAL ID: PO00053513	995.09
06	08	071211	100	3190	SM	B083576208	SM	B083576208	000005202	WESTERN ME	JOURNAL ID: PO00053525	989.19
06	08	071211	100	3190	SM	B083626208	SM	B083626208	000005202	WESTERN ME	JOURNAL ID: PO00053532	1,116.56
06	08	071218	100	3190	SM	B083643208	SM	B083643208	000005202	WESTERN ME	JOURNAL ID: PO00053566	1,673.98
06	08	071218	100	3190	SM	B083853808	SM	B083853808	000005202	WESTERN ME	JOURNAL ID: PO00053592	786.83
06	08	071218	100	3190	SM	B083854908	SM	B083854908	000005202	WESTERN ME	JOURNAL ID: PO00053592	201.17
06	08	071226	100	3190	SM	B083815908	SM	B083815908	000005202	WESTERN ME	JOURNAL ID: PO00053645	758.41
06	08	071226	100	3190	SM	B084010208	SM	B084010208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053645	2,902.24
06	08	071228	100	3190	SM	B084099808	SM	B084099808	000005202	WESTERN ME	JOURNAL ID: PO00053668	586.74
06	08	080103	100	3190	SM	B084215508	SM	B084215508	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053703	4,199.85
06	08	080103	100	3190	SM	B084225308	SM	B084225308	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053709	3,170.11
06	08	080109	100	3190	SM	B084166508	SM	B084166508	000005202	WESTERN ME	JOURNAL ID: PO00053762	1,515.39
06	08	080109	100	3190	SM	B084250008	SM	B084250008	000005202	WESTERN ME	JOURNAL ID: PO00053762	519.59
06	08	080109	100	3190	SM	B084324508	SM	B084324508	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053762	2,378.15
06	08	080109	100	3190	SM	B084445708	SM	B084445708	000005202	WESTERN ME	JOURNAL ID: PO00053762	910.03
06	08	080111	100	3190	SM	B084492508	SM	B084492508	000005202	WESTERN ME	JOURNAL ID: PO00053781	605.47
06	08	080111	100	3190	SM	B084493308	SM	B084493308	000005202	WESTERN ME	JOURNAL ID: PO00053781	232.25
06	08	080117	100	3190	SM	B084513108	SM	B084513108	000005202	WESTERN ME	JOURNAL ID: PO00053833	852.96
06	08	080117	100	3190	SM	B084590608	SM	B084590608	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053833	3,280.69
06	08	080117	100	3190	SM	B084590708	SM	B084590708	000005202	WESTERN ME	JOURNAL ID: PO00053833	765.59
06	08	080117	100	3190	SM	B084710908	SM	B084710908	000005202	WESTERN ME	JOURNAL ID: PO00053833	48.71
06	08	080118	100	3190	SM	B084787108	SM	B084787108	000005202	WESTERN ME	JOURNAL ID: PO00053851	1,304.10

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Dept No.	Budget Year	Record Date (YYMMDD)	Fund Number	Appropriation Account	Trans Code	Transaction Number	Ref Tran Code	Reference Tran No	Vendor ID Code	Vendor Name	Line Description	Amount
06	08	080122	100	3190	SM	B084822108	SM	B084822108	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053857	3,170.11
06	08	080201	100	3190	SM	B084706908	SM	B084706908	00005202	WESTERN ME	JOURNAL ID: PO00053957	1,385.20
06	08	080201	100	3190	SM	B084933408	SM	B084933408	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053957	1,951.37
06	08	080201	100	3190	SM	B084934108	SM	B084934108	00005202	WESTERN ME	JOURNAL ID: PO00053957	328.00
06	08	080201	100	3190	SM	B084937008	SM	B084937008	00005202	WESTERN ME	JOURNAL ID: PO00053957	886.07
06	08	080201	100	3190	SM	B085108408	SM	B085108408	00005202	WESTERN ME	JOURNAL ID: PO00053957	108.26
06	08	080201	100	3190	SM	B085167108	SM	B085167108	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053957	3,465.42
06	08	080201	100	3190	SM	B085180208	SM	B085180208	00005202	WESTERN ME	JOURNAL ID: PO00053957	984.12
06	08	080204	100	3190	SM	B08511908	SM	B08511908	00005202	WESTERN ME	JOURNAL ID: PO00053969	1,564.23
06	08	080204	100	3190	SM	B085318008	SM	B085318008	00005202	WESTERN ME	JOURNAL ID: PO00053976	507.15
06	08	080204	100	3190	SM	B085318508	SM	B085318508	00005202	WESTERN ME	JOURNAL ID: PO00053976	53.37
06	08	080205	100	3190	SM	B085293908	SM	B085293908	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053981	1,881.84
06	08	080205	100	3190	SM	B085294008	SM	B085294008	00005202	WESTERN ME	JOURNAL ID: PO00053981	70.37
06	08	080205	100	3190	SM	B085294108	SM	B085294108	00005202	WESTERN ME	JOURNAL ID: PO00053981	997.09
06	08	080206	100	3190	SM	B085276308	SM	B085276308	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053981	2,380.86
06	08	080206	100	3190	SM	B085326308	SM	B085326308	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00053993	2,705.91
06	08	080206	100	3190	SM	B085399808	SM	B085399808	00005202	WESTERN ME	JOURNAL ID: PO00053993	58.32
06	08	080208	100	3190	SM	B085411708	SM	B085411708	00005202	WESTERN ME	JOURNAL ID: PO00054019	1,639.86
06	08	080208	100	3190	SM	B085486408	SM	B085486408	00005202	WESTERN ME	JOURNAL ID: PO00054019	282.49
06	08	080212	100	3190	SM	B085485208	SM	B085485208	00005202	WESTERN ME	JOURNAL ID: PO00054052	1,499.37
06	08	080215	100	3190	SM	B085730108	SM	B085730108	00005202	WESTERN ME	JOURNAL ID: PO00054090	115.81
06	08	080220	100	3190	SM	B085457608	SM	B085457608	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054116	2,001.24
06	08	080221	100	3190	SM	B085860208	SM	B085860208	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054122	3,031.39
06	08	080226	100	3190	SM	B086045408	SM	B086045408	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054161	1,803.84
06	08	080226	100	3190	SM	B086048808	SM	B086048808	00005202	WESTERN ME	JOURNAL ID: PO00054161	311.74
06	08	080227	100	3190	SM	B086129408	SM	B086129408	00005202	WESTERN ME	JOURNAL ID: PO00054181	996.17
06	08	080227	100	3190	SM	B086140908	SM	B086140908	00005202	WESTERN ME	JOURNAL ID: PO00054181	318.65
06	08	080227	100	3190	SM	B086141708	SM	B086141708	00005202	WESTERN ME	JOURNAL ID: PO00054181	990.31
06	08	080304	100	3190	SM	B085946708	SM	B085946708	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054231	4,246.88
06	08	080304	100	3190	SM	B085949708	SM	B085949708	00005202	WESTERN ME	JOURNAL ID: PO00054231	803.84
06	08	080304	100	3190	SM	B086143408	SM	B086143408	00005202	WESTERN ME	JOURNAL ID: PO00054231	924.14
06	08	080305	100	3190	SM	B086343708	SM	B086343708	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054236	3,607.98
06	08	080305	100	3190	SM	B086344808	SM	B086344808	00005202	WESTERN ME	JOURNAL ID: PO00054236	265.54
06	08	080307	100	3190	SM	B086458908	SM	B086458908	00005202	WESTERN ME	JOURNAL ID: PO00054261	1,498.94
06	08	080310	100	3190	SM	B086472408	SM	B086472408	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054273	2,974.85
06	08	080311	100	3190	SM	B086472408	SM	B086472408	00005202	WESTERN ME	JOURNAL ID: PO00054286	154.47

Unallowable Costs

DEPARTMENT OF ANIMAL SERVICES  
SUMMARY OF EXPENDITURES  
ACCOUNT 4580, 6020 AND 3190  
FOR THE PERIOD COVERED BY 2007 - 2008

Dept No.	Budget Year	Record Date (YYMMDD)	Fund Number	Appropriation Account	Trans Code	Transaction Number	Ref Tran Code	Reference Tran No	Vendor ID Code	Vendor Name	Line Description	Amount
06	08	080311	100	3190	SM	B086516208	SM	B086516208	000005202	WESTERN ME	JOURNAL ID: PO00054286	996.62
06	08	080311	100	3190	SM	B086600508	SM	B086600508	000005202	WESTERN ME	JOURNAL ID: PO00054293	1,517.56
06	08	080312	100	3190	SM	B086516608	SM	B086516608	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054305	2,166.96
06	08	080312	100	3190	SM	B086635308	SM	B086635308	000005202	WESTERN ME	JOURNAL ID: PO00054305	229.69
06	08	080319	100	3190	SM	B086655408	SM	B086655408	000005202	WESTERN ME	JOURNAL ID: PO00054360	1,674.86
06	08	080319	100	3190	SM	B086745708	SM	B086745708	000005202	WESTERN ME	JOURNAL ID: PO00054360	561.30
06	08	080326	100	3190	SM	B087062308	SM	B087062308	000005202	WESTERN ME	JOURNAL ID: PO00054423	659.40
06	08	080327	100	3190	SM	B086421208	SM	B086421208	000005202	WESTERN ME	JOURNAL ID: PO00054436	1,108.70
06	08	080327	100	3190	SM	B087169808	SM	B087169808	000005202	WESTERN ME	JOURNAL ID: PO00054443	151.25
06	08	080327	100	3190	SM	B087170808	SM	B087170808	000005202	WESTERN ME	JOURNAL ID: PO00054443	165.62
06	08	080402	100	3190	SM	B087230608	SM	B087230608	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054472	2,247.80
06	08	080402	100	3190	SM	B087230708	SM	B087230708	000005202	WESTERN ME	JOURNAL ID: PO00054472	246.10
06	08	080403	100	3190	SM	B086688608	SM	B086688608	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054484	4,171.06
06	08	080403	100	3190	SM	B087210308	SM	B087210308	000005202	WESTERN ME	JOURNAL ID: PO00054484	879.14
06	08	080407	100	3190	SM	B087266408	SM	B087266408	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054509	4,308.31
06	08	080409	100	3190	SM	B087536908	SM	B087536908	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054534	3,102.63
06	08	080409	100	3190	SM	B087543908	SM	B087543908	000005202	WESTERN ME	JOURNAL ID: PO00054534	278.85
06	08	080411	100	3190	SM	B087636808	SM	B087636808	000005202	WESTERN ME	JOURNAL ID: PO00054567	1,535.25
06	08	080411	100	3190	SM	B087641808	SM	B087641808	000005202	WESTERN ME	JOURNAL ID: PO00054567	186.87
06	08	080414	100	3190	SM	B087641808	SM	B087641808	000005202	WESTERN ME	JOURNAL ID: PO00054572	154.65
06	08	080415	100	3190	SM	B087728908	SM	B087728908	000005202	WESTERN ME	JOURNAL ID: PO00054584	611.78
06	08	080415	100	3190	SM	B087734208	SM	B087734208	000005202	WESTERN ME	JOURNAL ID: PO00054584	92.75
06	08	080416	100	3190	SM	B087821008	SM	B087821008	000005202	WESTERN ME	JOURNAL ID: PO00054603	1,625.03
06	08	080417	100	3190	SM	B087764908	SM	B087764908	000005202	WESTERN ME	JOURNAL ID: PO00054608	725.61
06	08	080421	100	3190	SM	B087849508	SM	B087849508	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054641	3,436.67
06	08	080422	100	3190	SM	B086472408	SM	B086472408	000005202	WESTERN ME	JOURNAL ID: PO00054646	7.03
06	08	080422	100	3190	SM	B087849508	SM	B087849508	000005202	WESTERN ME	JOURNAL ID: PO00054646	0.01
06	08	080425	100	3190	SM	B088134408	SM	B088134408	000005202	WESTERN ME	JOURNAL ID: PO00054685	1,426.53
06	08	080505	100	3190	SM	B088937208	SM	B088937208	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054754	2,866.10
06	08	080506	100	3190	SM	B088028508	SM	B088028508	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054765	5,260.38
06	08	080506	100	3190	SM	B088068808	SM	B088068808	000005202	WESTERN ME	JOURNAL ID: PO00054765	597.03
06	08	080507	100	3190	SM	B088594708	SM	B088594708	000005202	WESTERN ME	JOURNAL ID: PO00054785	1,428.26
06	08	080512	100	3190	SM	B088741708	SM	B088741708	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054818	3,554.81
06	08	080512	100	3190	SM	B088742308	SM	B088742308	000005202	WESTERN ME	JOURNAL ID: PO00054818	698.08
06	08	080513	100	3190	SM	B088785008	SM	B088785008	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054830	3,410.37
06	08	080514	100	3190	SM	B088738708	SM	B088738708	000005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054842	1,931.43

Unallowable Costs



DEPARTMENT OF ANIMAL SERVICES  
SUMMARY OF EXPENDITURES  
ACCOUNT 4580, 6020 AND 3190

FOR THE PERIOD COVERED BY 2007 - 2008

Dept. No.	Budget Year	Record Date (YYMMDD)	Fund Number	Appropriation Account	Trans Code	Transaction Number	Ref Tran Code	Reference Tran No	Vendor ID Code	Vendor Name	Line Description	Amount
06	08	080514	100	3190	SM	B08862208	SM	B08862208	00005202	WESTERN ME	JOURNAL ID: PO00054842	113.44
06	08	080514	100	3190	SM	B088909508	SM	B088909508	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054849	3,780.70
06	08	080514	100	3190	SM	B088926508	SM	B088926508	00005202	WESTERN ME	JOURNAL ID: PO00054849	865.85
06	08	080519	100	3190	SM	B088922708	SM	B088922708	00005202	WESTERN ME	JOURNAL ID: PO00054879	538.87
06	08	080519	100	3190	SM	B089040908	SM	B089040908	00005202	WESTERN ME	JOURNAL ID: PO00054879	123.71
06	08	080520	100	3190	SM	B089071808	SM	B089071808	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054900	1,873.16
06	08	080528	100	3190	SM	B089405308	SM	B089405308	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054955	3,838.06
06	08	080528	100	3190	SM	B089451908	SM	B089451908	00005202	WESTERN ME	JOURNAL ID: PO00054955	992.73
06	08	080528	100	3190	SM	B089470408	SM	B089470408	00005202	WESTERN ME	JOURNAL ID: PO00054955	113.99
06	08	080528	100	3190	SM	B089503208	SM	B089503208	00005202	WESTERN MEDICAL SUPPLY INC	JOURNAL ID: PO00054955	4,413.55
06	08	080530	100	3190	SM	B088738708	SM	B088738708	00005202	WESTERN ME	JOURNAL ID: PO00054982	7.60
06	08	080611	100	3190	SM	B079357608	SM	B079357608	00005202	WESTERN ME	JOURNAL ID: PO00055046	0.01
06	08	090602	100	3190	SM	B080425208	SM	B080425208	00005202	WESTERN ME	JOURNAL ID: 0000058935 ADJUST	0.01
06	08	090602	100	3190	SM	B084445708	SM	B084445708	00005202	WESTERN ME	JOURNAL ID: 0000058947 ADJUST	0.01
06	08	080421	100	3190	SM	B087902908	SM	B087902908	00016702	THERMAL CO	JOURNAL ID: PO00054634	52.12
06	08	070727	100	3190	SM	B079151008	SM	B079151008	00019174	PRAXAIR	JOURNAL ID: PO00052430	127.66
06	08	070814	100	3190	SM	B079755208	SM	B079755208	000030186	LANDAUER I	JOURNAL ID: PO00052558	376.86
06	08	071217	100	3190	SM	B079755208	SM	B079755208	000030186	LANDAUER I	JOURNAL ID: PO00053573	154.92
06	08	070823	100	3190	SM	B079905808	SM	B079905808	000030819	AIRGAS - W	JOURNAL ID: PO00052641	47.63
06	08	080103	100	3190	SM	B083650108	SM	B083650108	000030819	AIRGAS - W	JOURNAL ID: PO00053703	0.44
06	08	080108	100	3190	SM	B084241908	SM	B084241908	000030819	AIRGAS - W	JOURNAL ID: PO00053741	0.44
06	08	080114	100	3190	SM	B084512508	SM	B084512508	000030819	AIRGAS - W	JOURNAL ID: PO00053794	3.60
06	08	080114	100	3190	SM	B084513208	SM	B084513208	000030819	AIRGAS - W	JOURNAL ID: PO00053794	23.80
06	08	080114	100	3190	SM	B084513708	SM	B084513708	000030819	AIRGAS - W	JOURNAL ID: PO00053794	47.63
06	08	080114	100	3190	SM	B084514908	SM	B084514908	000030819	AIRGAS - W	JOURNAL ID: PO00053794	47.63
06	08	080114	100	3190	SM	B084515608	SM	B084515608	000030819	AIRGAS - W	JOURNAL ID: PO00053794	25.81
06	08	080114	100	3190	SM	B084516108	SM	B084516108	000030819	AIRGAS - W	JOURNAL ID: PO00053794	47.63
06	08	080114	100	3190	SM	B084517108	SM	B084517108	000030819	AIRGAS - W	JOURNAL ID: PO00053794	47.63
06	08	080114	100	3190	SM	B084518508	SM	B084518508	000030819	AIRGAS - W	JOURNAL ID: PO00053794	97.10
06	08	080114	100	3190	SM	B084520008	SM	B084520008	000030819	AIRGAS - W	JOURNAL ID: PO00053794	38.72
06	08	080123	100	3190	SM	B084878208	SM	B084878208	000030819	AIRGAS - W	JOURNAL ID: PO00053877	98.89
06	08	080124	100	3190	SM	B084937408	SM	B084937408	000030819	AIRGAS - W	JOURNAL ID: PO00053882	270.63
06	08	080128	100	3190	SM	B085029308	SM	B085029308	000030819	AIRGAS - W	JOURNAL ID: PO00053907	939.62
06	08	080208	100	3190	SM	B085475708	SM	B085475708	000030819	AIRGAS - W	JOURNAL ID: PO00054019	0.44
06	08	080324	100	3190	SM	B087020808	SM	B087020808	000030819	AIRGAS - W	JOURNAL ID: PO00054405	415.33
06	08	080325	100	3190	SM	B087024108	SM	B087024108	000030819	AIRGAS - W	JOURNAL ID: PO00054410	254.40

Unallowable Costs

DEPARTMENT OF ANIMAL SERVICES  
SUMMARY OF EXPENDITURES  
ACCOUNT 4580, 6020 AND 3190

FOR THE PERIOD COVERED BY 2007 - 2008

Dept No.	Budget Year	Record Date (YYMMDD)	Fund Number	Appropriation Account	Trans Code	Transaction Number	Ref Tran Code	Reference Tran No	Vendor ID Code	Vendor Name	Line Description	Amount
06	08	080325	100	3190	SM	B087026108	SM	B087026108	000030819	AIRGAS - W	JOURNAL ID: PO00054410	145.93
06	08	080602	100	3190	SM	B089215508	SM	B089215508	000030819	AIRGAS - W	JOURNAL ID: PO00055001	123.30
06	08	070821	100	3190	SM	B080004808	SM	B080004808	000031016	IDEXX DIST	JOURNAL ID: PO00052619	207.84
06	08	070821	100	3190	SM	B080005208	SM	B080005208	000031016	IDEXX DIST	JOURNAL ID: PO00052619	415.68
06	08	070821	100	3190	SM	B080005908	SM	B080005908	000031016	IDEXX DIST	JOURNAL ID: PO00052619	207.84
06	08	070821	100	3190	SM	B080006808	SM	B080006808	000031016	IDEXX DIST	JOURNAL ID: PO00052619	207.84
06	08	070821	100	3190	SM	B080007608	SM	B080007608	000031016	IDEXX DIST	JOURNAL ID: PO00052619	207.84
06	08	070821	100	3190	SM	B080009008	SM	B080009008	000031016	IDEXX DIST	JOURNAL ID: PO00052619	207.84
06	08	070912	100	3190	SM	B080611308	SM	B080611308	000031016	IDEXX DIST	JOURNAL ID: PO00052785	6.95
06	08	070912	100	3190	SM	B080611308	SM	B080611308	000031016	IDEXX DIST	JOURNAL ID: PO00052785	2,182.32
06	08	070716	100	3190	SM	B078665408	SM	B078665408	000037885	VORTECH	JOURNAL ID: PO00052322	1,089.86
06	08	070717	100	3190	SM	B078775108	SM	B078775108	000037885	VORTECH	JOURNAL ID: PO00052333	1,089.86
06	08	070813	100	3190	SM	B079709808	SM	B079709808	000037885	VORTECH	JOURNAL ID: PO00052553	4,376.98
06	08	080118	100	3190	SM	B084590208	SM	B084590208	000037885	VORTECH	JOURNAL ID: PO00053851	4,757.59
06	08	080521	100	3190	SM	B088864808	SM	B088864808	000037885	VORTECH	JOURNAL ID: PO00054905	3,568.19
06	08	070802	100	3190	SM	B079373908	SM	B079373908	000041854	SHOR-LINE	JOURNAL ID: PO00052470	809.71
06	08	080416	100	3190	SM	B087680808	SM	B087680808	000041854	SHOR-LINE	JOURNAL ID: PO00054603	809.71
06	08	080512	100	3190	SM	B088741808	SM	B088741808	000041854	SHOR-LINE	JOURNAL ID: PO00054818	1,062.67
06	08	071026	100	3190	SM	B082208408	SM	B082208408	000044066	VALUE VET	JOURNAL ID: PO00053174	248.43
06	08	071026	100	3190	SM	B082211008	SM	B082211008	000044066	VALUE VET	JOURNAL ID: PO00053174	264.48
06	08	071219	100	3190	SM	B083882908	SM	B083882908	000044066	VALUE VET	JOURNAL ID: PO00053598	508.18
06	08	080312	100	3190	SM	B085485308	SM	B085485308	000044066	VALUE VET	JOURNAL ID: PO00054305	248.43
06	08	080312	100	3190	SM	B085489008	SM	B085489008	000044066	VALUE VET	JOURNAL ID: PO00054305	264.48
Total Account 3190 BFY 2007 - 2008												296,831.48
GRAND TOTAL FOR ACCOUNTS 4580, 6020 AND 3190 BFY 2007-2008												944,452.51

Unallowable Costs

NOTES:  
Account 4580 represents expenditures for Animal Food given to the animals taken care of at the shelters  
Account 6020 represents expenditures for Operating Supplies and Expenses for maintenance of the animals taken care of at the shelters  
Account 3190 represents expenditures for Animal Medical Supplies for the animal well being to be in good health before adoption. Stray Animals caught and brought into the shelters are administered medicines and vaccinations after diagnosis by the veterinarians in the shelters. There is deworming and flea control for dogs and cats. Medial supplies used consists of disposable gloves, thermometers sheaths and syringes. If the animal is ill, they are x-rayed, provided with anti-biotics, IV fluids and splinters (with broken bones). If the animal is beyond medical recovery, they are sedated and put to sleep.



**Tab 14**

4/28/09

CITY OF LOS ANGELES  
LEGISLATIVELY MANDATED ANIMAL ADOPTION PROGRAM  
ENTRANCE CONFERENCE INFORMATION  
FISCAL YEARS 1998-99 THROUGH 2007-08  
S09-MCC-055

**PROGRAM:** Animal Adoption

**SCO Staff:** John H Cobbinah      Audit Manager      (916) 324-6788      [jcobbinah@sco.ca.gov](mailto:jcobbinah@sco.ca.gov)  
Toni Cellini      Auditor-in-Charge      (916) 322-7522      [tcellini@sco.ca.gov](mailto:tcellini@sco.ca.gov)

**CITY Staff:**  
See Entrance Conference sign-in sheet at W/P \_\_\_\_\_

**AUDIT PERIOD:**  
July 1, 1998 through June 30, 2008. Fiscal year (FY) 2004-05 will not be audited due to statutory limitations.  
(The Legislature suspended the program for FY 2003-04)

**AUDIT AUTHORITY:**  
The SCO performs audits under the authority of *Government Code (GC)* Sections 12410 and 17561.

**AUDIT CRITERIA:**  
Parameters and guidelines  
State Controller's Office's claiming instructions

**CLAIMED COSTS:**  
The total claimed costs for the audit period is \$13,390,008, summarized in the table below:

Cost Component	Fiscal Year								Total
	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	
Salaries	350,652	745,776	756,271	864,515	271,229	487,911	630,626	550,411	4,657,391
Benefits	57,752	185,624	193,303	210,164	57,191	97,745	205,213	107,929	1,114,921
Materials & Supplies	242,877	873,628	925,183	915,707	410,757	398,702	471,921	402,872	4,641,647
Fixed Assets	-	-	-	-	78,179	-	-	-	78,179
Indirect Costs	108,072	276,907	297,289	701,639	160,758	479,469	518,941	354,795	2,897,870
<b>Total</b>	<b>\$ 759,353</b>	<b>\$ 2,081,935</b>	<b>\$ 2,172,046</b>	<b>\$ 2,692,025</b>	<b>\$ 978,114</b>	<b>\$ 1,463,827</b>	<b>\$ 1,826,701</b>	<b>\$ 1,416,007</b>	<b>\$ 13,390,008</b>
Rounding differences netted to indirect costs	1	-	(1)	(1)	-	(1)	(1)	-	(3)
Date filed/last amended	09/10/02	09/10/02	09/10/02	02/20/04	01/15/04	01/12/07	02/15/08	02/17/09	
Initial payment date	08/10/2006	08/03/2006	08/03/2006	none	none	06/05/2006	03/14/2007	none	

**AUDIT OBJECTIVE:**  
The audit objective is to determine whether costs claimed represent increased costs resulting from the Animal Adoption Program, for the period of July 1, 1998 to June 30, 2008.

**AUDIT SCOPE:**  
The scope of the audit work will be limited to planning and performing procedures to obtain reasonable assurance that claimed costs were allowable by law for reimbursement. Accordingly, transactions will be examined, on a test basis, to determine whether the amounts claimed for reimbursement are supported.

(1 of 2)

CITY OF LOS ANGELES  
LEGISLATIVELY MANDATED ANIMAL ADOPTION PROGRAM  
**ENTRANCE CONFERENCE INFORMATION**  
FISCAL YEARS 1998-99 THROUGH 2007-08  
**S09-MCC-055**

The audit scope includes, but will not be limited to, determining whether costs claimed were supported by appropriate source documents, not funded by another source, and not unreasonable and/or excessive.

**AUDIT PROCESS:**

- Exit conference will be arranged at the end of the fieldwork to formally present the outcome of the audit.
- City will receive a draft audit report in approximately 8-10 weeks after the exit conference.
- A management representation letter will be completed by the city and included with city's response to the draft audit report.
- SCO will incorporate the city's response into the final audit report.

**AUDIT RESOLUTION:**

City may file an incorrect reduction claim (IRC) with the Commission on State Mandates (CSM) if it disagrees with the factual accuracy of our report. Information regarding the IRC process is available on the CSM web site ([csm.ca.gov](http://csm.ca.gov))

**COMMENTS BY CITY:** See entrance conference comments sheet w/p \_\_\_\_\_

(2 of 2)

**From:** Vorobyova, Mariya  
**Sent:** Wednesday, July 14, 2010 02:14 PM  
**To:** 'linda.barth@lacity.org'  
**Subject:** City of LA Animal Adoption Audit status review  
**Attachments:** LA AA Initial Review.docx [14 pages]

Hi Linda

Sorry it took me a little longer to put together, but I am finally sending you my preliminary assessment of claimed costs. I hope it's not too intimidating, since it is 14 pages long. I tried to be detailed and thorough in my review and provide as much details as I could up front. Please let me know if you have any questions. And we can address them during our upcoming meeting on Monday.

Also, please keep in mind that this document is based on my initial review of claimed costs and I may be wrong in some preliminary assessments. We'll be able to address each component in detail during the course of the fieldwork stage of this audit.

My manager and I will be coming as planned on Monday 07/19/10 around 1 – 1:30 p.m. I am looking forward to meeting you and your staff in person and moving along with this audit.

Thank you in advance for your time and assistance,

**Masha Vorobyova**

Audit Specialist

State Controller's Office

Division of Audits / Mandated Cost Bureau

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7/19/2010

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### Training Costs

#### *Reimbursement Criteria*

The parameters and guidelines allow reimbursement for one time activity of providing training to staff on reimbursable activities listed in Section IV (B) of the parameters and guidelines.

#### *Claimed Costs*

The city claimed \$48,369 under the cost component of Training for the audit period. For the first four years of the audit period (FY's 1998-99 through 2001-02), the city claimed 3 hour of training per each employee every year. In the latter years of the audit period (FY's 2002-03, and 2005-06 through 2007-08), the city claimed 2 hours per each employee every year. The following table summarizes claimed costs by fiscal year:

	Fiscal Year								
Training	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Claimed Costs:</b>									
Salaries	\$ 8,130	\$ 4,290	\$ 2,804	\$ 2,470	\$ 920	\$ 1,908	\$ 3,982	\$ 2,051	\$ 26,555
Benefits	1,338	1,067	717	600	210	827	1,954	877	7,590
Related I/C	2,505	1,593	1,102	2,005	545	1,875	3,277	1,322	14,224
<b>Total</b>	<b>\$ 11,973</b>	<b>\$ 6,950</b>	<b>\$ 4,623</b>	<b>\$ 5,075</b>	<b>\$ 1,675</b>	<b>\$ 4,610</b>	<b>\$ 9,213</b>	<b>\$ 4,250</b>	<b>\$ 48,369</b>

#### *Auditor Questions*

The auditor will review two primary elements for this component:

1. Claimed hours, and
2. The type of training provided

To support these costs, the city needs to provide training materials for each fiscal year that would support how this training related to the performance of the mandated activities. In addition, the city would need to identify which employees were new and whether they were the ones to receive one-time training that is allowable for reimbursement under this program. The auditor would also like to review time records for the training hours that were claimed.

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**Computer Software Costs**

*Reimbursement Criteria*

The parameters and guidelines allow reimbursement for computer software costs incurred for the maintenance of records on animals specified in Section IV (B) of the parameters and guidelines. If the computer software is utilized in some way that is not directly related to the maintenance of records specified in Section IV (B) 8, only pro rata portion that is used for compliance with this section is reimbursable.

*Claimed Costs*

The city claimed \$588,723 under the cost component of Computer Software for the audit period. Claimed costs primarily included amounts for computer equipment and supplies costs. In addition, claimed costs included hours for Senior Systems Analyst I position to maintain computer software for non-medical records. The following table summarizes claimed costs by fiscal year:

Comp Software	Fiscal Year								Totals
	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	
<b>Claimed Costs:</b>									
Salaries	\$ 1,593	\$ 4,193	\$ 3,707	\$ 4,387	\$ 28,339	\$ 21,286	\$ 22,396	\$ -	\$ 85,901
Benefits	262	1,044	948	1,066	6,487	9,236	10,989	-	30,032
Related I/C	491	1,557	1,457	3,560	16,797	20,918	18,430	-	63,210
Equipment	-	126,659	140,538	118,383	24,000	-	-	-	409,580
<b>Total</b>	<b>\$ 2,346</b>	<b>\$ 133,453</b>	<b>\$ 146,650</b>	<b>\$ 127,396</b>	<b>\$ 75,623</b>	<b>\$ 51,440</b>	<b>\$ 51,815</b>	<b>\$ -</b>	<b>\$ 588,723</b>

*Auditor Questions*

The auditor will review two primary elements for this component:

1. Computer equipment costs, and
2. Labor costs

Computer Equipment Costs

The auditor would like to receive invoices for costs claimed and documentation supporting how these costs related to the performance of the mandated activities.

Labor Costs

The auditor would like to review time records supporting costs claimed for Senior Systems Analyst position. The city also needs to identify activities involved in the maintenance of computer software and show how these activities related to the mandated program.

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## **Care and Maintenance Costs**

### *Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning July 1, 1999 for providing care and maintenance during the increased holding period for impounded stray or abandoned dogs and cats that die during the increased holding period or are ultimately euthanized. The increased holding period shall be measured by calculating the difference between the days from the day of capture and four or six business days from the day after impoundment.

The parameters and guidelines also allow reimbursement beginning on January 1, 1999 for providing care and maintenance for stray or abandoned animals (specified in Food and Agriculture Code Section 31753) that die during the increased holding period or are ultimately euthanized.

Eligible claimants are not entitled to reimbursement for the care and maintenance of the following population of animals:

- Stray or abandoned dogs, cats and other animals that are irremediably suffering from a serious illness or severe injury,
- Newborn stray or abandoned dogs, cats, and other animals that need maternal care and have been impounded without their mothers,
- Stray or abandoned dogs, cats and other animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal,
- Owner relinquished dogs, cats and other animals, and
- Stray or abandoned dogs, cats and other animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization.

Eligible claimants may elect one of the following two methods (Actual Cost Method or Time Study Method) to claim costs for the care and maintenance of impounded stray or abandoned dogs, cats and other animals that die during the increased holding period or are ultimately euthanized. The city and county did not perform a time study and elected to use the actual cost method to claim these costs.

Under the actual cost method, actual reimbursable care and maintenance costs per animal per day are computed for an annual claim period, as follows:

1. Determine the total annual cost of care and maintenance for all dogs, cats and other animals impounded at a facility. Total cost of care and maintenance includes labor, materials, supplies, indirect costs, and contract services.

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2. Determine the average daily census of all dogs, cats and other animals. For purposes of claiming reimbursement under IV.B.3, average daily census is defined as the average number of all dogs and cats at a facility housed on any given day, in 365-day period and the average number of all other animals at a facility housed on any given day, in a 365-day period.
3. Multiply the average daily census of dogs, cats and other animals by 365 to calculate the yearly census of dogs and cats and the yearly census of other animals.
4. Divide the total annual cost of care by the yearly census of dogs and cats to calculate cost per dog and cat per day and yearly census of other animals = cost per other animal per day.
5. Multiply the cost per animal per day, by the number of impounded stay or abandoned dogs, cats and other animals that die during the increase holding period or are ultimately euthanized by each reimbursable day. The reimbursable day for cats and dogs is the difference between three days from the day of capture, and four or six business days from the day after impoundment.

*Care and Maintenance Formula*

The parameters and guidelines provide for a formula-driven methodology to determine allowable mandated costs for the care and maintenance of dogs and cats and other animals. The use of this method requires claimants to calculate the total amount of eligible costs incurred to provide care and maintenance for the animals housed in its shelter. This total is divided by the annual census of animals housed in the shelter to determine a cost per animal per day. The next element of the formula is adding the number of stray and abandoned animals that died of natural causes during the holding period plus those animals that were euthanized after the required holding period. This total number of animals is then multiplied by the cost per animal per day. The resulting amount represents allowable costs for providing care and maintenance.

What the mandate is reimbursing claimants are costs associated with animals that were not relinquished, redeemed, adopted, or released to a nonprofit agency; animals for which the local agency was unable to assess fees to recover such costs.

*Claimed Costs*

The city claimed \$3,110,161 under the cost component of Care and Maintenance for the audit period. The city followed the care and maintenance formula identified in the parameters and guidelines to prepare and calculate claimed costs. The following table summarizes claimed costs by fiscal year.



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	Fiscal Year								
Care and Maintenance	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Total
<b>Claimed Costs for Dogs and Cats:</b>									
Annual Costs	\$ 3,398,931	\$ 4,304,979	\$ 4,890,106	\$ 6,899,953	\$ 6,257,289	\$10,487,509	\$11,585,706	\$12,856,179	
Annual Census	258,420	258,420	322,295	272,290	449,730	509,248	655,576	799,326	
Cost per animal per day	13.12	16.66	15.17	25.34	13.91	20.59	17.67	16.08	
Claimed Dogs and cats	7,103	17,328	15,278	13,538	10,484	5,930	5,486	6,036	
Increased days	2	2	2	2	2	2	2	2	
<b>Total Allowable Costs:</b>	<b>\$ 186,383</b>	<b>\$ 577,369</b>	<b>\$ 463,535</b>	<b>\$ 686,106</b>	<b>\$ 291,737</b>	<b>\$ 244,197</b>	<b>\$ 193,875</b>	<b>\$ 194,118</b>	<b>\$2,837,320</b>
<b>Claimed Costs for Other Animals:</b>									
Annual Costs	\$ 3,398,931	\$ 4,304,979	\$ 4,890,106	\$ 6,899,953	\$ 6,257,289	\$10,487,509	\$11,585,706	\$12,856,179	
Annual Census	258,420	258,420	322,295	272,290	449,730	509,248	655,576	799,326	
Cost per animal per day	13.12	16.66	15.17	25.34	13.91	20.59	17.67	16.08	
Claimed Other Animals	105	607	216	209	216	452	1,402	688	
Increased days	4	4	4	4	4	4	4	4	
<b>Total Allowable Costs:</b>	<b>\$ 5,510</b>	<b>\$ 40,450</b>	<b>\$ 13,107</b>	<b>\$ 21,184</b>	<b>\$ 12,018</b>	<b>\$ 37,227</b>	<b>\$ 99,093</b>	<b>\$ 44,252</b>	<b>\$ 272,841</b>
<b>Total Claimed</b>	<b>\$ 191,893</b>	<b>\$ 617,819</b>	<b>\$ 476,642</b>	<b>\$ 707,290</b>	<b>\$ 303,755</b>	<b>\$ 281,424</b>	<b>\$ 292,968</b>	<b>\$ 238,370</b>	<b>\$3,110,161</b>

**Auditor Questions**

The auditor will review three primary elements for this component:

1. Portion of the city's expenditures that relate to care and maintenance of dogs and cats and other animals,
2. Annual animal census of all animals, and
3. Eligible animal populations identified in the parameters and guidelines that can be claimed for reimbursement

**Expenditures Related to Care and Maintenance (Labor and Materials and Supplies Costs):**

The auditor needs to identify what portion of the city's expenditures was related to care and maintenance of animals. Such expenditures would include labor costs and materials and supplies costs that the city incurred for the performance of care and maintenance activities.

**Labor Costs:**

The city will need to provide a list of personnel (by classification) that participated in the care and maintenance functions. The city also needs to provide information relating to the involvement level of each classification. Another words, what portion of time each classification designates to care and maintenance function as opposed to other job duties not related to this component.

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Materials and Supplies Costs:

The city will need to identify which materials and supplies costs related to the care and maintenance function. Furthermore, the city will need to submit documentation supporting these expenditure amounts for each of the fiscal years.

Animal Census Data

The auditor will need to work closely with the city's staff to analyze animal census information from the Chameleon tracking system for all fiscal years. The yearly census refers to the total number of days that all animals were housed in the shelter.

Eligible Animal Population

The eligible animal population for dogs and cats and other animals will be determined by manipulating the Chameleon data and taking into account all exclusions as per the requirement of the mandated program. The auditor will work with the city's staff to retrieve this information.

Increased Holding Period Days

Our calculations of allowable costs will take into consideration that the required holding period does not include Saturday as a business day. This is consistent with the Appellate Court decision dated March 26, 2010, in the case of *Purifoy v. Howell*.

*Formula Summarized*

<b>Care and Maintenance Formula for Dogs and Cats</b>			
<b>Cost per animal per day</b>	<b>X</b>	<b>Eligible dogs and cats</b>	<b>X</b>
		(died days 4,5,6)	
		(euth days 7 and on)	
<b>Care and Maintenance Formula for Other Animals</b>			
<b>Cost per animal per day</b>	<b>X</b>	<b>Eligible Animals</b>	<b>X</b>
		(died days 2,3,4,5,6)	
		(euth days 7 and on)	

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**Holding Period Costs**

*Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning January 1, 1999, for the impounded animals specified in Food and Agriculture Code section 31753 ("other animals"), for either:

1. Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
2. For those local agencies with fewer than three full time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owner to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999, the parameters and guidelines allow reimbursement for impounded dogs and cats, for either:

- (1) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- (2) For those local agencies with fewer than three full – time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

*Claimed Costs*

The city claimed \$5,635,203 under the cost component of Increased Holding Period for the audit period. The claimed costs included labor costs for various shelter staff for each of the city's shelters. The following table summarizes claimed costs by fiscal year:

	Fiscal Year								
Holding Period	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Claimed Costs:</b>									
Salaries	\$ 289,509	\$ 603,815	\$ 624,587	\$ 647,704	\$ 98,200	\$ 172,106	\$ 369,095	\$ 205,634	\$ 3,010,650
Benefits	47,682	150,290	159,644	157,456	17,585	74,677	181,114	87,867	876,315
Related I/C	89,227	224,197	245,525	525,677	58,203	169,129	303,728	132,552	1,748,238
<b>Total</b>	<b>\$ 426,418</b>	<b>\$ 978,302</b>	<b>\$ 1,029,756</b>	<b>\$ 1,330,837</b>	<b>\$ 173,988</b>	<b>\$ 415,912</b>	<b>\$ 853,937</b>	<b>\$ 426,053</b>	<b>\$ 5,635,203</b>

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*Auditor Questions*

The auditor will review two primary elements for this component:

1. Hours of operation for each of the city's shelters, and
2. Staffing requirements for each of the shelters

Hours of Operation

The city needs to provide documentation that identifies each shelter's hours of operation. Depending on the hours that each shelter is open to the public, the auditor will determine whether each shelter makes animals available for owner redemption or adoption on either of the weekend days or one weeknight till 7 p.m.

Staffing Requirements

For agencies using the holding period of four business days after the day of impoundment, we needed to determine the additional costs incurred to have the impounded animals available for owner redemption or adoption. In order to determine the additional staffing requirements, the auditor will inquire about the number of employees and classifications of staff working when the shelter is closed to the public and the staffing needed to comply with the mandate and stay open during the increased hours.

When the shelter is closed to the public, animals must still be cared for and fed. Usually, most of the staff whose duties include caring for animals would be at the shelters regardless of whether the shelters were open to the public or not. Therefore, since the main duties of these employees are to care and maintain animals, these positions are generally not reimbursable for this cost component.

However, some positions will be in fact reimbursable under this component depending on the duties of staff whose positions directly relate to the purpose of this component to make animals available for owner redemption or adoption. The city will need to provide a listing of such positions that would be eligible for reimbursement under this component.

**Lost and Found Lists Costs**

*Reimbursement Criteria*

The program's parameters and guidelines allow reimbursement, beginning January 1, 1999, for providing owners of lost animals and those who find lost animals with all of the following:

1. Ability to list the animals they have lost or found on "lost and found" lists maintained by the agency;
2. Referrals to animals listed that may be the animals the owner or finders have lost or found;
3. The telephone numbers and addresses of other pounds and shelters in the same vicinity;
4. Advice as to means of publishing and disseminating information regarding lost animals; and

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5. The telephone numbers and addresses of volunteer groups that may be of assistance in locating lost animals.

*Claimed Costs*

The city claimed \$277,342 under the cost component of Lost and Found Lists for the audit period. For the first four years of the audit period, FY's 1998-99 through 2001-02, the city claimed hours for 6 clerk typists. Specifically, the city claimed 1 hour per day for each of the 6 clerk typists in each fiscal year. Furthermore, in FY 2001-02 claim, the city included additional hours to develop a web site for posting lost and found animals and claimed additional materials and supplies costs for the purchase and installation of this website. For the last four years for the audit period, FY's 2002-03 and 2005-06 through 2007-08, the city revised its claiming methodology and included only 11 minutes per day for each of the 6 clerk typists in every year.

The following table summarizes claimed costs by fiscal year:

Lost and Found	Fiscal Year								Totals
	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	
<b>Claimed Costs:</b>									
Salaries	\$ 10,865	\$ 20,966	\$ 24,190	\$ 43,866	\$ 7,626	\$ 8,534	\$ 8,731	\$ 8,552	\$ 133,330
Benefits	1,790	5,219	6,183	10,664	1,745	3,703	4,285	3,654	37,243
Related I/C	3,349	7,785	9,509	35,602	4,520	8,386	7,185	5,513	81,849
Mater & Suppl	-	-	-	24,920	-	-	-	-	24,920
<b>Total</b>	<b>\$ 16,004</b>	<b>\$ 33,970</b>	<b>\$ 39,882</b>	<b>\$ 115,052</b>	<b>\$ 13,891</b>	<b>\$ 20,623</b>	<b>\$ 20,201</b>	<b>\$ 17,719</b>	<b>\$ 277,342</b>

*Auditor Questions*

The auditor will review two primary elements for this component:

1. Time records, and
2. Costs for materials and supplies

Time Records

The auditor would like to review time records supporting costs claimed for Clerk Typist position. If the city performed a time study for this component, the auditor will need to review the time study documentation. The city also needs to identify activities involved in the maintenance of computer software and show how these activities related to the mandated program.

Materials and Supplies Costs

The auditor would like to see invoices for costs claimed and documentation supporting how these costs related to the performance of the mandated activities.

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**Non-Medical Records Costs**

*Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning January 1, 1999, for maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

1. The date the animal was taken up, euthanized, or impounded;
2. The circumstances under which the animal is taken up, euthanized, or impounded;
3. The names of the personnel who took up, euthanized, or impounded the animal; and
4. The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

*Claimed Costs*

The city claimed \$647,632 under the cost component of Non-Medical Records for the audit period. For the first three years of the audit period, FY's 1998-99 through 2000-01, the city claimed hours for a Veterinary Assistant to input non-medical information on each animal. Specifically, the city claimed 20 minutes per each record in each fiscal year. Starting in FY 2001-02 till the end of the audit period in FY 2007-08, the city revised its claiming methodology and started claiming 5 minutes per each record for the Animal Care Technicians to input non-medical records in every year. Lastly, in the last year of the audit period FY 2007-08, the city also included time for the Sr. Systems Analyst I to maintain animal information systems and the department's website.

The following table summarizes claimed costs by fiscal year:

Non-Med Rec	Fiscal Year								Totals
	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	
<b>Claimed Costs:</b>									
Salaries	\$ 40,556	\$ 112,512	\$ 100,982	\$ 21,490	\$ 19,465	\$ 21,437	\$ 14,001	\$ 36,347	\$ 366,790
Benefits	6,680	28,004	25,811	5,224	4,456	9,301	6,870	15,531	101,877
Related I/C	12,499	41,776	39,696	17,441	11,537	21,066	11,521	23,429	178,965
<b>Total</b>	<b>\$ 59,735</b>	<b>\$ 182,292</b>	<b>\$ 166,489</b>	<b>\$ 44,155</b>	<b>\$ 35,458</b>	<b>\$ 51,804</b>	<b>\$ 32,392</b>	<b>\$ 75,307</b>	<b>\$ 647,632</b>

*Auditor Questions*

The auditor will review two primary elements for this component:

1. Time increments claimed for each record, and
2. Number of eligible records

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Time Records:

The auditor would like to review time records supporting costs claimed for Veterinary Assistant and Animal Care Technician positions. If the city performed a time study for this component, the auditor will need to review the time study documentation. The city also needs to identify activities involved in the maintenance of non-medical records and show how these activities related to the mandated program.

In addition, the auditor would like to review documentation supporting hours claimed for the Sr. Systems Analyst in FY 2007-08.

Eligible Records:

Eligible records usually include any non-medical record that was created for any animal throughout the audit period. The auditor will be able to retrieve this information from the Chameleon database by checking the number of eligible animals that came into the city's shelters in each fiscal year.

## **Necessary and Prompt Veterinary Care Costs**

### *Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning January 1, 1999, for providing "necessary and prompt veterinary care" for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period (through day 6) or are ultimately euthanized (after day 7) during the holding periods specified in Statutes of 1998, Chapter 752.

"Necessary and prompt veterinary care" means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals "adoptable." The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal's baseline health status and classification as "adoptable," "treatable," or "non-rehabilitatable."
- A wellness vaccine administered to "treatable" or "adoptable" animals.
- Veterinary care to stabilize and or relieve the suffering of a "treatable" animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a "treatable" animal or that is likely to adversely affect the animal's health in the future, until the animal becomes "adoptable."

Eligible claimants are not entitled to reimbursement for providing "necessary and prompt veterinary care" to the following population of animals:

**City of Los Angeles**  
**Legislatively Mandated Animal Adoption Program**  
 Fiscal Years 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
 Audit ID # S09-MCC-055  
 Preliminary Overview of Components and Claimed Costs

- Animals that are irremediably suffering from a serious illness or severe injury,
- Newborn animals that need maternal care and have been impounded without their mothers,
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal,
- Owner relinquished animals, and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization

Eligible claimants are not entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs,
- Administration of rabies vaccinations to dogs,
- Implantation of microchip identification,
- Spay or neuter surgery and treatment, and
- Euthanasia

*Claimed Costs*

The city claimed \$3,004,399 under the cost component of Prompt and Necessary Veterinary Care for the audit period.

For the FY 1998-99, the city claimed 3% of the operating costs and included this amount under the component of Veterinary Care. For the FY's 1999-2000 through 2000-01, the city employed a similar methodology and allocated a portion of costs to provide treatments for the animals. Starting in FY 2001-02 through FY 2006-07, the city started claiming hours for a Veterinarian and a Veterinary Technician positions as well as costs for animal medical supplies. Specifically, the hours claimed included an average time to provide treatments to the animals. The city claimed 12 minutes per treatment in FY's 2001-02 through 2006-07. And lastly, for FY 2007-08, the city claimed costs based on the unit cost calculated for each animal treatment.

The following table summarizes claimed costs by fiscal year:

Vet Care	Fiscal Year								
	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Claimed Costs:</b>									
Salaries	\$ -	\$ -	\$ -	\$ 144,598	\$ 116,679	\$ 262,640	\$ 212,421	\$ 297,827	\$ 1,034,165
Benefits	-	-	-	35,152	26,708	-	-	-	61,860
Related I/C	-	-	-	117,356	69,156	258,096	174,801	191,979	811,388
Mater & Suppl	50,984	129,149	308,004	65,114	83,002	117,278	178,953	164,502	1,096,986
<b>Total</b>	<b>\$ 50,984</b>	<b>\$ 129,149</b>	<b>\$ 308,004</b>	<b>\$ 362,220</b>	<b>\$ 295,545</b>	<b>\$ 638,014</b>	<b>\$ 566,175</b>	<b>\$ 654,308</b>	<b>\$ 3,004,399</b>



**City of Los Angeles**  
**Legislatively Mandated Animal Adoption Program**  
Fiscal Years 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
Audit ID # S09-MCC-055  
Preliminary Overview of Components and Claimed Costs

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*Auditor Questions*

The auditor will review five primary elements for this component:

1. Claimed hours and methodology to arrive at average time increments claimed;
2. Types of medical procedures performed on animals and included in the claims;
3. Which animal populations received these treatments;
4. Animal medical supplies costs; and
5. Methodology to calculate unit cost in the last FY

Time Records:

The auditor would like to review time records supporting costs claimed for the Veterinarian and Veterinarian Technician positions. If the city performed a time study for this component, the auditor will need to review the time study documentation.

Medical Procedures

The auditor would like to review documentation identifying the types of medical procedures that were included in the claims. Specifically, the auditor will need to ensure that claimed medical treatments were in fact reimbursable under this program.

Population of Eligible Animals

As per the requirements of this program, not all animal populations that received medical treatments are eligible for reimbursement under this component. The auditor will review the eligible animal population for dogs and cats and other animals by manipulating the Chameleon data and taking into account all exclusions as per the requirement of the mandated program. The auditor will work with the city's staff to retrieve this information.

Animal Medical Supplies Costs

The auditor would like to see invoices for costs claimed and documentation supporting how these costs related to the performance of the mandated activities within this component.

Unit Costs

The auditor would like to review the documentation identifying city's methodology in calculating unit costs included in FY 2007-08 claim. Specifically, the city claimed two unit costs, \$9.70 and \$5.99 per treatment. The auditor would like to review how these costs were calculated.

**City of Los Angeles**  
**Legislatively Mandated Animal Adoption Program**  
Fiscal Years 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
Audit ID # S09-MCC-055  
Preliminary Overview of Components and Claimed Costs

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## **Procuring Equipment Costs**

### *Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning January 1, 1999, for procuring medical, kennel, and computer equipment necessary to comply with the reimbursable activities listed in Section IV (B) of the parameters and guidelines to the extent that these costs are not claimed as an indirect cost under Section V (B) of the parameters and guidelines. If the medical, kennel, and computer equipment utilized in some way not directly related to the mandated program or the population of animals listed in Section IV (B), only pro rata portion of the activity that is used for the purpose of the mandated program is reimbursable.

### *Claimed Costs*

The city claimed \$78,179 under the cost component of Procuring Equipment in FY 2002-03. Claimed costs consisted of hardware and software expenditures in FY 2002-03.

### *Auditor Questions*

The auditor would like to see invoices for costs claimed and documentation supporting how these costs related to the performance of the mandated activities.

## **Fringe Benefit Rates and Indirect Cost Rates**

It appears from the claims that the city claimed fringe benefit rates and indirect cost rates that were specified in the city's annual Cost Allocation Plans. The auditor would like to receive a copy of the city's Cost Allocation Plan for each of the fiscal years within the audit period.

## **Productive Hourly Rates**

The auditor would like to review the city's methodology to calculate the staff's productive hourly rates that were used in the claims. Specifically, the auditor will inquire about two key elements:

1. Productive hours used in the calculations (1,800 or other); and
2. Salary base for each employee classification included in the claims

**From:** Vorobyova, Mariya  
**Sent:** Monday, July 26, 2010 04:07 PM  
**To:** 'linda.barth@lacity.org'; 'John.Forland@lacity.org'; 'rpool@ani.lacity.org';  
'DaraBall@lacity.org'  
**Cc:** Venneman, Jim  
**Subject:** LA city Animal Adoption audit, first week of fieldwork status meeting overview  
**Attachments:** LA AA Status Meeting - 7-22-10.docx [ 5 pages ]

Linda and John

As we discussed last week, we had a productive week on the field and obtained a lot of useful information while in your office. Every person we've talked to last week was very helpful. We appreciate everyone's time and input with this audit.

I am sending a little write up from last week that summarizes topics discussed during our status meeting on 07/22/10. We accomplished a lot, but we still have a lot to work on in the weeks ahead of us. For now, I will focus on reviewing the animal census data I received from Dara. I will also focus on reviewing the extensive time study that was provided to us before we left. Once I have a better understanding of both items, I will be able to assess once again what else is still needed to complete the audit.

I believe we all left a meeting last week with a pretty good understanding of what has been accomplished and what still remains for our review. I am looking forward to receiving requested documents in the upcoming few weeks. Once again, I am attaching an overview of last week's meeting. Please let me know if you have any questions.

Thank you all for your time and input!

***Masha Vorobyova***

Audit Specialist  
State Controller's Office  
Division of Audits / Mandated Cost Bureau  
(916) 323-4940 - Office I (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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A discussion was held to update Animal Department management concerning the results of our testing this week, what information is still needed to properly analyze allowable costs, as well as various issues involving the mandate program. In attendance were Linda Barth and John Forland, representing the L.A. Animal Services Department and Jim Venneman and Masha Vorobyova, representing SCO.

### Training

This component needs additional analysis. The department's training coordinator, Kathy Mooney, has retired and individual shelter managers provided vague information as a result. We were able to obtain an Animal Care Technician training schedule that was conducted for a group of new employees over the two-week period of 5/21/07 through 6/1/07. This schedule relates to the Chameleon system training. We need to determine whether the claims included this training or possibly another one and what training agenda was typical of all training received by new ACTs during the audit period.

Shelter managers also confirmed that their staff received additional training for Chameleon whenever system upgrades occurred. This activity would also be reimbursable.

### *Documentation needed*

- Since one-time training is allowable for new employees, we need the hire dates for all employees during the audit period.
- Costs will be allowable to the extent that the training materials relate to the mandated program and the mandated activities.
- If formal training was conducted for system upgrades, documentation is needed as to when training occurred, how long training occurred, and the employees in attendance.

### *Latest update as of Monday, July 26, 2010*

The city provided a training agenda this morning that relates to all newly hired employees. At this time we still need to review the hire dates for new employees so that we can determine how many employees the city can claim for reimbursement for this component.

### Computer Software

The city claimed variety of costs for computer hardware and supplies for the purposes to launch Chameleon software for all the shelters. The department was able to show documents that summarized computer expenses during FY's 1999-2000 through 2001-02. We noted that the totals of these invoices were higher than the amounts claimed. Ross Pool advised the auditors that he will perform an analysis of the invoices and advise us as to what costs were included in the city's claims. At this time, we have not received copies of documentation for this component.

In addition, we determined that the city only claimed the \$24,000 annual cost for Chameleon licensing fees in one year of the audit period (FY 2002-03). This is an allowable cost to the extent that the software is used for mandated activities.

#### *Needed*

The city needs to let us know the applicable percentage that the Chameleon system is used for mandated activities. This determination would take into account various modules that are not related to the mandate (such as animal licensing, processing of revenues and fees, etc.).

In addition, the city will need to provide a copy of the contract relating to the Chameleon software installation and licensing fees.

And lastly, once Ross Pool performs his analysis, the city would need to provide documents supporting the amounts for computer hardware costs.

### Care and Maintenance

We advised department management that we were able to obtain adequate animal data for auditing purposes. Dara was instrumental in providing the database information needed. Dara extracted animal data that was set up using the intake date as the starting point in each fiscal year. Obvious data entry errors were detected and corrected. We determined that the animal census data and the number of eligible animals used in the city's claims were reasonably close to the audited amounts. After our preliminary review, we concluded that the annual animal census amounts were slightly understated while the numbers of eligible animals were slightly overstated. The auditor will need review the animal data more closely in order to provide the final audited numbers.

At this time, we were unable to obtain the amounts for the actual annual cost information related to care and maintenance of animals. This annual cost information will be used in the care and maintenance formula to calculate allowable costs for this component.

*Needed*

- Actual cost documentation for operation of the city's animal shelters that appears in the city's expenditure ledgers, by object code or name
- Since object account 6020 was used for shelter supplies, we would like the city to provide a listing of the types of expenses that are recorded within this account.
- We were able to obtain the number of Animal Care Technicians, Animal Care Technician Supervisors, Animal Control Officers I & II, Clerk Typists, Senior Clerk Typists, Senior Systems Analysts I & II, Training Officer, Veterinarian, and Registered Veterinary Technicians employed and the amounts paid for labor for FYs 2005-06 through 2007-08. We were advised that salary information for these employees is not available for years prior to 2005-06. We can utilize a consumer price index to deflate the amounts paid for labor in prior years. Department management advised that they will provide a head-count of the number of employees within each classification for FYs 1998-99 through 2002-03.
- Job description for Animal Care Technicians
- The department needs to advise us as to the percentage of time that Animal Care Technicians spend only on the activity of animal care and maintenance. This would primarily include feeding and cleaning.

Holding Period

We determined that this will be the cost component with the biggest negative audit finding because costs were claimed for all employees working in the shelters on Saturdays versus only those additional employees that were required to work with the public. Based on our review of shelter operations, additional employees required would include 1-2 additional ACTs (except South L.A. – which needed 4-5), all clerical staff, and either one OIC (FYs 1998-99 through 2006-07) or one ACT Supervisor (FY 2007-08).

*Needed*

We need the July, 2010 employee schedule for ACTs and Clerks for the West Valley and Harbor shelters.

### Lost and Found Lists

The city provided hard copies of time study data just after our meeting concluded. We need to sort through this data to determine what part, if any, relates to this cost component. We will perform all applicable analysis and discuss the initial results with department management.

### Non-Medical Records

This cost component will contain the biggest positive audit finding for the city. That is because the city seriously under-claimed the number of records processed in each year of the audit period. Based on our discussions with Dara, we already know the number of records processed each year. Based on our review of shelter operations, we determined that the employee classifications of ACO, ACT, and Clerk Typists are all involved in the processing of non-medical records.

The city provided hard copies of time study data just after our meeting concluded. We will need to sort through this data to determine what part, if any, relates to this cost component. We will perform all applicable analysis and discuss the initial results with department management.

### *Needed*

We would like to obtain a copy of the city's policy and procedure that documents the outcome processing of animals.

### Necessary and Prompt Veterinary Care

The city provided hard copies of time study data just after our meeting concluded. We will need to sort through this data to determine what part, if any, relates to this cost component. We will perform all applicable analysis and discuss the initial results with department management.

We know that reimbursable medical treatments were provided to animals. Linda agreed to work with Dara to see if information is obtainable from Chameleon that will document eligible treatments performed on eligible animals during the required holding period.

We also discussed that two repetitive activities that are reimbursable include the initial physical exam and the administering of wellness vaccines. We still need to determine whether the time studies provided include information relating to time increments per each activity or whether another time study might be needed.

*Needed*

We obtained a copy of Policy and Procedure "Med 8" which describes the types of vaccines administered to animals depending on their age. The administration of a "wellness vaccine" is reimbursable (only rabies vaccines administered to dogs are excluded). While the time study should show the amount of time required to administer vaccines, we will also need to obtain documentation supporting the cost of the vaccines.

Construction of New Facilities/Remodeling of Existing Facilities

Our review of animal shelters confirmed that new shelters were constructed and opened in 2007. One existing shelter was expanded in 2007. We also noted that city voters approved Proposition F in 2000. Proposition F provided for the sale of bonds, the proceeds of which were used to construct fire stations and animal shelters.

*Needed*

- The documentation required by the mandate from the applicable governing board. This documentation basically confirms that new facilities were required in order to comply with the Hayden Bill. The specific documentation required is clearly spelled out in the parameters and guidelines. If the required documentation is provided, we will also need:
  - Documented construction expenditures incurred for each shelter. This would include all costs related to construction (e.g. - planning, land acquisition, labor, contract services, & materials and supplies).

Miscellaneous

After we return to our office, we will provide .pdf versions of both parameters and guidelines (adopted February 28, 2002 and amended version adopted January 26, 2006).

We will also prepare an analysis of the increased holding period required by the Hayden Bill that is specific to the hours of operation of the city's shelters. We will provide two versions – one that includes Saturday as a business day and one that excludes Saturday as a business day.



**From:** Vorobyova, Mariya  
**Sent:** Monday, July 26, 2010 04:13 PM  
**To:** 'linda.barth@lacity.org'  
**Cc:** Venneman, Jim  
**Subject:** Animal Adoption program criteria  
**Attachments:** 1\_26\_06 Parameters & Guidelines (Effective FY's 2005\_06 - 2007\_08).pdf;  
2\_28\_02 Parameters & Guidelines (Effective FY's 1998\_99 - 2004\_05).pdf

Linda

As promised, I am sending you the copies of both versions of the Parameters and Guidelines for this program. I am also including the Commission's Statement of Decision. This document provides some additional clarity on some of the components and the decision process the Commission went through with this program.

I still owe you the payment history for the audit period. I will provide it to you next week. Our support staff, who has access to these reports, is out on vacation this week. So stay tuned to your payment reports later.

Also, I still have to forward you our analysis for the increased holding period days that pertains to the specific schedule of your agency's shelters. I will be able to send it to you later this week.

Thanks,

***Masha Vorobyova***

Audit Specialist

State Controller's Office

Division of Audits / Mandated Cost Bureau

(916) 323-4940 - Office | (916) 324-7223 - Fax

[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Vorobyova, Mariya  
**Sent:** Monday, August 02, 2010 11:26 AM  
**To:** 'linda.barth@lacity.org'  
**Cc:** Venneman, Jim  
**Subject:** City of LA Animal Adoption program payment information  
**Attachments:** Payment Summary.xlsx

Hi Linda

I was able to get the payment information for your this morning. The attached spreadsheet summarizes claimed amounts and payment amounts for the audit period. Please let me know if you have questions about it.

I will send the holding days analysis to you later today as well.

Thanks,

***Masha Vorobyova***

Audit Specialist  
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**From:** Vorobyova, Mariya  
**Sent:** Monday, August 02, 2010 03:24 PM  
**To:** 'Linda Barth'  
**Cc:** Venneman, Jim  
**Subject:** Increased holding days, non Saturdays  
**Attachments:** Holding Period Analysis - Non Saturdays.xlsx

Hi Linda

I am sending you my very informal analysis on the holding period days and the difference between the old law of 72 hours and the new law of 4 "business" days after the day of impoundment. Let me know if you have questions.

Thanks,

***Masha Vorobyova***  
Audit Specialist  
State Controller's Office  
Division of Audits / Mandated Cost Bureau  
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**From:** Vorobyova, Mariya  
**Sent:** Monday, August 09, 2010 01:05 PM  
**To:** 'David Puga'  
**Cc:** Pool, Ross; John Forland; Venneman, Jim  
**Subject:** RE: Work schedule's

Hello

We're in the process of reviewing the work schedules for all animal shelters to determine the Increased Holding Period positions. It turns out that the West Valley clerical staff schedule was for the 1<sup>st</sup> week of August. Could we please have the Clerical schedule for the month of July for the West Valley shelter to make things more consistent.

Thank you,

**Masha Vorobyova**  
Audit Specialist  
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**From:** David Puga [<mailto:david.puga@lacity.org>]  
**Sent:** Thursday, July 29, 2010 08:38 AM  
**To:** Venneman, Jim  
**Cc:** Vorobyova, Mariya; Pool, Ross; John Forland  
**Subject:** Work schedule's

Hello Jim,

Attached are the work schedule's for Harbor and West Valley.

Thank you,

David Puga

**From:** Vorobyova, Mariya  
**Sent:** Wednesday, August 25, 2010 02:52 PM  
**To:** 'John Forland'  
**Cc:** Venneman, Jim; 'Linda Barth'  
**Subject:** RE: State Audit Revised information

Thank you for your response and revised documents. I will review them shortly. I will be out on vacation from Sept 1<sup>st</sup> till 10<sup>th</sup> and will continue working on this audit upon my return. Also, we're in the process of moving to a new office location, so I will be tied up in the mid September. However, for the planning purposes, keep in mind that I might be ready to come back for another week of fieldwork in late September. I will give you a call to schedule.

Thanks,

*Masha Vorobyova*  
 Audit Specialist  
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 Division of Audits / Mandated Cost Bureau  
 (916) 323-4940 - Office | (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** John Forland [<mailto:john.forland@lacity.org>]  
**Sent:** Wednesday, August 25, 2010 12:48 PM  
**To:** Vorobyova, Mariya  
**Subject:** Fwd: State Audit Revised information

Masha, Attached for your review. My apologies for the delay in responding. It has been very busy here, but I believe it will slow down for a time now. Let me know what else you need. Thank you.  
 John

----- Forwarded message -----  
**From:** Irene Castillo <[irene.castillo@lacity.org](mailto:irene.castillo@lacity.org)>  
**Date:** Wed, Aug 18, 2010 at 1:13 PM  
**Subject:** State Audit Revised information  
**To:** [John.Forland@lacity.org](mailto:John.Forland@lacity.org)

The original reports included retro pay, excess sick leave pay and cash overtime payments. The FTEs have been changed on the summary report to reflect the authorized number of positions granted per fiscal year.

--  
 Irene Castillo  
 Payroll Supervisor I  
 Department of Animal Services

221 N. Figueroa Street, 5th Floor

Los Angeles, CA 90012

Mail Stop 105

Phone: (213) 482-9521

Fax: (213) 482-9511

**From:** Vorobyova, Mariya  
**Sent:** Tuesday, October 12, 2010 02:21 PM  
**To:** 'Linda Barth'  
**Cc:** Venneman, Jim  
**Subject:** City of Los Angeles Animal Adoption, 2nd week of fieldwork

Hi Linda

Just wanted to confirm my upcoming visit next week. I will be arriving some time after lunch on Monday, October 18<sup>th</sup>, and will be staying at your office through Thursday, October 21<sup>st</sup>.

Here is a brief recap of what documents I still need to complete our audit:

1. **Training:** At this time we still need to review the hire dates for new employees so that we can determine how many employees the city can claim for reimbursement for this component.
2. **Computer Software and Hardware costs:**
  - The city needs to let us know the applicable percentage that the Chameleon system is used for mandated activities. This determination would take into account various modules that are not related to the mandate (such as animal licensing, processing of revenues and fees, etc.).
  - The city also needs to provide a copy of the contract relating to the Chameleon software installation and licensing fees.
  - And lastly, as city suggested during the first week of fieldwork, the city needs to compile invoices and documents relating to computer hardware costs included in the claims.
3. **Care and Maintenance of Dogs and Cats and Other Animals:**
  - Actual cost documentation for operation of the city's animal shelters that appears in the city's expenditure ledgers, by object code or name.
  - Since object account 6020 was used for shelter supplies, we would like the city to provide a listing of the types of expenses that are recorded within this account.
  - We were able to obtain the number of Animal Care Technicians, Animal Care Technician Supervisors, Animal Control Officers I & II, Clerk Typists, Senior Clerk Typists, Senior Systems Analysts I & II, Training Officer, Veterinarian, and Registered Veterinary Technicians employed and the amounts paid for labor for FYs 2005-06 through 2007-08. We were advised that salary information for these employees is not available for years prior to 2005-06. We can utilize a consumer price index to deflate the amounts paid for labor in prior years. Department management advised that they will provide a head-count of the number of employees within each classification for FYs 1998-99 through 2002-03.
  - Job description for Animal Care Technicians
  - The department needs to advise us as to the percentage of time that Animal Care Technicians spend only on the activity of animal care and maintenance. This would primarily include feeding and cleaning.
4. **Lost and Found Lists:**
  - The city needs to provide records to support claimed hours and costs for the development of the web site for purposes of posting lost and found lists. These costs were claimed in FY 2001-02.
  - Clarification question: After the web site was created, is there any human interaction or labor involved in posting the lost and found lists?
5. **Vet Care:**

- As discussed over the phone, the initial review of the city's time study revealed that claimed vet care activities included emergency procedures that aren't eligible for reimbursement. The auditor suggested to conduct a time study that would focus on two repetitive reimbursable activities of performing initial physical examinations of animals as well as administering of wellness vaccines. The city needs to perform this time study and provide the results in order to receive reimbursement for this cost component.
- If the city has any additional invoices for the purchase of vaccines, the auditor will be glad to review them.

Let me know if I can provide more clarity to the list of requested documents. We discussed most of these during our status meeting on July 22<sup>nd</sup>, 2010. I am looking forward to working with you next week. I'll have a preliminary update ready by then with calculations for Holding Period and Non-Medical Records.

Thank you!

*Masha Vorobyova*  
Audit Specialist  
State Controller's Office  
Division of Audits / Mandated Cost Bureau  
(916) 323-4940 - Office | (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Vorobyova, Mariya  
**Sent:** Monday, October 25, 2010 03:23 PM  
**To:** 'Linda Barth'; 'John Forland'; 'Dara Ball'  
**Cc:** Venneman, Jim  
**Subject:** City of Los Angeles Animal Adoption updates  
**Attachments:** LA AA Status E-mail - 10-25-10.docx; LA AA Status Meeting - 10-19-10.docx  
[4 pages] [11 pages]

Hello everyone

I wanted to say thank you for everyone's assistance during the 2<sup>nd</sup> week of fieldwork that took place on October 18<sup>th</sup> through October 21<sup>st</sup>, 2010. I am sending for your review the electronic copy of the handout I provided to all of you during our status meeting on October 19<sup>th</sup>, summarizing the preliminary findings we have so far. I am also including a brief update that I prepared at the end of last week, summarizing what we were able to accomplish last week and what is still outstanding.

Please let me know if you have any questions. If the department is able to provide the rest of the documents within the next week or two, we'll be ready to hold an exit conference sometime in December.

Once again, Thank you all for your time and assistance with this audit,

*Masha Vorobyova*  
Audit Specialist  
State Controller's Office  
Division of Audits / Mandated Cost Bureau  
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10/25/2010

We concluded a second week of fieldwork at the Los Angeles Department of Animal Control. Here is a brief recap of the information provided to the auditor and a few outstanding items still needed to complete our audit analysis.

### Training

The city provided a listing of all new employees throughout the audit period and their hiring dates. This information will be used to analyze allowable costs for the training component. The city will get reimbursement for new employees in each fiscal year for the training that relates to the performance of the mandated activities.

### Computer Software and Equipment Costs

The city claimed variety of costs for computer hardware, software, and supplies for the purposes to launch Chameleon software for all the shelters. The supporting documentation did not clearly identify which specific invoices were included in the claims. Ross Pool, the department's Management Analyst, performed an analysis of the invoices and prepared schedules to showcase which hardware and software costs were part of the city's claims. Ross was able to retrieve majority of the invoices.

The auditor will review all invoices that were provided and make a determination to the extent of the costs that were not supported. In addition, the auditor will prorate the costs from allowable invoices to the extent that the Chameleon software is used for the mandated activities.

### *Still Needed*

The city needs to let us know the applicable percentage that the Chameleon system is used for mandated activities. This determination would take into account various modules that are not related to the mandate (such as animal licensing, processing of revenues and fees, citations, dispatching, etc.).

Dara Ball, the departments Senior Systems Analyst, is currently working on her analysis to showcase the various modules and main screens in Chameleon and the extent they relate to the mandated activities. Dara has been instrumental in describing the Chameleon procedures and assisting the auditor in the retrieval and the analysis of Chameleon data.

### Care and Maintenance

As we noted during our first week of fieldwork in July, 2010, we were able to retrieve and analyze the animal census data from the Chameleon software. But we were unable to obtain the amounts for the actual annual cost information related to care and maintenance of animals. This annual cost information will be used in the care and maintenance formula to calculate allowable costs for this component.

During this week of fieldwork, we were able to identify accounts that contain expenditures relating to this component. They are as follows:

- Object Code 4580 – Animal Food
- Object Code 4430 – Uniforms (will be partially reimbursable for the portion relating to Animal Care Technicians' uniforms)
- Object Code 6020 – Shelters' Operating Supplies (this account needs to be examined more closely by various vendors to determine the extent to which various expenditures relate to the care and maintenances functions).

As for the labor costs relating to the care and maintenance function, the department was able to provide the job description for the classification of Animal Care Technicians. The department also recommended a percentage of time that the ACTs and Supervisors spend on the duties of caring for animals. The department suggested that ACTs spend about 80% and ACT Supervisors about 40% of their time on the functions of care and maintenance of animals. The department provided their written analysis to support their recommendations.

### *Still Needed*

- John Forland, the department's Senior Management Analyst, is currently working with the department's accountant on analyzing the department's expenditures relating to the care and maintenance function and extracting the actual expenditure amounts from Object Codes 4580, 4430, and 6020. John also will put together a listing of vendors from Account 6020 and the descriptions of the materials provided by those vendors. The department will need to segregate those vendors that relate to the care and maintenance functions. John will also put together a brief analysis summarizing annual expenditures incurred for this component for each fiscal year under the audit period.

### Holding Period

We received monthly schedules for all shelters and classifications and calculated our preliminary finding for this component. The finding amounts were presented to the city's staff during our status meeting on October 19, 2010.

#### *Still Needed*

We are still missing one monthly schedule for July, 2010 for classification of Clerk Typists for the West Valley shelter.

### Lost and Found Lists

#### *Still Needed*

During our status meeting on October 19, 2010, we briefly discussed the costs claimed under this component in FY 2001-02 for the creation and launching of the Department's Web site. The city needs to provide any documents they are able to find supporting the costs claimed for the web site project.

### Non-Medical Records

We completed our analysis of this component and provided preliminary finding amounts during our status meeting on October 19, 2010. The auditor suggested for the city to provide an intake summary report identifying the number and percentage of animals that come from the field and over the counter. This percentage can be used to revise the preliminary finding.

As of now, we calculated allowable hours based on a 5 minute increment recorded in the time study that we applied to all records created in the Chameleon during our audit period. For this component, the city claimed this time for the classification of Animal Care Technicians. Because Animal Control Officers also input information into Chameleon upon intake of animals, we can revise this component according to the intake statistics so that ACO classification also gets credit for this activity in our calculations.

#### *Needed*

Dara Ball will provide a statistics report that would identify the percentage of animals brought in from the field vs. over the counter.

Necessary and Prompt Veterinary Care

The city provided a copy of the new time study that was completed recently. The new time study recorded time to examine animals upon intake and administer wellness vaccines (excluding rabies) and other routine medications (such as flea medications) if necessary. The auditor will review this time study and analyze the results.

*Still Needed*

The city claimed variety of costs under the category of materials and supplies that relate to the Veterinary Care. At this time, the city was unable to provide any documentation supporting these costs. We'll need to revisit this component and discuss a way to identify materials and supplies costs that might be reimbursable under this component.

Construction of New Facilities/Remodeling of Existing Facilities

Our review of animal shelters confirmed that new shelters were constructed and opened during the audit period. We also noted that city voters approved Proposition F in 2000. Proposition F provided for the sale of bonds, the proceeds of which were used to construct fire stations and animal shelters.

The city provided to us the background information on the initial analysis that was performed in order to receive the City Council approval of this project. The city also provided a package of documents containing various details relating to the approval from the City Council, construction specifics, and project costs. We will review provided documentation and will discuss this component at a later time

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**Holding Period Costs**

*Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning January 1, 1999, for the impounded animals specified in Food and Agriculture Code section 31753 ("other animals"), for either:

1. Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
2. For those local agencies with fewer than three full time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owner to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

Beginning July 1, 1999, the parameters and guidelines allow reimbursement for impounded dogs and cats, for either:

- (1) Making the animal available for owner redemption on one weekday evening until at least 7:00 p.m., or one weekend day; or
- (2) For those local agencies with fewer than three full – time employees or that are not open during all regular weekday business hours, establishing a procedure to enable owners to reclaim their animals by appointment at a mutually agreeable time when the agency would otherwise be closed.

*Claimed Costs*

The city claimed \$5,635,203 under the cost component of Increased Holding Period for the audit period. The claimed costs included labor costs for various shelter staff for each of the city's shelters. The following table summarizes claimed costs by fiscal year:

	Fiscal Year								
Holding Period	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Claimed Costs:</b>									
Salaries	\$ 289,509	\$ 603,815	\$ 624,587	\$ 647,704	\$ 98,200	\$ 172,106	\$ 369,095	\$ 205,634	\$ 3,010,650
Benefits	47,682	150,290	159,644	157,456	17,585	74,677	181,114	87,867	876,315
Related I/C	89,227	224,197	245,525	525,677	58,203	169,129	303,728	132,552	1,748,238
<b>Total</b>	<b>\$ 426,418</b>	<b>\$ 978,302</b>	<b>\$ 1,029,756</b>	<b>\$ 1,330,837</b>	<b>\$ 173,988</b>	<b>\$ 415,912</b>	<b>\$ 853,937</b>	<b>\$ 426,053</b>	<b>\$ 5,635,203</b>

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*Allowable Costs*

Hours of Operation

The city provided documentation identifying hours of operation. All shelters in the city operate on the same schedule and stay open to the public 6 days a week (excluding Mondays) from 8 am till 5 pm. Thus, as per the requirement of the mandate, each shelter makes animals available for owner redemption or adoption on either of the weekend days.

Staffing Requirements

For agencies using the holding period of four business days after the day of impoundment, we needed to determine the additional costs incurred to have the impounded animals available for owner redemption or adoption. In order to determine the additional staffing requirements, the auditor inquired about the number of employees and classifications of staff working when the shelter is closed to the public (Mondays) and the staffing needed to comply with the mandate and stay open during the increased hours (Saturdays).

When the shelter is closed to the public, animals must still be cared for and fed. Usually, most of the staff whose duties include caring for animals would be at the shelters regardless of whether the shelters were open to the public or not. Therefore, since the main duties of these employees are to care and maintain animals, these positions are generally not reimbursable for this cost component.

However, some positions are in fact reimbursable under this component depending on the increased staffing needs on those days when the shelter is open to the public. To demonstrate the increased staffing requirements for Saturdays, the city provided monthly working schedules for each shelter. After reviewing these schedules, we determined that the following additional employees were needed to comply with the mandate requirement and stay open during one weekend day.

- Animal Care Technicians (10 additional)
- Animal Care Technician Supervisor (1 additional)
- Front Counter Clerks (7 additional)

*Allowable Annual Hours*

Starting with FY 1999-2000, we calculated allowable annual hours the same way for every year by using the following formula:

Productive Rates X Weekly Hours (9) X 52 weeks

The following table summarizes the annual hours per employee classification needed to perform the mandated activities:

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Employee Classification	# of Eligible Employees	Allowable Weekly Hours	Allowable Annual Hours
Animal Care Technicians	10	9	4,680
ACT Supervisor	1	9	468
Front Counter Clerks	7	9	3,276
			<b>8,424</b>

In FY 1998-99, the reimbursement period for this cost component began in January 1999. Accordingly, we reduced allowable annual hours by half for this fiscal period.

*Preliminary Finding*

Using calculations noted above, we arrived at the following allowable costs for this component:

Holding Period	Fiscal Year								
	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Claimed Costs:</b>									
Salaries	\$ 289,509	\$ 603,815	\$ 624,587	\$ 647,704	\$ 98,200	\$ 172,106	\$ 369,095	\$ 205,634	\$ 3,010,650
Benefits	47,682	150,290	159,644	157,456	17,585	74,677	181,114	87,867	876,315
Related I/C	89,227	224,197	245,525	525,677	58,203	169,129	303,728	132,552	1,748,238
<b>Subtotal</b>	<b>\$ 426,418</b>	<b>\$ 978,302</b>	<b>\$ 1,029,756</b>	<b>\$ 1,330,837</b>	<b>\$ 173,988</b>	<b>\$ 415,912</b>	<b>\$ 853,937</b>	<b>\$ 426,053</b>	<b>\$ 5,635,203</b>
<b>Allowable Costs:</b>									
Salaries	\$ 70,615	\$ 147,336	\$ 153,270	\$ 156,144	\$ 161,941	\$ 187,724	\$ 188,477	\$ 192,343	\$ 1,257,850
Benefits	11,631	36,672	39,176	37,959	37,069	81,454	92,486	82,188	418,635
Related I/C	61,484	137,420	162,344	126,726	95,982	184,476	155,098	123,984	1,047,514
<b>Subtotal</b>	<b>\$ 143,730</b>	<b>\$ 321,428</b>	<b>\$ 354,790</b>	<b>\$ 320,829</b>	<b>\$ 294,992</b>	<b>\$ 453,654</b>	<b>\$ 436,061</b>	<b>\$ 398,515</b>	<b>\$ 2,723,999</b>
<b>Audit adjustment:</b>									
Salaries	\$ (218,894)	\$ (456,479)	\$ (471,317)	\$ (491,560)	\$ 63,741	\$ 15,618	\$ (180,618)	\$ (13,291)	\$ (1,752,800)
Benefits	(36,051)	(113,618)	(120,468)	(119,497)	19,484	6,777	(88,628)	(5,679)	(457,680)
Related I/C	(27,743)	(86,777)	(83,181)	(398,951)	37,779	15,347	(148,630)	(8,568)	(700,724)
<b>Total adjustment</b>	<b>\$ (282,688)</b>	<b>\$ (656,874)</b>	<b>\$ (674,966)</b>	<b>\$ (1,010,008)</b>	<b>\$ 121,004</b>	<b>\$ 37,742</b>	<b>\$ (417,876)</b>	<b>\$ (27,538)</b>	<b>\$ (2,911,204)</b>



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**Non-Medical Records Costs**

*Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning January 1, 1999, for maintaining non-medical records on animals that are either taken up, euthanized after the holding period, or impounded. Such records shall include the following:

1. The date the animal was taken up, euthanized, or impounded;
2. The circumstances under which the animal is taken up, euthanized, or impounded;
3. The names of the personnel who took up, euthanized, or impounded the animal; and
4. The final disposition of the animal, including the name of the person who euthanized the animal or the name and address of the adopting party.

*Claimed Costs*

The city claimed \$647,632 under the cost component of Non-Medical Records for the audit period. For the first three years of the audit period, FY's 1998-99 through 2000-01, the city claimed hours for a Veterinary Assistant to input non-medical information on each animal. Specifically, the city claimed 20 minutes per each record in each fiscal year. Starting in FY 2001-02 till the end of the audit period in FY 2007-08, the city revised its claiming methodology and started claiming 5 minutes per each record for the Animal Care Technicians to input non-medical records in every year. Lastly, in the last year of the audit period FY 2007-08, the city also included time for the Sr. Systems Analyst I to maintain animal information systems and the department's website.

The following table summarizes claimed costs by fiscal year:

	Fiscal Year								
Non-Med Rec	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Claimed Costs:</b>									
Salaries	\$ 40,556	\$ 112,512	\$ 100,982	\$ 21,490	\$ 19,465	\$ 21,437	\$ 14,001	\$ 36,347	\$ 366,790
Benefits	6,680	28,004	25,811	5,224	4,456	9,301	6,870	15,531	101,877
Related I/C	12,499	41,776	39,696	17,441	11,537	21,066	11,521	23,429	178,965
<b>Total</b>	<b>\$ 59,735</b>	<b>\$ 182,292</b>	<b>\$ 166,489</b>	<b>\$ 44,155</b>	<b>\$ 35,458</b>	<b>\$ 51,804</b>	<b>\$ 32,392</b>	<b>\$ 75,307</b>	<b>\$ 647,632</b>

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*Allowable Costs*

Time Records:

We reviewed the city's time study conducted in FY 2002-03. The time study included various activities including "Initial Impound" of animals. After completion of the time study, the city started claiming 5 minutes per non-medical record keeping for Animal Care Technicians.

We reviewed the copy of the time study for this component and determined that the average time increments recorded in the time study were rounded up to the nearest minute. We recalculated the results of the time study for this component and arrived at an actual average increment of 4.40 minutes per record. This is a material difference considering that the time study results are applied to thousands of records each year.

However, we will take an adjustment from the 5 minutes per record that was claimed to the actual 4.40 minutes that was supported by the time study. In addition to the intake information, the component of non-medical records also allows for reimbursement the activity of noting the outcome of the animal. Because the time study did not record this short activity, we will allow the claimed 5 minutes per record to account for some additional time to note the animals' outcome / disposition.

Eligible Records:

Eligible records usually include any non-medical record that was created for any animal throughout the audit period. We were able to retrieve this information from the Chameleon database by checking the number of eligible animals that came into the city's shelters in each fiscal year. We concluded that the city under claimed the number of eligible records in all fiscal years of the audit period. The city only claimed records for animals that died or were euthanized, but the mandated program allows reimbursement for maintaining non-medical records on all animals regardless of the outcome.

*Preliminary Findings*

Eligible Records:

We were able to retrieve Chameleon intake information going back to FY 2000-01. Chameleon statistics were not available for the first two years of the audit period. To determine eligible number of records for the early years of the audit period (FY 1998-99 and 1999-00), we calculated an average number of records from FY 2000-01 and 2001-02. Furthermore, we accounted for only half of the total records in FY 1998-99, because reimbursement begins in January 1999 for this component.

The summary of eligible records is illustrated below:

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	Fiscal Year							
Non-Med Rec	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08
<b>Audited Records</b>								
Dogs and Cats			63,392	58,688	54,386	46,910	46,311	50,391
Birds			1,593	2,637	1,741	2,926	2,015	2,447
Other			1,358	2,118	2,590	4,266	4,254	3,255
<b>Total Allowable</b>	<b>32,447</b>	<b>64,893</b>	<b>66,343</b>	<b>63,443</b>	<b>58,717</b>	<b>54,102</b>	<b>52,580</b>	<b>56,093</b>
<b>Total Claimed</b>		<b>17,935</b>	<b>15,494</b>	<b>13,747</b>	<b>11,960</b>	<b>11,135</b>	<b>7,127</b>	<b>7,175</b>
<b>Adjustments</b>	<b>32,447</b>	<b>46,958</b>	<b>50,849</b>	<b>49,696</b>	<b>46,757</b>	<b>42,967</b>	<b>45,453</b>	<b>48,918</b>

Allowable costs:

	Fiscal Year								Totals
Non-Med Rec	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	
<b>Claimed Costs:</b>									
Salaries	\$ 40,556	\$ 112,512	\$ 100,982	\$ 21,490	\$ 19,465	\$ 21,437	\$ 14,001	\$ 36,347	\$ 366,790
Benefits	6,680	28,004	25,811	5,224	4,456	9,301	6,870	15,531	101,877
Related I/C	12,499	41,776	39,696	17,441	11,537	21,066	11,521	23,429	178,965
<b>Subtotal</b>	<b>\$ 59,735</b>	<b>\$ 182,292</b>	<b>\$ 166,489</b>	<b>\$ 44,155</b>	<b>\$ 35,458</b>	<b>\$ 51,804</b>	<b>\$ 32,392</b>	<b>\$ 75,307</b>	<b>\$ 647,632</b>
<b>Allowable Costs:</b>									
Salaries	\$ 46,751	\$ 97,556	\$ 103,771	\$ 101,086	\$ 97,030	\$ 103,650	\$ 99,376	\$ 107,044	\$ 756,264
Benefits	7,700	24,282	26,524	24,574	22,210	44,974	48,764	45,740	244,768
Related I/C	40,706	90,990	109,914	82,041	57,510	101,857	81,777	69,001	633,796
<b>Subtotal</b>	<b>\$ 95,157</b>	<b>\$ 212,828</b>	<b>\$ 240,209</b>	<b>\$ 207,701</b>	<b>\$ 176,750</b>	<b>\$ 250,481</b>	<b>\$ 229,917</b>	<b>\$ 221,785</b>	<b>\$ 1,634,828</b>
<b>Audit adjustment:</b>									
Salaries	\$ 99,376	\$ (14,956)	\$ 2,789	\$ 79,596	\$ 77,565	\$ 82,213	\$ 85,375	\$ 70,697	\$ 482,655
Benefits	1,020	(3,722)	713	19,350	17,754	35,673	41,894	30,209	142,891
Related I/C	28,207	49,214	70,218	64,600	45,973	80,791	70,256	45,572	454,831
<b>Total adjustment</b>	<b>\$ 128,603</b>	<b>\$ 30,536</b>	<b>\$ 73,720</b>	<b>\$ 163,546</b>	<b>\$ 141,292</b>	<b>\$ 198,677</b>	<b>\$ 197,525</b>	<b>\$ 146,478</b>	<b>\$ 1,080,377</b>

The auditor would like to confirm which classification(s) of employees usually perform most of the non-medical record keeping in the Chameleon. Furthermore, the finding does not account for time for the Sr. Systems Analyst I to maintain animal information systems (FY 2007-08).

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## **Necessary and Prompt Veterinary Care Costs**

### *Reimbursement Criteria*

The parameters and guidelines allow reimbursement, beginning January 1, 1999, for providing “necessary and prompt veterinary care” for stray and abandoned animals, other than injured cats and dogs given emergency treatment, that die during the holding period (through day 6) or are ultimately euthanized (after day 7) during the holding periods specified in Statutes of 1998, Chapter 752.

“Necessary and prompt veterinary care” means all reasonably necessary medical procedures performed by a veterinarian or someone under the supervision of a veterinarian to make stray or abandoned animals “adoptable.” The following veterinary procedures, if conducted, are eligible for reimbursement:

- An initial physical examination of the animal to determine the animal’s baseline health status and classification as “adoptable,” “treatable,” or “non-rehabilitatable.”
- A wellness vaccine administered to “treatable” or “adoptable” animals.
- Veterinary care to stabilize and or relieve the suffering of a “treatable” animal.
- Veterinary care intended to remedy any applicable disease, injury, or congenital or hereditary condition that adversely affects the health of a “treatable” animal or that is likely to adversely affect the animal’s health in the future, until the animal becomes “adoptable.”

Eligible claimants are not entitled to reimbursement for providing “necessary and prompt veterinary care” to the following population of animals:

- Animals that are irremediably suffering from a serious illness or severe injury,
- Newborn animals that need maternal care and have been impounded without their mothers,
- Animals too severely injured to move or where a veterinarian is not available and it would be more humane to dispose of the animal,
- Owner relinquished animals, and
- Stray or abandoned animals that are ultimately redeemed, adopted, or released to a nonprofit animal rescue or adoption organization

Eligible claimants are not entitled to reimbursement for providing the following veterinary procedures:

- Emergency treatment given to injured cats and dogs,
- Administration of rabies vaccinations to dogs,
- Implantation of microchip identification,
- Spay or neuter surgery and treatment, and
- Euthanasia

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*Claimed Costs*

The city claimed \$3,004,399 under the cost component of Prompt and Necessary Veterinary Care for the audit period.

For the FY 1998-99, the city claimed 3% of the operating costs and included this amount under the component of Veterinary Care. For the FY's 1999-2000 through 2000-01, the city employed a similar methodology and allocated a portion of costs to provide treatments for the animals. Starting in FY 2001-02 through FY 2006-07, the city started claiming hours for a Veterinarian and a Veterinary Technician positions as well as costs for animal medical supplies. Specifically, the hours claimed included an average time to provide treatments to the animals. The city claimed 12 minutes per treatment in FY's 2001-02 through 2006-07. And lastly, for FY 2007-08, the city claimed costs based on the unit cost calculated for each animal treatment.

The following table summarizes claimed costs by fiscal year:

	Fiscal Year								
Vet Care	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08	Totals
<b>Claimed Costs:</b>									
Salaries	\$ -	\$ -	\$ -	\$ 144,598	\$ 116,679	\$ 262,640	\$ 212,421	\$ 297,827	\$ 1,034,165
Benefits	-	-	-	35,152	26,708	-	-	-	61,860
Related I/C	-	-	-	117,356	69,156	258,096	174,801	191,979	811,388
Mater & Suppl	50,984	129,149	308,004	65,114	83,002	117,278	178,953	164,502	1,096,986
<b>Total</b>	<b>\$ 50,984</b>	<b>\$ 129,149</b>	<b>\$ 308,004</b>	<b>\$ 362,220</b>	<b>\$ 295,545</b>	<b>\$ 638,014</b>	<b>\$ 566,175</b>	<b>\$ 654,308</b>	<b>\$ 3,004,399</b>

Estimated Costs and Time Records

The claims for the first three years of the audit period (FY's 1998-99 through 2000-01) included estimated costs for the component of vet care. Only actual costs can be claimed for reimbursement and thus the estimated costs are not allowable.

During the course of the audit, the department performed a time study to capture average time increments spent for eligible veterinary care procedures in order to determine the actual costs incurred for this cost component. The claims for FY's 2001-02 through 2007-08 included labor costs that were based on the average time increments per animal treatment / procedure. We reviewed the city's time study completed in FY 2002-03 and determined that the time study for this component was not adequate

Time Study

The time study focused on recording animal non-routine medical procedures as opposed to repetitive activities. These procedures were not appropriate for the time study because they were unique in nature and duration of time spent. Furthermore, any non-routine medical procedure, that might have been reimbursable, could only be

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claimed for the animals that either died or were euthanized within the eligible period of time. Thus these types of expenses would need to be traced on case by case basis.

Our review also indicated that some emergency treatments were also included in the time study as well as microchip implantation procedures and euthanasia procedures, all of which are excluded activities under this component.

The two repetitive tasks that are appropriate for a time study under this cost component include performing an initial physical examination to determine the animal's baseline health status and classification as adoptable, treatable, or non-rehabilitatable and administering wellness vaccines to treatable or adoptable animals. We advised the department of the possibility to perform a new time study to capture these two repetitive and eligible procedures.

#### Animal Medical Supplies Costs

We need to determine to what extent the medical materials and supplies costs claimed in FY's 2001-02 through 2007-08 relate to the allowable medical procedures outlined within this component. In addition, we also need to determine to what extent these costs relate to only eligible population of animals.

We haven't seen any invoices yet to demonstrate what specific items were claimed and to what extent they relate to the reimbursable activities and population of animals.

#### Preliminary Finding

We determined from our preliminary review that all labor costs, including salaries, benefits, and indirect costs, totaling \$1,907,413 are not allowable for reimbursement at this time. These costs included estimated costs and ineligible costs and were partially based on the time study that was not adequate for this component. Once the department performs the new time study, we will revise our finding accordingly.

The claimed materials and supplies costs are still under review. Once the city provides invoices for claimed medical equipment and/or supplies, we will determine the extent of these costs that are reimbursable. Total vet care materials and supplies costs under review totals \$1,096,986 for the audit period.

### **Fringe Benefit Rates and Indirect Cost Rates**

The city claimed fringe benefit rates and indirect cost rates that were specified in the city's annual Cost Allocation Plans. We received and reviewed copies of the city's Cost Allocation Plan for each of the fiscal years within the audit period. We did not note any adjustments to the fringe benefit rates. However, we noted some discrepancies with the indirect cost rates.

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**Legislatively Mandated Animal Adoption Program**  
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We noted that the claims understated indirect cost rates in the first three years of the audit period (FY 1998-99 through 2001-01). The understatement occurred because the city did not combine its Central Services Rate with Departmental Administration and Support Rate. As a result, the indirect cost rates entailed a positive adjustment in these three years of the audit period. The adjustments are noted as follows:

	Fiscal Year							
	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08
<b>Indirect Cost Rates</b>								
Claimed I/C Rate	30.82%	37.13%	39.31%	81.16%	59.27%	98.27%	82.29%	64.46%
<b>Allowable Rate per CAP:</b>								
Central Services Rate	56.25%	56.14%	66.61%	45.80%	24.98%	39.43%	32.20%	45.35%
Dept Admin Rate	30.82%	37.13%	39.31%	35.36%	34.29%	58.84%	50.09%	19.11%
Total Allowable Rate	87.07%	93.27%	105.92%	81.16%	59.27%	98.27%	82.29%	64.46%
Audit Adjustment	56.25%	56.14%	66.61%	0.00%	0.00%	0.00%	0.00%	0.00%

### Productive Hourly Rates

We received and were able to analyze the actual payroll summaries for all classifications of employees included in the claims for the last three years of the audit period (FY's 2005-06 through 2007-08). However, the actual pay information was not available for the earlier five years of the audit period. We were able to utilize a consumer price index to deflate the amounts paid for labor in prior years. We used our audited rates in calculation of allowable costs.

### Audited Chameleon Animal Census Information

We reviewed the animal census data from Chameleon for FY's 2000-01 through 2007-08. We calculated total annual census for each year and determined the eligible number of animals per fiscal year. We excluded all exceptions noted in the parameters and guidelines and eliminated erroneous entries. For the earlier two years when Chameleon statistics was not available, we were able to use the average data from animal statistics available for FY's 2000-01 and 2001-02. The animal census data will be used to calculate allowable care and maintenance costs once the city provides other outstanding documents for this component.

The summary of animal census analysis is noted below:

**City of Los Angeles**  
**Legislatively Mandated Animal Adoption Program**  
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Status Meeting, Preliminary Findings

	Fiscal Year							
Animal Census Info	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08
<b>Audited Annual Census:</b>								
Dogs and Cats			405,287	418,756	407,574	415,652	525,522	695,980
Birds			21,792	37,926	13,821	17,307	15,520	34,574
Other Animals			28,009	41,263	28,781	82,353	165,449	86,304
<b>Allowable Annual Census</b>	<b>476,517</b>	<b>476,517</b>	<b>455,088</b>	<b>497,945</b>	<b>450,176</b>	<b>515,312</b>	<b>706,491</b>	<b>816,858</b>
<b>Claimed Annual Census</b>	<b>258,420</b>	<b>258,420</b>	<b>322,295</b>	<b>272,290</b>	<b>449,730</b>	<b>509,248</b>	<b>655,576</b>	<b>799,326</b>
<b>Audit Adjustment</b>	<b>218,097</b>	<b>218,097</b>	<b>132,793</b>	<b>225,655</b>	<b>446</b>	<b>6,064</b>	<b>50,915</b>	<b>17,532</b>
<b>Allowable Dogs and Cats</b>								
	-	12,056	13,746	10,365	7,544	5,728	5,123	5,735
<b>Claimed Dogs and Cats</b>	<b>7,103</b>	<b>17,328</b>	<b>15,278</b>	<b>13,538</b>	<b>10,484</b>	<b>5,930</b>	<b>5,486</b>	<b>6,036</b>
<b>Audit Adjustment</b>	<b>(7,103)</b>	<b>(5,273)</b>	<b>(1,532)</b>	<b>(3,173)</b>	<b>(2,940)</b>	<b>(202)</b>	<b>(363)</b>	<b>(301)</b>
<b>Eligible Other Animals:</b>								
Birds			4	7	11	32	18	11
Other			97	117	82	156	216	232
<b>Total Allowable Other</b>	<b>56</b>	<b>113</b>	<b>101</b>	<b>124</b>	<b>93</b>	<b>188</b>	<b>234</b>	<b>243</b>
<b>Claimed Other Animals</b>	<b>105</b>	<b>607</b>	<b>216</b>	<b>209</b>	<b>216</b>	<b>452</b>	<b>1,402</b>	<b>688</b>
<b>Audit Adjustment</b>	<b>(49)</b>	<b>(495)</b>	<b>(115)</b>	<b>(85)</b>	<b>(123)</b>	<b>(264)</b>	<b>(1,168)</b>	<b>(445)</b>

**Outstanding components and claimed costs still under review**

- Training
- Computer Equipment, Software, and License Renewal Fees
- Care and Maintenance expenses
- Lost and Found
- Veterinary Care

The list of outstanding documents was sent to the department via e-mail dated October 12, 2010.



**From:** Vorobyova, Mariya  
**Sent:** Thursday, October 28, 2010 11:54 AM  
**To:** 'Dara Ball'  
**Cc:** Venneman, Jim; 'Linda Barth'  
**Subject:** RE: Clarification of Allowable Animals for Intake Report  
**Attachments:** LA AA Chameleon Data Details - 10-28-10.docx [3 pages]

Dara

I put together a brief overview of the Chameleon data analysis. The attached word document includes a listing of the categories of animals we excluded from the eligible population. Please review the attached document and let me know if you have any follow up questions.

As for the intake report statistics, I don't think you should go to that same detail and account for all the exceptions. We will use the intake statistics for the non-medical records component to see the percentage of animals that come from the field as opposed to over the counter. And because non-medical records component is not concerned with any exceptions in the population and allows intake of information on all animals regardless of exceptions, I only need to know the percentage of all animals that come from the field or over the counter.

Let me know if that makes sense.

Thank you for all your input,

*Masha Vorobyova*

Audit Specialist  
 State Controller's Office  
 Division of Audits / Mandated Cost Bureau  
 (916) 323-4940 - Office | (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Dara Ball [<mailto:dara.ball@lacity.org>]  
**Sent:** Thursday, October 21, 2010 05:28 PM  
**To:** Vorobyova, Mariya  
**Cc:** John Forland; Linda Barth  
**Subject:** Clarification of Allowable Animals for Intake Report

Hi Masha,

Hope you had a good flight back home. I started working on separating the intake reports I sent you back in July into animals brought in by officers and those impounded at the shelters and I realized I need to exclude some animals that you are not allowing so the counts make sense. Would you please send me a list of the specific categories you excluded so, hopefully, my counts will be close to the allowable totals?

Thanks,  
Dara

Dara Ball  
 Sr. Systems Analyst I

Database Administrator  
Department of Animal Services  
City of Los Angeles  
213-482-9509

**City of Los Angeles**  
**Legislatively Mandated Animal Adoption Program**  
 Fiscal Years 1998-99 through 2007-08 (excluding FY's 2003-04 and 2004-05)  
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 Details about Chameleon Data

10/28/2010

**Audited Chameleon Animal Census Information**

We reviewed the animal census data from Chameleon for FY's 2000-01 through 2007-08. We calculated total annual census for each year and determined the eligible number of animals per fiscal year. We excluded all exceptions noted in the parameters and guidelines and eliminated erroneous entries. For the earlier two years when Chameleon statistics was not available, we were able to use the average data from animal statistics available for FY's 2000-01 and 2001-02. The animal census data will be used to calculate allowable care and maintenance costs once the city provides other outstanding documents for this component.

The summary of animal census analysis is noted below:

	Fiscal Year							
Animal Census Info	1998-99	1999-2000	2000-01	2001-02	2002-03	2005-06	2006-07	2007-08
<b>Audited Annual Census:</b>								
Dogs and Cats			405,287	418,756	407,574	415,652	525,522	695,980
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<b>Audit Adjustment</b>	<b>218,097</b>	<b>218,097</b>	<b>132,793</b>	<b>225,655</b>	<b>446</b>	<b>6,064</b>	<b>50,915</b>	<b>17,532</b>
<b>Allowable Dogs and Cats</b>								
<b>Allowable Dogs and Cats</b>	<b>-</b>	<b>12,056</b>	<b>13,746</b>	<b>10,365</b>	<b>7,544</b>	<b>5,728</b>	<b>5,123</b>	<b>5,735</b>
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Details about Chameleon Data

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*Animal Census Data*

The Animal Services Department was able to provide the actual animal census information from their Chameleon tracking system for FY's 2000-01 through 2007-08. We calculated the annual census information from the animal data provided. The yearly census refers to the total number of days that all animals were housed in the shelter.

Exclusions:

The only two exclusions noted in this category were the animals that came in DOA (Dead on Arrival or Body Disposition) and Missing. We did not count DOA animals as part of the annual census because no costs were incurred to care for them. And we did not count Missing animals as part of the annual census because their holding period was unknown.

Input Errors:

In addition, during our analysis of the annual census information, we noted some input errors relating to dates. Some animal entries showed a negative holding period or extraordinarily long holding periods (exs. 10 years). Because these input errors were very obvious, we either eliminated these animals from the population or changed the incoming or outgoing dates in those cases which were obvious to fix.

*Eligible Animal Population*

The eligible animal population for dogs and cats and other animals was determined by manipulating the Chameleon data and taking into account all exclusions as per the requirement of the mandated program. The following animals were excluded from the population of eligible animals:

- Dogs and cats and other animals that were owner surrendered or previously owned (only stray animals were included in the eligible population);
- Dogs and cats and other animals that were ultimately adopted, transferred, rescued, or redeemed (only those animals with the outcome of "died" or "euthanized" were reviewed);
- Dogs and cats and other animals that went missing in their kennels, were stolen, or escaped;
- Dogs and cats and other animals that were dead on arrival;
- Dogs and cats and other animals that were euthanized as requested by owners or if euthanasia was required / requested ("Dispo Req" or "Euth Req");
- Dogs and cats and other animals that were euthanized for humane reasons (usually on day 1);
- Dogs and cats and other animals that were suffering from a serious illness or severe injury (usually they were euthanized on day 1 or died on day 1);
- Dogs and cats and other animals that were babies and died as a result of not being weaned from their mothers (usually they died or were euthanized within the first few days, the excluded categories included "Unweaned" or "8 weeks unsustainable");
- Ineligible other animals such as rodents, livestock, or wild animals;
- Ineligible birds, such as pigeons, doves, ducks, chickens, owls, pheasants, mallards, gamefowls;

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- Dogs and cats that died in the shelter's kennels outside of increased holding period (days 1, 2, 3, and day 7 and beyond), as per the requirements of the mandate. {Note - Local agencies are eligible to receive reimbursement to care for dogs and cats that *died during the increased holding period* (days 4, 5, and 6)};
- "Other" animals that died in the shelters' kennels on day 7 and beyond (after the increased holding period). {Note - Local agencies are eligible to receive reimbursement to care for other animals that *died during the increased holding period* (days 2, 3, 4, 5, and 6)}; and
- Dogs and cats as well as other animals that were euthanized during the holding period, as per the requirements of the mandate. The agencies are eligible to receive reimbursement to care for dogs and cats and other animals that were *euthanized after the holding period* (days 7 of the holding period and beyond).

**From:** Vorobyova, Mariya  
**Sent:** Tuesday, November 23, 2010 08:37 AM  
**To:** 'Linda Barth'; 'John Forland'; 'Dara Ball'  
**Cc:** Venneman, Jim  
**Subject:** RE: City of Los Angeles Animal Adoption updates

Good morning Linda, John, Dara

I just wanted to check in with you and see whether we are getting any closer in getting the rest of the documents that were requested. In particular, we are still waiting for the Materials and Supplies expenses for the Care and Maintenance portion of the claims. Furthermore, we've discussed the Chameleon software analysis to determine the portion of the software that is attributed to reimbursable activities. And lastly, I was hoping we can review documents relating to materials and supplies claimed for the Veterinary Care Component as well.

I realize that the busy holiday season is upon us. And thus we should probably have a timeline in mind. At this point, we need to set a deadline for the documents requested and then move forward to having an exit meeting. Let's set the deadline for providing documents in about 2 weeks for December 10<sup>th</sup>, 2010.

Also, let's start thinking about the tentative dates for the exit meeting. I suggest waiting till after the holidays. We can hold an exit meeting right after the New Year's holidays. Let me know what day would work best for you during the first week of January, 2011.

Thank you for everyone's assistance and input with this audit.

*Masha Vorobyova*

Audit Specialist  
 State Controller's Office  
 Division of Audits / Mandated Cost Bureau  
 (916) 323-4940 - Office | (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Vorobyova, Mariya  
**Sent:** Monday, October 25, 2010 03:23 PM  
**To:** 'Linda Barth'; 'John Forland'; 'Dara Ball'  
**Cc:** Venneman, Jim  
**Subject:** City of Los Angeles Animal Adoption updates

Hello everyone

I wanted to say thank you for everyone's assistance during the 2<sup>nd</sup> week of fieldwork that took place on October 18<sup>th</sup> through October 21<sup>st</sup>, 2010. I am sending for your review the electronic copy of the handout I provided to all of you during our status meeting on October 19<sup>th</sup>, summarizing the preliminary findings we have so far. I am also including a brief update that I prepared at the end of last week, summarizing what we were able to accomplish last week and what is still outstanding.

Please let me know if you have any questions. If the department is able to provide the rest of the documents within the next week or two, we'll be ready to hold an exit conference sometime in December.

Once again, Thank you all for your time and assistance with this audit,

about:blank

8/26/2015

*Masha Vorobyova*

Audit Specialist

State Controller's Office

Division of Audits / Mandated Cost Bureau

(916) 323-4940 - Office I (916) 324-7223 - Fax

[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Vorobyova, Mariya  
**Sent:** Wednesday, November 24, 2010 01:20 PM  
**To:** 'Linda Barth'  
**Cc:** john.forland@lacity.org; dara.ball@lacity.org; Venneman, Jim  
**Subject:** RE: City of Los Angeles Animal Adoption updates

Thanks for the update. That would be great if we can wrap it up next week.

Regarding the pro rate of Chameleon cost, yes, we'd like to receive a percentage and the reasoning. I believe Dara knows what we're looking for. We've discussed it briefly during our 2<sup>nd</sup> week of fieldwork. I think Dara is working on her analysis of the Chameleon screens and their descriptions as well as what portion of them or which screens in particular relate to the mandated activities.

Let me know if you have further questions.

Happy Thanksgiving!

We'll talk soon,

*Masha Vorobyova*

Audit Specialist  
 State Controller's Office  
 Division of Audits / Mandated Cost Bureau  
 (916) 323-4940 - Office | (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Linda Barth [<mailto:linda.barth@lacity.org>]  
**Sent:** Wednesday, November 24, 2010 11:22 AM  
**To:** Vorobyova, Mariya  
**Cc:** john.forland@lacity.org; dara.ball@lacity.org; Venneman, Jim  
**Subject:** Re: City of Los Angeles Animal Adoption updates

Happy Thanksgiving!

We have had some logistical challenges in getting samples of material and supply invoices for both care/maintenance and veterinary but should be able to wrap that up next week.

Regarding the pro rate of Chameleon cost attributable to the mandate, are you looking for us to provide a percentage and our reasoning?

Finally, on dates. So far, the first week of January seems workable.

On Tue, Nov 23, 2010 at 8:36 AM, <[MVorobyova@sco.ca.gov](mailto:MVorobyova@sco.ca.gov)> wrote:



Good morning Linda, John, Dara

I just wanted to check in with you and see whether we are getting any closer in getting the rest of the documents that were requested. In particular, we are still waiting for the Materials and Supplies expenses for the Care and Maintenance portion of the claims. Furthermore, we've discussed the Chameleon software analysis to determine the portion of the software that is attributed to reimbursable activities. And lastly, I was hoping we can review documents relating to materials and supplies claimed for the Veterinary Care Component as well.

I realize that the busy holiday season is upon us. And thus we should probably have a timeline in mind. At this point, we need to set a deadline for the documents requested and then move forward to having an exit meeting. Let's set the deadline for providing documents in about 2 weeks for December 10<sup>th</sup>, 2010.

Also, let's start thinking about the tentative dates for the exit meeting. I suggest waiting till after the holidays. We can hold an exit meeting right after the New Year's holidays. Let me know what day would work best for you during the first week of January, 2011.

Thank you for everyone's assistance and input with this audit.

*Masha Vorobyova*

Audit Specialist  
State Controller's Office  
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(916) 323-4940 - Office I (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Vorobyova, Mariya  
**Sent:** Monday, October 25, 2010 03:23 PM  
**To:** 'Linda Barth'; 'John Forland'; 'Dara Ball'  
**Cc:** Venneman, Jim  
**Subject:** City of Los Angeles Animal Adoption updates

Hello everyone

I wanted to say thank you for everyone's assistance during the 2<sup>nd</sup> week of fieldwork that took place on October 18<sup>th</sup> through October 21<sup>st</sup>, 2010. I am sending for your review the electronic copy of the handout I provided to all of you during our status meeting on October 19<sup>th</sup>, summarizing the preliminary findings we have so far. I am also including a brief update that I prepared at the end of last week, summarizing what we were able to accomplish last week and what is still outstanding.

Please let me know if you have any questions. If the department is able to provide the rest of the documents within the next week or two, we'll be ready to hold an exit conference sometime in December.

Once again, Thank you all for your time and assistance with this audit,

*Masha Vorobyova*

Audit Specialist  
State Controller's Office  
Division of Audits / Mandated Cost Bureau  
(916) 323-4940 - Office I (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**From:** Vorobyova, Mariya  
**Sent:** Thursday, December 16, 2010 03:26 PM  
**To:** 'Linda Barth'  
**Cc:** john.forland@lacity.org; dara.ball@lacity.org; Pool, Ross; Venneman, Jim  
**Subject:** City of Los Angeles Animal Adoption Findings Draft  
**Attachments:** Los Angeles AA Audit Findings, draft.doc

Linda

I'm currently working on wrapping up all the calculations and write up for the city of LA AA audit. I am sending a very rough draft of my write up for your review. You'll be able to see most of the findings that we've formulated and talked about this far. Some of the calculations have not been completed yet. In particular, the software equipment costs and procuring equipment costs have not been pro-rated due to the lack of your suggested percentage. In addition, the care and maintenance costs have been computed based on the labor expenditures and did not account for any materials and supplies related to care and maintenance. As for all other components, the numbers are fairly solid.

As for the construction and remodeling costs associated with Prop F, we'll be adding a section in our Exit Handout to address this issue.

The audit might still entail a few revisions during our review process and we might change a few minor things along the way. But I wanted to have this draft out in the open, so that you can start anticipating our up-coming discussions during the exit meeting. Keep in mind, this is my very first and very rough draft. We'll present supplemental schedules and handouts during the exit meeting along with our updated/revised handout.

I'll double check my schedule for the first week of January. Most likely, we'll be scheduling our exit meeting for Thursday of that week (1/6/11).

Let me know if you have any questions. I'm here in the office next week and might be taking a few days off before the New Year's.

Thank you and best holiday wishes!

*Masha Vorobyova*  
Audit Specialist  
State Controller's Office  
Division of Audits / Mandated Cost Bureau  
(916) 323-4940 - Office | (916) 324-7223 - Fax  
[mvorobyova@sco.ca.gov](mailto:mvorobyova@sco.ca.gov)

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**Tab 15**



**JOHN CHIANG**  
California State Controller

April 7, 2009

Laura Chick, City Controller  
Office of the Controller  
City of Los Angeles  
200 North Main Street, Suite 300  
Los Angeles, CA 90012

Re: Audit of Mandated Cost Claims for Animal Adoption Program  
For the Period of July 1, 1998, through June 30, 2008

Dear Ms. Chick:

This letter confirms that Toni Cellini has scheduled an audit of City of Los Angeles' legislatively mandated Animal Adoption Program cost claims filed for fiscal year (FY) 1998-99, FY 1999-2000, FY 2000-01, FY 2001-02, FY 2002-03, FY 2005-06, FY 2006-07, and FY 2007-08. Government Code sections 12410, 17558.5, and 17561 provide the authority for this audit. The entrance conference is scheduled for Tuesday, May 26, 2009, at 2:00 p.m. We will begin audit fieldwork after the entrance conference.

Please furnish working accommodations for and provide the necessary records (listed on the Attachment) to the audit staff. If you have any questions, please call me at (916) 324-6788.

Sincerely,

JOHN H. COBBINAH, Audit Manager  
Mandated Cost Audits Bureau  
Division of Audits

JHC/sk

Attachment

7375

Laura Chick  
April 7, 2009  
Page 2

Aud. TC W/S No. 2C3  
Date 8/13/09 Page 2

cc: Edward Boks, General Manager  
Los Angeles Animal Services  
Jim L. Spano, Chief  
Mandated Cost Audits Bureau  
Division of Audits, State Controller's Office  
Ginny Brummels, Manager  
Division of Accounting and Reporting  
State Controller's Office  
Toni Cellini, Auditor-in-Charge  
Division of Audits, State Controller's Office

**City of Los Angeles**  
**Records Request for Mandated Cost Program**  
**FY 1998-99, FY 1999-2000, FY 2000-01, FY 2001-02,**  
**FY 2002-03, FY 2005-06, FY 2006-07, and FY 2007-08**

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1. Copy of claims filed for the mandated cost program
2. Copy of external and internal audit reports performed on the mandated cost program
3. Organization charts for the city effective during the audit period, showing employee names and position titles
4. Organization charts for the division or units handling the mandated cost program effective during the audit period, showing employee names and position titles
5. Chart of accounts
6. Worksheets that support the productive hourly rate used, including support for benefit rates
7. Documentation that supports the indirect cost rate proposal (ICRP)
8. Employee time sheets or time logs
9. Access to payroll records showing employee salaries and benefits paid during the audit period
10. Access to general ledger accounts that support disbursements
11. Documentation that supports amounts received from other funding sources
12. Copies of invoices and other documents necessary to support costs claimed
13. Revenue and expense reports for the City of Los Angeles Animal Shelters for all fiscal years under audit
14. Daily animal census data for the number of impounded stray or abandoned dogs/cats and other animals that died during the increased holding period or that were ultimately euthanized (in Microsoft Excel format, if possible)
15. Reports that show the total number of animals that entered into each facility for each fiscal year under audit