

**RECEIVED**  
March 06, 2025  
**Commission on  
State Mandates**

MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

March 6, 2025

Juliana F. Gmur, Executive Director  
Commission on State Mandates  
980 Ninth Street, Suite 300  
Sacramento, CA 95814

Re: **Incorrect Reduction Claim**

*Custody of Minors - Child Abduction and Recovery, 24-4237-I-04*  
Family Code Sections 3060-3064, 3130-3134.5, 3408, 3411, and 3421;  
Penal Code Sections 277, 278, and 278.5; Welfare and Institutions Code Section 11478.5;  
Statutes 1976, Chapter 1399; Statutes 1992, Chapter 162; Statutes 1996, Chapter 988  
Fiscal Years: 2016-2017, 2017-2018, 2018-2019  
County of Sacramento, Claimant

Dear Ms. Gmur:

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) 327-3138.

Sincerely,

*Lisa Kurokawa*

LISA KUROKAWA, Chief  
Compliance Audits Bureau  
Division of Audits

**RESPONSE BY THE STATE CONTROLLER’S OFFICE  
TO THE INCORRECT REDUCTION CLAIM (IRC) BY  
SACRAMENTO COUNTY**

**Custody of Minors - Child Abduction and Recovery Program**

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Note: References to Sections and IRC page numbers relate to the county’s Incorrect Reduction Claim filed on November 25, 2024, as follows:

- Section 6 – Written Detailed Narrative – Pages IRC0001 to IRC0010 (PDF page 10-20)
- Section 7 – Documentary Evidence and Declarations – Pages IRC0011 to IRC1876 (PDF page 21-1885)
- Section 8 – Claiming Instructions – Pages IRC1877 to IRC1896 (PDF page 1886-1905)
- Section 9 – Final State Audit Report or Other Written Notice of Adjustment – IRC1897 to IRC1925 (PDF page 1906-1934)
- Section 10 – Reimbursement Claims – Pages IRC1926 to IRC1942 (PDF page 1935-1951)

# **Tab 1**

1 **OFFICE OF THE STATE CONTROLLER**

3301 C Street, Suite 725

2 Sacramento, CA 95816

3 Telephone No.: (916) 327-3138

4 BEFORE THE

5 COMMISSION ON STATE MANDATES

6 STATE OF CALIFORNIA

8 INCORRECT REDUCTION CLAIM (IRC)

9 ON:

10 *Custody of Minors - Child Abduction and*  
11 *Recovery,*

12 Family Code Sections 3060-3064, 3130-  
13 3134.5, 3408, 3411, and 3421; Penal Code  
14 Sections 277, 278, and 278.5; Welfare and  
15 Institutions Code Section 11478.5; Statutes  
1976, Chapter 1399; Statutes 1992, Chapter  
162; Statutes 1996, Chapter 988

16 COUNTY OF SACRAMENTO, Claimant

No.: IRC 24-4237-I-04

AFFIDAVIT OF BUREAU CHIEF

I, Lisa Kurokawa, make the following declarations:

- 1) I am an employee of the State Controller's Office (SCO) and am over the age of 18 years.
- 2) I am currently employed as a bureau chief, and have been so since February 15, 2018. Before that, I was employed as an audit manager for seven years.
- 3) I reviewed the work performed by the SCO auditor.
- 4) Any attached copies of records are true copies of records, as provided by Sacramento County, or retained at our place of business.
- 5) The records include claims for reimbursement, along with any attached supporting documentation, explanatory letters, or other documents relating to the above-entitled Incorrect Reduction Claim.
- 6) An audit of the claims filed for fiscal year (FY) 2016-2017, 2017-2018 and 2018-2019 started on January 14, 2021 (**start letter date - Tab 4, Pages 1-4**), and ended on February 23, 2022 (**issuance of the final audit report - Tab 4, Pages 5-33**).

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

Date: March 6, 2025

OFFICE OF THE STATE CONTROLLER

By: Lisa Kurokawa  
Lisa Kurokawa, Chief  
Compliance Audits Bureau  
Division of Audits  
State Controller's Office

## **Tab 2**

**STATE CONTROLLER’S OFFICE ANALYSIS AND RESPONSE  
TO THE INCORRECT REDUCTION CLAIM BY  
SACRAMENTO COUNTY**

**For Fiscal Years (FY) 2016-2017, 2017-2018, 2018-2019**

**Custody of Minors - Child Abduction and Recovery**

**Family Code Sections 3060-3064, 3130-3134.5, 3408, 3411, and 3421; Penal Code Sections 277, 278, and 278.5; Welfare and Institutions Code Section 11478.5; Statutes 1976, Chapter 1399; Statutes 1992, Chapter 162; Statutes 1996, Chapter 988**

**SUMMARY**

The following is the State Controller’s Office’s (SCO) response to the Incorrect Reduction Claim (IRC) that Sacramento County (County) filed on November 25, 2024, with the Commission on State Mandates (Commission). The SCO performed an audit of the County’s claims for costs of the legislatively mandated Custody of Minors - Child Abduction and Recovery Program (CAR) for the period of July 1, 2016, through June 30, 2019. The SCO issued its audit report on February 23, 2022 **(Tab 4, Page 6)**.

The County submitted reimbursement claims totaling \$1,885,876 — \$562,493 for fiscal year (FY) 2016-2017, \$596,234 for FY 2017-2018 and \$727,149 for FY 2018-2019 **(Section 10, County IRC, PDF pages 1935-1951)**. Subsequently, the SCO performed an audit of these claims and determined that \$1,420,782 is allowable and \$465,094 is unallowable primarily because the County did not claim actual time spent on mandated activities and did not claim actual costs supported by source documentation.

The following table summarizes the audit results:

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment
<u>July 1, 2016, through June 30, 2017</u>			
Direct costs:			
Salaries and benefits	\$ 358,375	\$ 308,151	\$ (50,224)
Materials and supplies	67,970	2,966	(65,004)
Travel and training	10,860	10,860	-
Total direct costs	437,205	321,977	(115,228)
Indirect costs	125,288	107,730	(17,558)
Total program costs	<u>\$ 562,493</u>	429,707	<u>\$ (132,786)</u>
Less amount paid by the State <sup>1</sup>		<u>(562,493)</u>	
Allowable costs claimed in excess of amount paid		<u>\$ (132,786)</u>	
<u>July 1, 2017, through June 30, 2018</u>			
Direct costs:			
Salaries and benefits	\$ 388,786	\$ 337,180	\$ (51,606)
Materials and supplies	81,806	7,937	(73,869)
Travel and training	2,863	2,863	-
Total direct costs	473,455	347,980	(125,475)
Indirect costs	122,779	106,482	(16,297)
Total program costs	<u>\$ 596,234</u>	454,462	<u>\$ (141,772)</u>
Less amount paid by the State <sup>1</sup>		<u>(596,234)</u>	
Allowable costs claimed in excess of amount paid		<u>\$ (141,772)</u>	
<u>July 1, 2018, through June 30, 2019</u>			
Direct costs:			
Salaries and benefits	\$ 463,254	\$ 378,681	\$ (84,573)
Materials and supplies	110,876	32,729	(78,147)
Travel and training	655	655	-
Total direct costs	574,785	412,065	(162,720)
Indirect costs	152,364	124,548	(27,816)
Total program costs	<u>\$ 727,149</u>	536,613	<u>\$ (190,536)</u>
Less amount paid by the State <sup>1</sup>		<u>(727,149)</u>	
Allowable costs claimed in excess of amount paid		<u>\$ (190,536)</u>	



Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment
<u>Summary: July 1, 2016, through June 30, 2019</u>			
Direct costs:			
Salaries and benefits	\$ 1,210,415	\$ 1,024,012	\$ (186,403)
Materials and supplies	260,652	43,632	(217,020)
Travel and training	14,378	14,378	-
Total direct costs	1,485,445	1,082,022	(403,423)
Indirect costs	400,431	338,760	(61,671)
Total program costs	<u>\$ 1,885,876</u>	1,420,782	<u>\$ (465,094)</u>
Less amount paid by the State <sup>1</sup>		<u>(1,885,876)</u>	
Allowable costs claimed in excess of amount paid		<u>\$ (465,094)</u>	

<sup>1</sup> Payment amount is current as of January 22, 2025.

## **I. CUSTODY OF MINORS - CHILD ABDUCTION AND RECOVERY PROGRAM CRITERIA**

### **Amendment to Parameters and Guidelines (Ps and Gs) – October 30, 2009 (Tab 4, Pages 34-42).**

(Language for Section I and II is taken directly from the Amendment to the Ps and Gs, dated October 30, 2009)

#### **I. SUMMARY OF MANDATE**

Chapter 1399, Statutes of 1976, added Sections 4600.1 and 4604 to and amended Sections 5157, 5160, and 5169 of the Civil Code, added Section 278 and 278.5 to the Penal Code, and amended sections 11478.5 of the Welfare and Institutions Code, which increased the level of service provided by several county departments which must become involved in child custody matters. Where previously parents or others interested in the custody status of minors pursued their interests in court with no assistance from law enforcement agencies, due to this statute counties are required to actively assist in the resolution of custody problems and the enforcement of custody decrees. To accomplish this, several additional tools were provided to the courts and enforcement agencies in this legislation, including changes in the procedures for filing petitions to determine custody and enforce visitation rights, increased authorization to issue warrants of arrest to insure compliance, and increased access to locator and other information maintained by County and State departments. These activities increased the level of service provided to the public under Title 9 of Part 5 of the Civil Code, the Uniform Child Custody Jurisdiction Act.

Chapter 990, Statutes of 1983, amended Section 4604 of the Civil Code to clarify that the enforcement requirements of this section applied to visitation decrees as well as custody decrees.

Chapter 162, Statutes of 1992, repealed Sections 4600.1, 4604, 5157, 5160, and 5169 of the Civil Code and without substantial change enacted Sections 3060 to 3064, 3130 to 3134.5, 3408, 3411, and 3421 of the Family Code.

Chapter 988, Statutes of 1996, the Parental Kidnapping Prevention Act, repealed Sections 277, 278 and 278.5 of the Penal Code and enacted in a new statutory scheme in Sections 277, 278 and 278.5 which eliminated the distinction between cases with and cases without a preexisting child custody order.

## II. BOARD OF CONTROL DECISIONS

On September 19, 1979, the Board of Control determined that Chapter 1399, Statutes of 1976, imposed a reimbursable state mandate upon counties by requiring district attorney offices to actively assist in the resolution of child custody problems including visitation disputes, the enforcement of custody decrees and of any other order of the court in a child custody proceeding. These activities include all actions necessary to locate a child, the enforcement of child custody decrees, orders to appear, or any other court order defraying expenses related to the return of an illegally detained, abducted or concealed child, proceeding with civil court actions, and guaranteeing the appearance of offenders and minors in court actions. The Board's finding was in response to a claim of first impression filed by the County of San Bernardino.

The Ps and Gs establish the state mandate and define the reimbursement criteria. The Board of Control adopted the Ps and Gs on January 21, 1981, and first amended the Ps and Gs July 19, 1984. The Ps and Gs for this program were last amended on October 30, 2009. In compliance with GC section 17558, the SCO issues claiming instructions for mandated programs to assist local agencies in claiming reimbursable costs.

### **SCO Claiming Instructions**

In accordance with Government Code sections 17560 and 17561, eligible claimants may submit claims to the SCO for reimbursement of costs incurred for state-mandated programs. The SCO annually issues mandated cost claiming instructions, which contain filing instructions for mandated cost programs.

We included the claiming instruction extant at the time the district filed its FY 2016-2017, 2017-2018, and 2018-2019 mandated cost claims as part of our IRC response (**Tab 3, PDF pages 1-68**).

## II. BACKGROUND OF IRC

The final audit report for the county's CAR program was issued on February 23, 2022. An IRC was filed and received on November 25, 2024, with the Commission. On December 6, 2024, the Commission filed a "Notice of Complete Incorrect Reduction Claim, Schedule for Comments, and Notice of Tentative Hearing Date."

In the IRC, the county disagreed with the SCO's determination that the county did not comply with the program's Ps and Gs when claiming reimbursable costs. The final audit report consists of two findings.

For Finding 1 (Overstated salaries and benefit costs and related indirect costs), the county claimed \$1,210,415 in salaries and benefits for the audit period. We determined that \$1,024,012 is allowable and \$186,403 is unallowable. The related unallowable indirect costs total \$61,671, for total unallowable costs of \$248,074. The costs are unallowable because the county claimed

time for activities performed for “good cause” cases, and did not claim actual time spent on mandated activities.

For Finding 2 (Overstated materials and supplies costs), the county claimed a total of \$260,652 in materials and supplies costs for the audit period. We determined that \$43,632 is allowable and \$217,020 is unallowable. These costs are unallowable because the county claimed costs that were allocated to the State Targeted Offenders Program (STOP) Unit, rather than actual costs supported by source documentation.

The following response to the county’s IRC will address the factual basis for the conclusions reached related to both Finding 1 and Finding 2. We will draw from the county’s own documentation provided during the audit, contemporaneous emails between the county and SCO auditors, and prior IRC decisions that directly relate to the documentation requirements of this mandated cost program.

### III. SCO’S RESPONSE TO THE COUNTY’S IRC

(In an effort to eliminate redundancy, we will not cut and paste the county’s entire IRC response. Rather, we will address relevant sections, as appropriate.)

#### FINDING 1 – Overstated salaries and benefits and related indirect costs

##### Standard Distributed (SD) Times

In an email from the county dated February 3, 2021 (**Tab 4, Page 44**), the county explained the SD time as follows:

This is time spent working on non-program specific activities for the [State Targeted Offenders] unit as a whole. For example, a clerical person performs the mail run which takes 2.0 hours. They enter this as 2.0 hours general clerical and charge it to the whole unit. If we only worked on 4 cases that month, (1 Child Abduction, 1 SVP, 1 Prisons and 1 WF), each case in the month would get the 2.0 hours spread based on the FTE percentage for each unit.

Per the county’s own definition, SD time is an allocated cost and *not specific* to the CAR program. These costs are spread across all programs within the larger STOP unit. To further highlight this point, the county states (**Section 6, County IRC, PDF page 13-14**):

Having the STOP unit allows for consolidation of supervisory, clerical, and other general costs such as rent, phones, office supplies, and insurance for which the state will provide reimbursement.

The county has determined that a consolidated approach of allocating costs for supervisory, clerical and other general costs is the most efficient way of operating the program. However, to claim reimbursement, costs must comply with the program’s Ps and Gs. We were unable to trace SD time to the reimbursable mandated activities of the CAR program.

The county also states in their IRC response (**Section 6, County IRC, PDF page 14**):

Employees who worked on Child Abduction cases tracked their time daily and only time actually worked on applicable cases was thereafter billed to the state. The DA’s Office has attorneys, criminal investigators, and investigative assistants who work exclusively on Child Abduction and Recovery cases”.

We disagree. SD time does not include “actual” time worked on cases. Per the county, SD time is spent working on “non-program specific activities.” As these claimed costs are non-program specific, we are unable to determine the validity of these costs and their relationship to the reimbursable activities.

Section V. “Reimbursable Costs” of the Ps and Gs states, in part (**Tab 4, Page 36**):

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.

Our research found that the Commission has previously ruled on similar topics expressed in this IRC. On July 30, 2018, the Commission adopted a decision for Carlsbad Unified School District’s IRC for The Stull Act Program. In that decision, the Commission addressed the Controller’s ability to reduce claims to zero if the claimant fails to comply with the Ps and Gs, and the claimant’s burden of providing contemporaneous supporting documentation (**Tab 4, Pages 61-62**):

The claimant’s original reimbursement claim documentation is comprised of forms and schedules containing administrators’ assertions of estimated staff time spent on the mandate, which were then compiled to produce average times to perform the mandated activities, and translated into costs. The Controller rejected the claimant’s initial claimed costs for fiscal years 2005-2006 through 2008-2009 “because they were based on average time increments supported with time records that were not completed contemporaneously.” This amounts to a finding that the claim did not comply with the contemporaneous source document rule, and did not claim actual costs, as required by the Parameters and Guidelines. There is no assertion or evidence in the record rebutting that finding. Pursuant to Government Code section 17564, reimbursement claims filed with the Controller shall be filed in the manner prescribed in the Parameters and Guidelines, and the Parameters and Guidelines, as a quasi-judicial decision of the Commission, are final and binding. The claimant failed to comply with the Parameters and Guidelines, and therefore the Controller could have reduced the entire claim to zero. Any such reduction would have been correct as a matter of law.

The decision continues (**Tab 4, Page 66**):

Finally, it is the claimant’s burden to establish actual costs, using “source documents that show the validity of such costs, when they were incurred and *their relationship to the reimbursable activities.*” The claimant argues that the Controller’s reduction of costs is incorrect or arbitrary or capricious and frames the issues in terms of the Controller’s failure to state a reason for the reduction. The claimant, however, ignores its duty to establish the relationship to the reimbursable activities.

Regarding SD time, the billing detail reports reviewed during the audit did not describe the mandated functions performed or specify the actual number of hours devoted to each function, as required by the Ps and Gs.

Section VII. A., “Direct Costs” of the Ps and Gs states, in part (**Tab 4, Page 39**):

**Claimed costs shall be supported by the following cost element information** [emphasis added]:

1. Salary and Employees’ Benefits

Identify the employee(s), show the classification of the employee(s) involved, **describe the mandated functions performed and specify the actual number of hours devoted to each function**, [emphasis added] the productive hourly rate, and the related benefits.

The county's IRC states (**Section 6, County IRC, PDF page 14**):

The auditor raised concerns regarding Standard Distributed (SD) time, which involved nonspecific program activities, particularly focusing on the actual time spent on traceable mandated activities. However, the language of Section V does not require that all costs be linked to a specific case.

Regarding the time claimed for employees' activities performed directly on cases, we requested case files to determine the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. The county disagrees with the exclusion of SD time as a part of this final audit report (and subsequent IRC), but its own records already segregate SD time separately from other recorded time. The county's own statements highlight that SD time is for "non-program specific" activities. Therefore, per the Ps and Gs, SD time cannot be considered an actual cost of the CAR program.

The county continues (**Section 6, County IRC, PDF page 14**):

The guidelines explicitly allow the use of "employee time records or time logs" to demonstrate these actual costs. Additionally, Section V permits the use of "worksheets" and "cost allocation reports (system generated)" as supporting evidence to validate these costs. The guidelines recognize and allow for the allocation of cost, provided they are directly related to the mandated activities.

The billing detail reports provided to support the SD time claimed are for "non-program specific" activities based on allocated hours. The county must claim only the actual costs for the reimbursable program. Actual costs are supported by source documentation. "Worksheets" and "cost allocation reports (system generated)" are not considered source documents.

Section V., "Reimbursable Costs," of the Ps and Gs, in part (**Tab 4, Page 36**):

. . . 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. . . 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** [emphasis added].

Claimants are allowed to submit evidence corroborating their source documents. However, the Ps and Gs do not allow claimants to substitute corroborating documents for source documents.

The county's IRC (**Section 6, County IRC, PDF page 15**) quotes Section V. A, "Scope of the Mandate," of the Ps and Gs, in part:

Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney actively assist in the resolution of child custody and visitation problems; for the

enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren) by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody or visitation . . .

The county further states: “This includes both direct and indirect costs, suggesting that a range of related activities, even if not tied to a specific case, may be considered reimbursable if they are essential to fulfilling the mandated program activities.” The Ps and Gs do not “suggest” a range of mandated activities, nor does it allow consideration of “essential” mandated activities as reimbursable. The list of specific reimbursable activities is outlined in the program’s Ps and Gs.

The Commission has previously issued a decision related to this topic. On March 30, 2016, the Commission adopted a decision for Santa Clara county’s IRC for the CAR program. In that decision, the Commission addressed the claimant’s requirement to adhere to the program’s Ps and Gs, in part (**Tab 4, Page 90**):

The Controller reduced salary and benefit costs claimed for fiscal years 1999-2000 through 2001-2002 for two full-time employees because the county did not provide adequate documentation to support mandate-related *hours* claimed. The claimant originally provided payroll documents to support the costs claimed for these employees, and asserts that the provision of payroll documentation for full-time employees should be sufficient to substantiate the hours claimed. However, payroll documentation does not show the actual number of hours the employees worked on mandated activities, as required by the parameters and guidelines. In addition, the reimbursement claims for fiscal years 1999-2000, 2000-2001, and 2001-2002, list the employee names, job classifications, and a brief description of the activities performed, but do not identify the actual number of hours devoted to each reimbursable function.

This prior IRC decision by the Commission highlights two major issues discussed in this current IRC. Claimed costs for this program must be actual costs, and the actual number of hours must be linked to mandated activities. The county is suggesting reimbursement should also include additional activities it deems to be “essential to fulfilling the mandated program activities.” If the county wants to expand the reimbursable activities of this mandated reimbursement program, we suggest submitting a request to amend the Ps and Gs with the Commission.

#### “Good Cause” Cases

The county’s IRC states (**Section 6, County IRC, PDF page 16**):

Actively assisting in the resolution of child custody and visitation problems can involve and result in a “Good Cause” claim. All actions necessary in locating and returning a child can involve and result in a “Good Cause” claim. Thus, those costs should be allowable as they fall within mandated activities.

We disagree. The costs do not “fall within the mandated activities,” because activities for PC 278.7 are not identified in the Ps and Gs. During fieldwork, we determined that employees claimed time on activities related to cases under PC section 278.7 (commonly referred to as “good cause” cases) (**Tab 4, Page 102**). Activities performed under this penal code are not considered reimbursable mandated activities.

During the audit, the county provided a list of “good cause” cases that it had misidentified. As stated by the county in an email on August 27, 2021 (**Tab 4, Page 103**): “These cases may have been reported to our office as ‘good cause’ cases, but turned out to be child abduction cases after

all.” With this information, the SCO auditors segregated out misidentified “good cause” cases (which were child abduction cases) and reviewed those separately. All other “good cause” cases confirmed by the county, and the associated time claimed, were disallowed.

The Ps and Gs incorporate requirements of PC sections 278 and 278.5, as amended by Chapter 988, Statutes of 1996. This law, known as the Parental Kidnapping Prevention Act, also added PC section 278.7. However, PC section 278.7 was not incorporated into the Ps and Gs; therefore, no costs claimed under this section are reimbursable.

The county’s IRC states (**Section 6, County IRC, PDF page 16**):

Moreover, Section VI of the Parameters and Guidelines only lists as “Non-Reimbursable Costs” the following:

Costs associated with criminal prosecution, commencing with the defendant’s first appearance in a California court, for offenses defined in Sections 278 or 278.5 of the Penal code, wherein the missing, abducted, or concealed child(ren) has been returned to the lawful person or agency.

Section VI only disallows costs associated with criminal prosecution once a defendant has appeared in court and excludes costs for prosecuting offenses under sections 278 and 278.5 of the Penal Code. It does not exclude “Good Cause” cases nor does it reference Penal Code section 278.7.

The Ps and Gs incorporated PC Sections 278 and 278.5. PC 278.7 was never part of the Ps and Gs. Therefore, costs associated with PC 278.7 are not reimbursable.

## FINDING 2 – Overstated materials and supplies costs

The county’s IRC states (**Section 6, County IRC, PDF page 18**): “...the allocation methodology used was a reasonable approach to capture the actual costs associated with supporting the program.” We disagree.

The county claimed both direct and allocated materials and supplies costs. For the direct materials and supplies costs claimed, we requested support to show the validity of claimed costs and their relationship to the reimbursable activities. The county provided an expense report as well as supporting invoices and receipts for costs claimed. Additionally, the county supported the costs with child abduction and recovery case files. The county provided the related case files, and we determined that all direct materials and supplies costs were allowable. In the final audit report, we noted no exceptions for the direct materials and supplies costs claimed (**Tab 4, Page 21**).

The county developed a methodology for allocating a percentage of materials and supplies costs incurred by the STOP Unit and identified them as direct costs applicable to the CAR program. As already noted, the STOP Unit includes the CAR program, CDCR prison prosecutions, and other programs. These costs were allocated across all programs within the STOP Unit but were claimed as direct costs directly attributable to the CAR program.

The county’s IRC states (**Section 6, County IRC, PDF page 18**):

As noted above, the Parameters and Guidelines permit cost allocation and allow for determining actual cost based on time records, time logs, and worksheets. This is a reasonable and appropriate manner to show actual cost. The state’s audit process is now imposing additional requirements and limitations not set forth in the Parameters and Guidelines.

We disagree.

Section VII. A. 3. “Materials and Supplies” of the Ps and Gs, in part (**Tab 4, Page 40**):

Only expenditures which can be identified as a direct cost of the mandate such as, but not limited to, vehicles, office equipment, communication devices, memberships, subscriptions, publications, may be claimed. *List the cost of the materials and supplies consumed specifically for the purposes of this mandate* [emphasis added]. Purchases shall be claimed at the actual price after deducting cash discounts, rebates and allowances received from the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

The SCO is not imposing additional requirements on claimants. During the audit, the county never identified how the allocated costs were consumed specifically for the purposes of the CAR program. Since the county split their materials and supplies costs into two groups (direct costs and allocated costs), the SCO auditors were unable to determine how the allocated costs were “a direct cost of the mandate.” Additionally, the large non-direct pool of allocated costs was for the STOP Unit collectively. The CAR program is part of this unit, as are other programs completely unrelated to the mandated reimbursable activities.

The county’s IRC states (**Section 6, County IRC, PDF page 18**):

The employees who worked on child abduction matters tracked their time and only noted billable hours for reimbursable activities. From this, it can be calculated what percentage of their time was spent on reimbursable mandated activities, which then was used to determine the actual cost of related materials and supplies used in those efforts.

As noted in the final audit report, “For each fiscal year, the county calculated the ratio of the State Targeted Offenders Unit’s program-related salaries and benefits to the unit’s total salaries and benefits. To determine program-related materials and supplies costs, the county applied the applicable percentage to the materials and supplies costs incurred by the State Targeted Offenders Unit.” (**Tab 4, Page 21**) The calculation was based off salaries and benefits and not “billable hours for reimbursable activities” as the county stated. Furthermore, the “billable hours for reimbursable activities” include allocated SD time (as discussed in Finding 1).

The county’s IRC states (**Section 6, County IRC, PDF page 19**): “According to the auditor, the DA’s Office can only charge for the cost of the phone attributable to a particular case, i.e., the minutes spent on the phone per actual case.” We disagree.

As noted in Finding 1, the Commission has addressed in prior IRC decisions the ability for the Controller to reduce claims (and by extension, claim components) to zero if the claimant fails to comply with the Ps and Gs. We reviewed, and allowed, 100% of the claimed direct materials and supplies cost for the fiscal years under audit. For the separate pool of claimed allocated costs, the county did not list the cost of the materials and supplies consumed specifically for the purposes of the mandate.

#### IV. CONCLUSION

The SCO audited county’s claims for costs of the legislatively mandated CAR Program (Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and Chapter 988, Statutes of 1996) for



the period of July 1, 2016, through June 30, 2019. The district claimed \$1,885,876 for costs of the mandated program. Our audit found that \$1,420,782 is allowable and \$465,094 is unallowable primarily because the county did not claim actual time spent on mandated activities and did not claim actual costs supported by source documentation.

The Commission should find that (1) the SCO correctly reduced the county's FY 2016-2017 claim by \$132,786; (2) the SCO correctly reduced the county's FY 2017-18 claim by \$141,772; and (3) the SCO correctly reduced the county's FY 2018-2019 claim by \$190,536.

## V. 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 March 6, 2025, at Sacramento, California, by:

*Lisa Kurokawa*

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Lisa Kurokawa, Chief  
Compliance Audits Bureau  
Division of Audits  
State Controller's Office

## **Tab 3**

# MANDATED COST MANUAL FOR LOCAL AGENCIES

STATE OF CALIFORNIA



STATE CONTROLLER'S OFFICE

October 1, 2017

## **FOREWORD**

This manual is issued to assist claimants in preparing mandated cost claims for submission to the State Controller's Office. The information contained in this manual is based on the State of California's statutes, regulations, and the parameters and guidelines (Ps & Gs) adopted by the Commission on State Mandates. As each mandate is unique, it is imperative that claimants refer to the claiming instructions and Ps & Gs of each program for updated data on established policies, procedures, eligible reimbursable activities, and revised forms.

For more information, contact the Local Reimbursements Section by email at [LRS LGPSD@sco.ca.gov](mailto:LRS LGPSD@sco.ca.gov), by telephone at (916) 324-5729, or by writing to the following address:

State Controller's Office  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
P.O. Box 942850  
Sacramento, CA 94250

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Office of the State Controller  
State-Mandated Costs Claiming Instructions No. 2012-32  
Custody of Minors-Child Abduction and Recovery  
Revised October 1, 2017

In accordance with Government Code (GC) sections 17560 and 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state-mandated cost programs. This document contains claiming instructions and forms that eligible claimants must use for filing claims for the Custody of Minors-Child Abduction and Recovery program. SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the Parameters and Guidelines (Ps & Gs). The amended Ps & Gs are included as an integral part of the claiming instructions.

On September 19, 1979, CSM adopted a Statement of Decision finding that the test claim legislation imposes a reimbursable state-mandated program on local agencies within the meaning of article XIII B, section 6 of the California Constitution and GC section 17514.

On October 30, 2009, CSM approved the amendments to the Ps & Gs to clarify the source documentation requirements and record retention language, as requested by the SCO.

**Exception**

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

**Eligible Claimants**

Any county, as defined in GC section 17515, that incurs increased costs as a result of this mandate is eligible to claim for reimbursement.

**Reimbursement Claim Deadline**

Annual reimbursement claims for the **2016-17** fiscal year may be filed by **February 15, 2018**, without a late penalty. **Claims filed more than one year after the filing date will not be accepted.**

**Penalty**

- **Initial Reimbursement Claims**

When filed within one year of the initial filing deadline, claims are assessed a late penalty of 10% of the total amount of the initial claim without limitation pursuant to GC section 17561(d)(3).

- **Annual Reimbursement Claims**

When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount, not to exceed \$10,000, pursuant to GC section 17568.

**Minimum Claim Cost**

GC section 17564(a), states that no claim may be filed pursuant to sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**).

## Reimbursement of Claims

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These 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 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, these documents cannot be substituted for source documents.

## Audit of Costs

All claims submitted to SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in accordance with the SCO's claiming instructions and the Ps & Gs adopted by CSM. If any adjustments are made to a claim, the claimant will be notified of the amount adjusted, and the reason for the adjustment.

On-site audits will be conducted by SCO as deemed necessary. Pursuant to GC section 17558.5(a), a reimbursement claim for actual costs filed by a claimant is subject to audit by SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to SCO on request.

## Record Retention

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for SCO to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to SCO on request.

## Claim Submission

Submit a signed original Form FAM-27 and one copy with required documents. **Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.**



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Mandated costs claiming instructions and forms are available online at the SCO's website:  
**[www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html)**.

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and  
Services Division  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and  
Services Division  
3301 C Street, Suite 700  
Sacramento, CA 95816

For more information, contact the Local Reimbursements Section by email at  
[LRSLGPSD@sco.ca.gov](mailto:LRSLGPSD@sco.ca.gov), by telephone at (916) 324-5729, or by writing to the address above.

Amended: October 30, 2009  
Amended: August 26, 1999  
Amended: July 25, 1987  
Amended: July 19, 1984  
Adopted: January 21, 1981

## AMENDMENT TO PARAMETERS AND GUIDELINES

Family Code Sections 3060 TO 3064, 3130 TO 3134.5, 3408, 3411, and 3421  
Penal Code Sections 277, 278, and 278.5  
Welfare And Institutions Code Section 11478.5

Chapter 1399, Statutes of 1976  
Chapter 162, Statutes of 1992  
Chapter 988, Statutes of 1996

### *Custody of Minors-Child Abduction and Recovery*

05-PGA-26 (CSM 4237)

State Controller's Office, Claimant

This amendment is effective beginning with claims filed for the  
July 1, 2005 through June 30, 2006 period of reimbursement.

#### I. SUMMARY OF MANDATE

Chapter 1399, Statutes of 1976, added Sections 4600.1 and 4604 to and amended Sections 5157, 5160, and 5169 of the Civil Code, added Section 278 and 278.5 to the Penal Code, and amended sections 11478.5 of the Welfare and Institutions Code, which increased the level of service provided by several county departments which must become involved in child custody matters. Where previously parents or others interested in the custody status of minors pursued their interests in court with no assistance from law enforcement agencies, due to this statute counties are required to actively assist in the resolution of custody problems and the enforcement of custody decrees. To accomplish this, several additional tools were provided to the courts and enforcement agencies in this legislation, including changes in the procedures for filing petitions to determine custody and enforce visitation rights, increased authorization to issue warrants of arrest to insure compliance, and increased access to locator and other information maintained by County and State departments. These activities increased the level of service provided to the public under Title 9 of Part 5 of the Civil Code, the Uniform Child Custody Jurisdiction Act.

Chapter 990, Statutes of 1983, amended Section 4604 of the Civil Code to clarify that the enforcement requirements of this section applied to visitation decrees as well as custody decrees.

Chapter 162, Statutes of 1992, repealed Sections 4600.1, 4604, 5157, 5160, and 5169 of the Civil Code and without substantial change enacted Sections 3060 to 3064, 3130 to 3134.5, 3408, 3411, and 3421 of the Family Code.

Chapter 988, Statutes of 1996, the Parental Kidnapping Prevention Act, repealed Sections 277, 278 and 278.5 of the Penal Code and enacted in a new statutory scheme in Sections 277, 278 and 278.5 which eliminated the distinction between cases with and cases without a preexisting child custody order.

II. BOARD OF CONTROL DECISIONS

On September 19, 1979, the Board of Control determined that Chapter 1399, Statutes of 1976, imposed a reimbursable state mandate upon counties by requiring district attorney offices to actively assist in the resolution of child custody problems including visitation disputes, the enforcement of custody decrees and of any other order of the court in a child custody proceeding. These activities include all actions necessary to locate a child, the enforcement of child custody decrees, orders to appear, or any other court order defraying expenses related to the return of an illegally detained, abducted or concealed child, proceeding with civil court actions, and guaranteeing the appearance of offenders and minors in court actions. The Board's finding was in response to a claim of first impression filed by the County of San Bernardino.

III. ELIGIBLE CLAIMANTS

Any county which incurs increased costs as a result of this mandate is eligible to claim reimbursement of those costs.

IV. PERIOD OF REIMBURSEMENT

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

Chapter 1399, Statutes of 1976, became effective January 1, 1977. Section 17557 of the Government Code (GC) stated that a test claim must be submitted on or before November 30<sup>th</sup> following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on April 17, 1979; therefore, costs incurred on or after July 1, 1978, are reimbursable. San Bernardino County may claim and be reimbursed for mandated costs incurred on or after July 1, 1977.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561 (d) (3) of the Government Code (GC), all claims for reimbursement of costs shall be submitted within 120 days of issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

V. REIMBURSABLE COSTS

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 under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." 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.

A. Scope of the Mandate

Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren) by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody or visitation, as provided in Family Code Sections 3130 to 3134.5, with the exception of those activities listed in

Section VI.

B. Reimbursable Activities

For each eligible claimant meeting the above criteria, all direct and indirect costs of labor, materials and supplies, training and travel for the following activities are eligible for reimbursement:

1. Obtaining compliance with court orders relating to child custody or visitation proceedings and the enforcement of child custody or visitation orders, including:
  - a. Contact with child(ren) and other involved persons.
    - (1) Receipt of reports and requests for assistance.
    - (2) Mediating with or advising involved individuals. Mediating services may be provided by other departments. If this is the case, indicate the department.
    - (3) Locating missing or concealed offender and child(ren).
  - b. Utilizing any appropriate civil or criminal court action to secure compliance.
    - (1) Preparation and investigation of reports and requests for assistance.
    - (2) Seeking physical restraint of offenders and/or the child(ren) to assure compliance with court orders.
    - (3) Process services and attendant court fees and costs.
    - (4) Depositions.
  - c. Physically recovering the child(ren).
    - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
    - (2) Other personal necessities for the child. All such items purchased must be itemized.
2. Court actions and costs in cases involving child custody or visitation orders from another jurisdiction, which may include, but are not limited to, utilization of the Uniform Child Custody Jurisdiction Act (Family Code Sections 3400 through 3425) and actions relating to the Federal Parental Kidnapping Prevention Act (42 USC 1738A) and The Hague Convention of 25 October 1980 on the Civil Aspects of International Child Abduction (Senate Treaty Document 99-11, 99<sup>th</sup> Congress, 1<sup>st</sup> Session).
  - a. Cost of providing foster care or other short-term care for any child pending return to the out-of-jurisdiction custodian. The reimbursable period of foster home care or other short-term care

may not exceed three days unless special circumstances exist.

Please explain the special circumstances. A maximum of ten days per child is allowable. Costs must be identified per child, per day.

This cost must be reduced by the amount of state reimbursement for foster home care which is received by the county for the child(ren) so placed.

- b. Cost of transporting the child(ren) to the out-of-jurisdiction custodian.
  - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
  - (2) Other personal necessities for the child(ren). All such items purchased must be itemized. Cost recovered from any party, individual or agency, must be shown and used as an offset against costs reported in this section.
  - (3) Securing appearance of offender and/or child(ren) when an arrest warrant has been issued or other order of the court to produce the offender or child(ren).
    - (a) Cost of serving arrest warrant or order and detaining the individual in custody, if necessary, to assure appearance in accordance with the arrest warrant or order.
    - (b) Cost of providing foster home care or other short-term care for any child requiring such because of the detention of the individual having custody. The number of days for the foster home care or short-term care shall not exceed the number of days of the detention period of the individual having physical custody of the minor.
  - (4) Return of an illegally obtained or concealed child(ren) to the legal custodian or agency.
    - (a) Costs of food, lodging, transportation and other personal necessities for the child(ren) from the time he/she is located until he/she is delivered to the legal custodian or agency. All personal necessities purchased must be itemized.
    - (b) Cost of an escort for the child(ren), including costs

of food, lodging, transportation and other expenses where such costs are a proper charge against the county. The type of escort utilized must be specified.

Any funds received as a result of costs assessed against a defendant or other party in a criminal or civil action for the return or care of the minor(s) (or defendant, if not part of a criminal extradition) must be shown and used as an offset against these costs.

VI. NON-REIMBURSABLE COSTS

- A. Costs associated with criminal prosecution, commencing with the defendant's first appearance in a California court, for offenses defined in Sections 278 or 278.5 of the Penal Code, wherein the missing, abducted, or concealed child(ren) has been returned to the lawful person or agency.

VII. CLAIM PREPARATION AND SUBMISSION

Claims 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 V of this document.

A. Direct Costs

Direct costs are defined as costs that can be traced to specific goods, services, units, programs, activities or functions.

Claimed costs shall be supported by the following cost element information:

1. Salary and Employees' Benefits

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study. Benefits are reimbursable; however, benefit rates must be itemized. If no itemization is submitted, 21 percent must be used for computation of claimed cost.

2. Contracted Services

Provide copies of the contract, separately show the contract services performed relative to the mandate, and the itemized costs for such services. Invoices must be submitted as supporting documentation with

the claim.

3. Materials and Supplies

Only expenditures which can be identified as a direct cost of the mandate such as, but not limited to, vehicles, office equipment, communication devices, memberships, subscriptions, publications, 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 from the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlement are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of the traveler(s), purpose of travel, inclusive dates and times of travel, destination points, and travel costs.

5. Training

The cost of training an employee to perform the mandated activities 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. Ongoing training is essential to the performance of this mandate because of frequent turnover in staff, rapidly changing technology, and developments in case law, statutes, and procedures. Reimbursable training under this section includes child abduction training scheduled during the California Family Support Council's conferences, the annual advanced child abduction training sponsored by the California District Attorney Association, and all other professional training.

B. Indirect Costs

Indirect costs are defined as costs which 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 central government services distributed to 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 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) for the department if the indirect cost rate claimed exceeds 10%. If more than one department is claiming indirect costs for the mandated program, each department must have its own ICRP prepared in accordance with OMB Circular A-87. An ICRP must be submitted with the claim when the indirect cost rate exceeds 10%.

1. Reimbursements

On a separate schedule, show details of any reimbursements received from the individuals or agencies involved in these cases. Show the total amount of such reimbursements as a reduction of the amount claimed on the cost summary form.

In addition, the costs claimed must be reduced by the amount recovered from the charges imposed by the court.

Any amount received by a county and forwarded directly to the state, must be reported on the cost summary form, but will not reduce the amount of the claim.

2. Mileage and Travel

Local entities will be reimbursed according to the rules of the local jurisdiction.

VIII. 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>1</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 V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

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

IX. OFFSETTING SAVINGS AND OTHER REIMBURSEMENT

Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source e.g., federal, state, etc., shall be identified and deducted from the claim.

X. REQUIRED CERTIFICATION

An authorized representative of the claimant will be required to provide a certification of the claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained therein.

<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM FOR PAYMENT</b>		<b>For State Controller Use Only</b>	<b>PROGRAM  013</b>
		(19) Program Number 00013 (20) Date Filed (21) LRS Input	
(01) Claimant Identification Number		<b>Reimbursement Claim Data</b>	
(02) Claimant Name		(22) FORM 1, (04) 1. (f)	
County of Location		(23) FORM 1, (04) 2. (f)	
Street Address or P.O. Box <span style="float: right;">Suite</span>		(24) FORM 1, (04) 3. (f)	
City <span style="float: right;">State</span> <span style="float: right;">Zip Code</span>		(25) FORM 1, (04) 4. (f)	
	<b>Type of Claim</b>	(26) FORM 1, (06)	
	(03) (09) Reimbursement <input type="checkbox"/>	(27) FORM 1, (07)	
	(04) (10) Combined <input type="checkbox"/>	(28) FORM 1, (09)	
	(05) (11) Amended <input type="checkbox"/>	(29) FORM 1, (10)	
<b>Fiscal Year of Cost</b>	(06)	(12)	(30)
<b>Total Claimed Amount</b>	(07)	(13)	(31)
Less: <b>10% Late Penalty</b> (refer to attached Instructions)		(14)	(32)
Less: <b>Prior Claim Payment Received</b>		(15)	(33)
<b>Net Claimed Amount</b>		(16)	(34)
<b>Due from State</b>	(08)	(17)	(35)
<b>Due to State</b>		(18)	(36)
<b>(37) CERTIFICATION OF CLAIM</b>			
<p>In accordance with the provisions of Government Code sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer		Date Signed	_____
_____		Telephone Number	_____
_____		Email Address	_____
Type or Print Name and Title of Authorized Signatory			
(38) Name of Agency Contact Person for Claim		Telephone Number	_____
_____		Email Address	_____
Name of Consulting Firm / Claim Preparer		Telephone Number	_____
_____		Email Address	_____

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM FOR PAYMENT INSTRUCTIONS</b>	<b>FORM FAM-27</b>
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- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, State, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) Not applicable.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate Form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown on Form 1 line (11). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial reimbursement claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15**, or otherwise specified in the claiming instructions, following the fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim filed on time. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
  - Late Initial Reimbursement Claims: Form FAM-27 line (13) multiplied by 10%, without limitation; or
  - Late Annual Reimbursement Claims: Form FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (29) Bring forward the cost information as specified on the left-hand column of lines (22) through (29) for the reimbursement claim, e.g., Form 1, (04) 1. (f), means the information is located on Form 1, block (04), line 1., column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. The indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the process.**
- (30) to (36) Leave blank.
- (37) Read the statement of Certification of Claim. The claim must be signed and dated by the agency's authorized officer, type or print name and title, telephone number, and email address. **Claims cannot be paid unless accompanied by an original signed certification. (Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.)**
- (38) Enter the name, telephone number, and email address of the agency contact person for the claim. If the claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and email address.

**SUBMIT A SIGNED ORIGINAL FORM FAM-27 AND ONE COPY WITH ALL OTHER FORMS TO:**

**Address, if delivered by U.S. Postal Service:**

**Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
P.O. Box 942850  
Sacramento, CA 94250**

**Address, if delivered by other delivery service:**

**Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
3301 C Street, Suite 700  
Sacramento, CA 95816**

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM SUMMARY</b>	<b>FORM 1</b>				
(01) Claimant		(02) Fiscal Year 20__/20__				
(03) Department						
<b>Direct Costs</b>	<b>Object Accounts</b>					
	(a) Salaries	(b) Benefits	(c) Materials And Supplies	(d) Contract Services	(e) Travel And Training	(f) Total
(04) Reimbursable Activities						
1. Compliance with Court Orders						
2. Court Costs for Out-of-Jurisdiction Cases						
3. Secure Appearance of Offender						
4. Return of Children to Custodian						
(05) Total Direct Costs						
<b>Indirect Costs</b>						
(06) Indirect Cost Rate	[From ICRP or 10%]					%
(07) Total Indirect Costs	[Refer to Claim Summary Instructions]					
(08) Total Direct and Indirect Costs	[Line (05)(g) + line (07)]					
<b>Cost Reduction</b>						
(09) Less: Offsetting Revenues						
(10) Less: Other Reimbursements						
(11) Total Claimed Amount	[Line (08) - {line (09) + line (10)}]					

<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1</b>
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- (01) Enter the name of the claimant.
  - (02) Enter the fiscal year of claim.
  - (03) If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 should be completed for each department.
  - (04) For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
  - (05) Total columns (a) through (f).
  - (06) Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an Indirect Cost Rate Proposal (ICRP). If an indirect cost rate of greater than 10% is used, include the ICRP with the claim.
  - (07) Local agencies have the option of using the flat rate of 10% of direct labor costs or using a department's ICRP in accordance with Office of Management and Budget Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by 10%. If an ICRP is submitted, multiply applicable costs used in the distribution base for the computation of the indirect cost rate by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
  - (08) Enter the sum of Total Direct Costs, line (05)(5), and Total Indirect Costs, line (07).
  - (09) If applicable, enter any revenue received by the claimant for this mandate from any state or federal source.
  - (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- Note:** Any funds received as a result of costs assessed against a defendant or other party in a criminal or civil action for the return or care of the minor(s), (or defendant, if not part of a criminal extradition) must be shown on Form 1.2 and must also be used as an offset against these cases.
- (11) From the Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Revenues, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY</b> <b>REIMBURSEMENT SOURCE SUMMARY</b>	<b>FORM</b> <b>1.2</b>
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(01) Claimant	(02) Fiscal Year 20___/20___
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(03) Indirect Costs Computation

(a) Cost Activity	(b) Case Number	(c) Reimbursement Source	(d) Amount

(04) Total <input type="checkbox"/> Subtotal <input type="checkbox"/>	
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<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY REIMBURSEMENT SOURCE SUMMARY INSTRUCTIONS</b>	<b>FORM</b> <b>1.2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the year in which costs were incurred.
- (03)
  - (a) List the cost activity.
  - (b) Enter the case number.
  - (c) Enter the reimbursement source.
  - (d) Enter the amount of reimbursement for the custody of minor programs the county has received from defendants, other individuals, or the State Foster Care Program.
- (04) Total the amount of reimbursement received and carryforward this amount to Form 1, line (10), Other Reimbursements.



<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY ACTIVITY COST DETAIL</b>	<b>FORM 2</b>
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(01) Claimant	(02) Fiscal Year 20__/20__
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<input type="checkbox"/> 1. Compliance with Court Orders	<input type="checkbox"/> 3. Secure Appearance of Offender
<input type="checkbox"/> 2. Court Costs for Out-of-Jurisdiction Cases	<input type="checkbox"/> 4. Return of Children to Custodian

(04) Description of Expenses	Object Accounts			
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(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Travel and Training

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY ACTIVITY COST DETAIL INSTRUCTIONS</b>	<b>FORM 2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Check the box which indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each activity.
- (04) The following table identifies the type of information required to support reimbursable costs. To itemize costs for the activity box checked in block (03), enter each employee name, job classification, a brief description of the activities performed, productive hourly rate, actual time spent, fringe benefits, supplies used, contract services, fixed assets, and travel and training expenses. **The descriptions required in column (04)(a) must be of sufficient detail to explain the cost of activities or items being claimed.**

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the State Controller's Office (SCO) to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

Object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>	Employee Name and Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate X Hours Worked					
	Activities Performed	Benefit Rate			Benefits = Benefit Rate X Salaries				
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost X Quantity Used			
<b>Contract Services</b>	Name of Contractor and Specific Tasks Performed	Hourly Rate	Hours Worked and Inclusive Dates of				Cost = Hourly Rate X Hours Worked or Total Contract Cost		Copy of Contract and Invoices
<b>Travel and Training</b>	Purpose of Trip, Name and Title, Destination, Departure Date, and Return Date	Per Diem Rate, Mileage Rate, and Travel Cost	Days, Miles, and Travel Mode					Total Travel = Rate X Days or Miles	
	Employee Name and Title and Name of Class Attended		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (h) and enter the sums on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row.

State of California

# Mandated Cost Manual For Local Agencies

September 1, 2018



**BETTY T. YEE**

California State Controller's Office

## **FOREWORD**

This manual is issued to assist claimants in preparing mandated cost claims for submission to the State Controller's Office. The information contained in this manual is based on the State of California's statutes, regulations, and the parameters and guidelines (Ps & Gs) adopted by the Commission on State Mandates. As each mandate is unique, it is imperative that claimants refer to the claiming instructions and Ps & Gs of each program for updated data on established policies, procedures, eligible reimbursable activities, and revised forms.

For more information, contact the Local Reimbursements Section by email at [LRLGSPD@sco.ca.gov](mailto:LRLGSPD@sco.ca.gov), by telephone at (916) 324-5729, or by writing to the following address:

State Controller's Office  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
P.O. Box 942850  
Sacramento, CA 94250

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Office of the State Controller  
State-Mandated Costs Claiming Instructions No. 2012-32  
Custody of Minors-Child Abduction and Recovery – Program No. 13  
Revised September 1, 2018

In accordance with Government Code (GC) sections 17560 and 17561, eligible claimants may submit claims to the State Controller’s Office (SCO) for reimbursement of costs incurred for state-mandated cost programs. This document contains claiming instructions and forms that eligible claimants must use for filing claims for the Custody of Minors-Child Abduction and Recovery program. SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the Parameters and Guidelines (Ps & Gs). The amended Ps & Gs are included as an integral part of the claiming instructions.

On September 19, 1979, CSM adopted a Statement of Decision finding that the test claim legislation imposes a reimbursable state-mandated program on local agencies within the meaning of article XIII B, section 6 of the California Constitution and GC section 17514.

On October 30, 2009, CSM approved the amendments to the Ps & Gs to clarify the source documentation requirements and record retention language, as requested by the SCO.

**Exception**

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

**Eligible Claimants**

Any county, as defined in GC section 17515, that incurs increased costs as a result of this mandate is eligible to claim for reimbursement.

**Reimbursement Claim Deadline**

Pursuant to GC section 17560(a), annual reimbursement claims may be filed by **February 15** following the fiscal year in which costs were incurred. If the deadline falls on a weekend or holiday, claims are due the following business day. Claims filed after the deadline must be reduced by a late penalty. **Claims filed more than one year after the deadline will not be accepted.**

**Penalty**

- **Initial Reimbursement Claims**

When filed within one year of the initial filing deadline, claims are assessed a late penalty of 10% of the total amount of the initial claim without limitation pursuant to GC section 17561(d)(3).

- **Annual Reimbursement Claims**

When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount, not to exceed \$10,000, pursuant to GC section 17568.

### **Minimum Claim Cost**

GC section 17564(a), states that no claim may be filed pursuant to sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**).

### **Reimbursement of Claims**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These 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 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, these documents cannot be substituted for source documents.

### **Audit of Costs**

All claims submitted to SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in accordance with the SCO's claiming instructions and the Ps & Gs adopted by CSM. If any adjustments are made to a claim, the claimant will be notified of the amount adjusted, and the reason for the adjustment.

On-site audits will be conducted by SCO as deemed necessary. Pursuant to GC section 17558.5(a), a reimbursement claim for actual costs filed by a claimant is subject to audit by SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to SCO on request.

### **Record Retention**

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for SCO to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to SCO on request.



**Claim Submission**

Submit a signed original Form FAM-27 and one copy with required documents. **Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: **[www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html)**.

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and  
Services Division  
P.O. Box 942850  
Sacramento, CA 94250

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other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and  
Services Division  
3301 C Street, Suite 700  
Sacramento, CA 95816

For more information, contact the Local Reimbursements Section by email at [LRS LGPSD@sco.ca.gov](mailto:LRS LGPSD@sco.ca.gov), by telephone at (916) 324-5729, or by writing to the address above.

Amended: October 30, 2009  
Amended: August 26, 1999  
Amended: July 25, 1987  
Amended: July 19, 1984  
Adopted: January 21, 1981

## AMENDMENT TO PARAMETERS AND GUIDELINES

Family Code Sections 3060 TO 3064, 3130 TO 3134.5, 3408, 3411, and 3421

Penal Code Sections 277, 278, and 278.5

Welfare And Institutions Code Section 11478.5

Chapter 1399, Statutes of 1976

Chapter 162, Statutes of 1992

Chapter 988, Statutes of 1996

### *Custody of Minors-Child Abduction and Recovery*

05-PGA-26 (CSM 4237)

State Controller's Office, Claimant

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

#### I. SUMMARY OF MANDATE

Chapter 1399, Statutes of 1976, added Sections 4600.1 and 4604 to and amended Sections 5157, 5160, and 5169 of the Civil Code, added Section 278 and 278.5 to the Penal Code, and amended sections 11478.5 of the Welfare and Institutions Code, which increased the level of service provided by several county departments which must become involved in child custody matters. Where previously parents or others interested in the custody status of minors pursued their interests in court with no assistance from law enforcement agencies, due to this statute counties are required to actively assist in the resolution of custody problems and the enforcement of custody decrees. To accomplish this, several additional tools were provided to the courts and enforcement agencies in this legislation, including changes in the procedures for filing petitions to determine custody and enforce visitation rights, increased authorization to issue warrants of arrest to insure compliance, and increased access to locator and other information maintained by County and State departments. These activities increased the level of service provided to the public under Title 9 of Part 5 of the Civil Code, the Uniform Child Custody Jurisdiction Act.

Chapter 990, Statutes of 1983, amended Section 4604 of the Civil Code to clarify that the enforcement requirements of this section applied to visitation decrees as well as custody decrees.

Chapter 162, Statutes of 1992, repealed Sections 4600.1, 4604, 5157, 5160, and 5169 of the Civil Code and without substantial change enacted Sections 3060 to 3064, 3130 to 3134.5, 3408, 3411, and 3421 of the Family Code.

Chapter 988, Statutes of 1996, the Parental Kidnapping Prevention Act, repealed Sections 277, 278 and 278.5 of the Penal Code and enacted in a new statutory scheme in Sections 277, 278 and 278.5 which eliminated the distinction between cases with and cases without a preexisting child custody order.

II. BOARD OF CONTROL DECISIONS

On September 19, 1979, the Board of Control determined that Chapter 1399, Statutes of 1976, imposed a reimbursable state mandate upon counties by requiring district attorney offices to actively assist in the resolution of child custody problems including visitation disputes, the enforcement of custody decrees and of any other order of the court in a child custody proceeding. These activities include all actions necessary to locate a child, the enforcement of child custody decrees, orders to appear, or any other court order defraying expenses related to the return of an illegally detained, abducted or concealed child, proceeding with civil court actions, and guaranteeing the appearance of offenders and minors in court actions. The Board's finding was in response to a claim of first impression filed by the County of San Bernardino.

III. ELIGIBLE CLAIMANTS

Any county which incurs increased costs as a result of this mandate is eligible to claim reimbursement of those costs.

IV. PERIOD OF REIMBURSEMENT

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

Chapter 1399, Statutes of 1976, became effective January 1, 1977. Section 17557 of the Government Code (GC) stated that a test claim must be submitted on or before November 30<sup>th</sup> following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on April 17, 1979; therefore, costs incurred on or after July 1, 1978, are reimbursable. San Bernardino County may claim and be reimbursed for mandated costs incurred on or after July 1, 1977.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561 (d) (3) of the Government Code (GC), all claims for reimbursement of costs shall be submitted within 120 days of issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

V. REIMBURSABLE COSTS

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 under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." 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.

A. Scope of the Mandate

Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren) by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody or visitation, as provided in Family Code Sections 3130 to 3134.5, with the exception of those activities listed in

Section VI.

B. Reimbursable Activities

For each eligible claimant meeting the above criteria, all direct and indirect costs of labor, materials and supplies, training and travel for the following activities are eligible for reimbursement:

1. Obtaining compliance with court orders relating to child custody or visitation proceedings and the enforcement of child custody or visitation orders, including:
  - a. Contact with child(ren) and other involved persons.
    - (1) Receipt of reports and requests for assistance.
    - (2) Mediating with or advising involved individuals.  
Mediating services may be provided by other departments.  
If this is the case, indicate the department.
    - (3) Locating missing or concealed offender and child(ren).
  - b. Utilizing any appropriate civil or criminal court action to secure compliance.
    - (1) Preparation and investigation of reports and requests for assistance.
    - (2) Seeking physical restraint of offenders and/or the child(ren) to assure compliance with court orders.
    - (3) Process services and attendant court fees and costs.
    - (4) Depositions.
  - c. Physically recovering the child(ren).
    - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
    - (2) Other personal necessities for the child. All such items purchased must be itemized.
2. Court actions and costs in cases involving child custody or visitation orders from another jurisdiction, which may include, but are not limited to, utilization of the Uniform Child Custody Jurisdiction Act (Family Code Sections 3400 through 3425) and actions relating to the Federal Parental Kidnapping Prevention Act (42 USC 1738A) and The Hague Convention of 25 October 1980 on the Civil Aspects of International Child Abduction (Senate Treaty Document 99-11, 99<sup>th</sup> Congress, 1<sup>st</sup> Session).
  - a. Cost of providing foster care or other short-term care for any child pending return to the out-of-jurisdiction custodian. The reimbursable period of foster home care or other short-term care

may not exceed three days unless special circumstances exist.

Please explain the special circumstances. A maximum of ten days per child is allowable. Costs must be identified per child, per day.

This cost must be reduced by the amount of state reimbursement for foster home care which is received by the county for the child(ren) so placed.

- b. Cost of transporting the child(ren) to the out-of-jurisdiction custodian.
  - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
  - (2) Other personal necessities for the child(ren). All such items purchased must be itemized. Cost recovered from any party, individual or agency, must be shown and used as an offset against costs reported in this section.
  - (3) Securing appearance of offender and/or child(ren) when an arrest warrant has been issued or other order of the court to produce the offender or child(ren).
    - (a) Cost of serving arrest warrant or order and detaining the individual in custody, if necessary, to assure appearance in accordance with the arrest warrant or order.
    - (b) Cost of providing foster home care or other short-term care for any child requiring such because of the detention of the individual having custody. The number of days for the foster home care or short-term care shall not exceed the number of days of the detention period of the individual having physical custody of the minor.
  - (4) Return of an illegally obtained or concealed child(ren) to the legal custodian or agency.
    - (a) Costs of food, lodging, transportation and other personal necessities for the child(ren) from the time he/she is located until he/she is delivered to the legal custodian or agency. All personal necessities purchased must be itemized.
    - (b) Cost of an escort for the child(ren), including costs

of food, lodging, transportation and other expenses where such costs are a proper charge against the county. The type of escort utilized must be specified.

Any funds received as a result of costs assessed against a defendant or other party in a criminal or civil action for the return or care of the minor(s) (or defendant, if not part of a criminal extradition) must be shown and used as an offset against these costs.

VI. NON-REIMBURSABLE COSTS

- A. Costs associated with criminal prosecution, commencing with the defendant's first appearance in a California court, for offenses defined in Sections 278 or 278.5 of the Penal Code, wherein the missing, abducted, or concealed child(ren) has been returned to the lawful person or agency.

VII. CLAIM PREPARATION AND SUBMISSION

Claims 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 V of this document.

A. Direct Costs

Direct costs are defined as costs that can be traced to specific goods, services, units, programs, activities or functions.

Claimed costs shall be supported by the following cost element information:

1. Salary and Employees' Benefits

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study. Benefits are reimbursable; however, benefit rates must be itemized. If no itemization is submitted, 21 percent must be used for computation of claimed cost.

2. Contracted Services

Provide copies of the contract, separately show the contract services performed relative to the mandate, and the itemized costs for such services. Invoices must be submitted as supporting documentation with

the claim.

3. Materials and Supplies

Only expenditures which can be identified as a direct cost of the mandate such as, but not limited to, vehicles, office equipment, communication devices, memberships, subscriptions, publications, 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 from the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlement are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of the traveler(s), purpose of travel, inclusive dates and times of travel, destination points, and travel costs.

5. Training

The cost of training an employee to perform the mandated activities 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. Ongoing training is essential to the performance of this mandate because of frequent turnover in staff, rapidly changing technology, and developments in case law, statutes, and procedures. Reimbursable training under this section includes child abduction training scheduled during the California Family Support Council's conferences, the annual advanced child abduction training sponsored by the California District Attorney Association, and all other professional training.

B. Indirect Costs

Indirect costs are defined as costs which 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 central government services distributed to 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 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) for the department if the indirect cost rate claimed exceeds 10%. If more than one department is claiming indirect costs for the mandated program, each department must have its own ICRP prepared in accordance with OMB Circular A-87. An ICRP must be submitted with the claim when the indirect cost rate exceeds 10%.

1. Reimbursements

On a separate schedule, show details of any reimbursements received from the individuals or agencies involved in these cases. Show the total amount of such reimbursements as a reduction of the amount claimed on the cost summary form.

In addition, the costs claimed must be reduced by the amount recovered from the charges imposed by the court.

Any amount received by a county and forwarded directly to the state, must be reported on the cost summary form, but will not reduce the amount of the claim.

2. Mileage and Travel

Local entities will be reimbursed according to the rules of the local jurisdiction.

VIII. 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>1</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 V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

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

IX. OFFSETTING SAVINGS AND OTHER REIMBURSEMENT

Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source e.g., federal, state, etc., shall be identified and deducted from the claim.

X. REQUIRED CERTIFICATION

An authorized representative of the claimant will be required to provide a certification of the claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained therein.

State Controller's Office

Mandated Cost Manual for Local Agencies

<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS- CHILD ABDUCTION AND RECOVERY CLAIM FOR PAYMENT</b>	<b>For State Controller Use Only</b> (19) Program Number 00013 (20) Date Filed (21) LRS Input	<b>FORM FAM-27</b>
(01) Claimant Identification Number		<b>Reimbursement Claim Data</b>	
(02) Claimant Name		(22) FORM 1, (04) 1. (f)	
County of Location		(23) FORM 1, (04) 2. (f)	
Street Address or P.O. Box <span style="float: right;">Suite</span>		(24) FORM 1, (04) 3. (f)	
City <span style="float: right;">State</span> <span style="float: right;">Zip Code</span>		(25) FORM 1, (04) 4. (f)	
	<b>Type of Claim</b>	(26) FORM 1, (06)	
	(03) (09) Reimbursement <input type="checkbox"/>	(27) FORM 1, (07)	
	(04) (10) Combined <input type="checkbox"/>	(28) FORM 1, (09)	
	(05) (11) Amended <input type="checkbox"/>	(29) FORM 1, (10)	
<b>Fiscal Year of Cost</b>	(06) (12)	(30)	
<b>Total Claimed Amount</b>	(07) (13)	(31)	
Less: <b>10% Late Penalty</b> (refer to attached Instructions)	(14)	(32)	
Less: <b>Prior Claim Payment Received</b>	(15)	(33)	
<b>Net Claimed Amount</b>	(16)	(34)	
<b>Due from State</b>	(08) (17)	(35)	
<b>Due to State</b>	(18)	(36)	
<b>(37) CERTIFICATION OF CLAIM</b>			
<p>In accordance with the provisions of Government Code sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer		Date Signed	_____
_____		Telephone Number	_____
_____		Email Address	_____
Type or Print Name and Title of Authorized Signatory			
(38) Name of Agency Contact Person for Claim		Telephone Number	_____
_____		Email Address	_____
Name of Consulting Firm / Claim Preparer		Telephone Number	_____
_____		Email Address	_____

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM FOR PAYMENT INSTRUCTIONS</b>	<b>FORM FAM-27</b>
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- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, State, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) Not applicable.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate Form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown on Form 1 line (11). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial reimbursement claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15**, or otherwise specified in the claiming instructions, following the fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim filed on time. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Reimbursement Claims: Form FAM-27 line (13) multiplied by 10%, without limitation; or
  - Late Annual Reimbursement Claims: Form FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (29) Bring forward the cost information as specified on the left-hand column of lines (22) through (29) for the reimbursement claim, e.g., Form 1, (04) 1. (f), means the information is located on Form 1, block (04), line 1., column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. The indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the process.**
- (30) to (36) Leave blank.
- (37) Read the statement of Certification of Claim. The claim must be signed and dated by the agency's authorized officer, type or print name and title, telephone number, and email address. **Claims cannot be paid unless accompanied by an original signed certification. (Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.)**
- (38) Enter the name, telephone number, and email address of the agency contact person for the claim. If the claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and email address.

**SUBMIT A SIGNED ORIGINAL FORM FAM-27 AND ONE COPY WITH ALL OTHER FORMS TO:**

*Address, if delivered by U.S. Postal Service:*

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
P.O. Box 942850  
Sacramento, CA 94250

*Address, if delivered by other delivery service:*

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
3301 C Street, Suite 700  
Sacramento, CA 95816

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM SUMMARY</b>	<b>FORM 1</b>				
(01) Claimant		(02) Fiscal Year 20__/20__				
(03) Department						
<b>Direct Costs</b>	<b>Object Accounts</b>					
	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Travel and Training	(f) Total
(04) Reimbursable Activities						
1. Compliance with Court Orders						
2. Court Costs for Out-of-Jurisdiction Cases						
3. Secure Appearance of Offender						
4. Return of Children to Custodian						
(05) Total Direct Costs						
<b>Indirect Costs</b>						
(06) Indirect Cost Rate	[From ICRP or 10%]					%
(07) Total Indirect Costs	[Refer to Claim Summary Instructions]					
(08) Total Direct and Indirect Costs	[Line (05)(g) + line (07)]					
<b>Cost Reduction</b>						
(09) Less: Offsetting Revenues						
(10) Less: Other Reimbursements						
(11) Total Claimed Amount	[Line (08) - {line (09) + line (10)}]					

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM SUMMARY INSTRUCTIONS</b>	<b>FORM 1</b>
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- (01) Enter the name of the claimant.
  - (02) Enter the fiscal year of claim.
  - (03) If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 should be completed for each department.
  - (04) For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
  - (05) Total columns (a) through (f).
  - (06) Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an Indirect Cost Rate Proposal (ICRP). If an indirect cost rate of greater than 10% is used, include the ICRP with the claim.
  - (07) Local agencies have the option of using the flat rate of 10% of direct labor costs or using a department's ICRP in accordance with Office of Management and Budget Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by 10%. If an ICRP is submitted, multiply applicable costs used in the distribution base for the computation of the indirect cost rate by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
  - (08) Enter the sum of Total Direct Costs, line (05)(f), and Total Indirect Costs, line (07).
  - (09) If applicable, enter any revenue received by the claimant for this mandate from any state or federal source.
  - (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- Note:** Any funds received as a result of costs assessed against a defendant or other party in a criminal or civil action for the return or care of the minor(s), (or defendant, if not part of a criminal extradition) must be shown on Form 1.2 and must also be used as an offset against these cases.
- (11) From the Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Revenues, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY</b> <b>REIMBURSEMENT SOURCE SUMMARY</b>	<b>FORM</b> <b>1.2</b>
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(01) Claimant	(02) Fiscal Year 20___/20___
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(03) Indirect Costs Computation

(a) Cost Activity	(b) Case Number	(c) Reimbursement Source	(d) Amount

(04) Total <input type="checkbox"/> Subtotal <input type="checkbox"/>	
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<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY REIMBURSEMENT SOURCE SUMMARY INSTRUCTIONS</b>	<b>FORM</b> <b>1.2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the year in which costs were incurred.
- (03)
  - (a) List the cost activity.
  - (b) Enter the case number.
  - (c) Enter the reimbursement source.
  - (d) Enter the amount of reimbursement for the custody of minor programs the county has received from defendants, other individuals, or the State Foster Care Program.
- (04) Total the amount of reimbursement received and carryforward this amount to Form 1, line (10), Other Reimbursements.



<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>2</b>
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(01) Claimant	(02) Fiscal Year 20__/20__
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<input type="checkbox"/> 1. Compliance with Court Orders	<input type="checkbox"/> 3. Secure Appearance of Offender
<input type="checkbox"/> 2. Court Costs for Out-of-Jurisdiction Cases	<input type="checkbox"/> 4. Return of Children to Custodian

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Travel and Training

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY ACTIVITY COST DETAIL INSTRUCTIONS</b>	<b>FORM 2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Check the box which indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each activity.
- (04) The following table identifies the type of information required to support reimbursable costs. To itemize costs for the activity box checked in block (03), enter each employee name, job classification, a brief description of the activities performed, productive hourly rate, actual time spent, fringe benefits, supplies used, contract services, fixed assets, and travel and training expenses. **The descriptions required in column (04)(a) must be of sufficient detail to explain the cost of activities or items being claimed.**

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the State Controller's Office (SCO) to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

Object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>	Employee Name and Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate X Hours Worked					
	Activities Performed	Benefit Rate			Benefits = Benefit Rate X Salaries				
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost X Quantity Used			
<b>Contract Services</b>	Name of Contractor and Specific Tasks Performed	Hourly Rate	Hours Worked and Inclusive Dates of				Cost = Hourly Rate X Hours Worked or Total Contract Cost		Copy of Contract and Invoices
<b>Travel and Training</b>	Purpose of Trip, Name and Title, Destination, Departure Date, and Return Date	Per Diem Rate, Mileage Rate, and Travel Cost	Days, Miles, and Travel Mode					Total Travel = Rate X Days or Miles	
	Employee Name and Title and Name of Class Attended		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (h) and enter the sums on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row.

Office of the State Controller  
State-Mandated Costs Claiming Instructions No. 2012-32  
Custody of Minors-Child Abduction and Recovery – Program No. 13  
Revised September 1, 2019

In accordance with Government Code (GC) sections 17560 and 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state-mandated cost programs. This document contains claiming instructions and forms that eligible claimants must use for filing claims for the Custody of Minors-Child Abduction and Recovery program. SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the Parameters and Guidelines (Ps & Gs). The amended Ps & Gs are included as an integral part of the claiming instructions.

On September 19, 1979, CSM adopted a Statement of Decision finding that the test claim legislation imposes a reimbursable state-mandated program on local agencies within the meaning of article XIII B, section 6 of the California Constitution and GC section 17514.

On October 30, 2009, CSM approved the amendments to the Ps & Gs to clarify the source documentation requirements and record retention language, as requested by the SCO.

### **Exception**

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

### **Eligible Claimants**

Any county, as defined in GC section 17515, that incurs increased costs as a result of this mandate is eligible to claim for reimbursement.

### **Reimbursement Claim Deadline**

Pursuant to GC section 17560(a), annual reimbursement claims may be filed by **February 15** following the fiscal year in which costs were incurred. If the deadline falls on a weekend or holiday, claims are due the following business day. Claims filed after the deadline must be reduced by a late penalty. **Claims filed more than one year after the deadline will not be accepted.**

### **Penalty**

- **Initial Reimbursement Claims**

When filed within one year of the initial filing deadline, claims are assessed a late penalty of 10% of the total amount of the initial claim without limitation pursuant to GC section 17561(d)(3).

- **Annual Reimbursement Claims**

When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount, not to exceed \$10,000, pursuant to GC section 17568.

### **Minimum Claim Cost**

GC section 17564(a), states that no claim may be filed pursuant to sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**).

### **Reimbursement of Claims**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These 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 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, these documents cannot be substituted for source documents.

### **Audit of Costs**

All claims submitted to SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in accordance with the SCO's claiming instructions and the Ps & Gs adopted by CSM. If any adjustments are made to a claim, the claimant will be notified of the amount adjusted, and the reason for the adjustment.

On-site audits will be conducted by SCO as deemed necessary. Pursuant to GC section 17558.5(a), a reimbursement claim for actual costs filed by a claimant is subject to audit by SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for SCO to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to SCO on request.

### **Record Retention**

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for SCO to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to SCO on request.

**Claim Submission**

Submit a signed original Form FAM-27 and one copy with required documents. **Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: **[www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html)**.

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and  
Services Division  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and  
Services Division  
3301 C Street, Suite 700  
Sacramento, CA 95816

For more information, contact the Local Reimbursements Section by email at [LRS LGPSD@sco.ca.gov](mailto:LRS LGPSD@sco.ca.gov), by telephone at (916) 324-5729, or by writing to the address above.

Amended: October 30, 2009  
Amended: August 26, 1999  
Amended: July 25, 1987  
Amended: July 19, 1984  
Adopted: January 21, 1981

**AMENDMENT TO PARAMETERS AND GUIDELINES**

Family Code Sections 3060 TO 3064, 3130 TO 3134.5, 3408, 3411, and 3421  
Penal Code Sections 277, 278, and 278.5  
Welfare And Institutions Code Section 11478.5

Chapter 1399, Statutes of 1976  
Chapter 162, Statutes of 1992  
Chapter 988, Statutes of 1996

*Custody of Minors-Child Abduction and Recovery*

05-PGA-26 (CSM 4237)

State Controller's Office, Claimant

This amendment is effective beginning with claims filed for the  
July 1, 2005 through June 30, 2006 period of reimbursement.

I. SUMMARY OF MANDATE

Chapter 1399, Statutes of 1976, added Sections 4600.1 and 4604 to and amended Sections 5157, 5160, and 5169 of the Civil Code, added Section 278 and 278.5 to the Penal Code, and amended sections 11478.5 of the Welfare and Institutions Code, which increased the level of service provided by several county departments which must become involved in child custody matters. Where previously parents or others interested in the custody status of minors pursued their interests in court with no assistance from law enforcement agencies, due to this statute counties are required to actively assist in the resolution of custody problems and the enforcement of custody decrees. To accomplish this, several additional tools were provided to the courts and enforcement agencies in this legislation, including changes in the procedures for filing petitions to determine custody and enforce visitation rights, increased authorization to issue warrants of arrest to insure compliance, and increased access to locator and other information maintained by County and State departments. These activities increased the level of service provided to the public under Title 9 of Part 5 of the Civil Code, the Uniform Child Custody Jurisdiction Act.

Chapter 990, Statutes of 1983, amended Section 4604 of the Civil Code to clarify that the enforcement requirements of this section applied to visitation decrees as well as custody decrees.

Chapter 162, Statutes of 1992, repealed Sections 4600.1, 4604, 5157, 5160, and 5169 of the Civil Code and without substantial change enacted Sections 3060 to 3064, 3130 to 3134.5, 3408, 3411, and 3421 of the Family Code.

Chapter 988, Statutes of 1996, the Parental Kidnapping Prevention Act, repealed Sections 277, 278 and 278.5 of the Penal Code and enacted in a new statutory scheme in Sections 277, 278 and 278.5 which eliminated the distinction between cases with and cases without a preexisting child custody order.

II. BOARD OF CONTROL DECISIONS

On September 19, 1979, the Board of Control determined that Chapter 1399, Statutes of 1976, imposed a reimbursable state mandate upon counties by requiring district attorney offices to actively assist in the resolution of child custody problems including visitation disputes, the enforcement of custody decrees and of any other order of the court in a child custody proceeding. These activities include all actions necessary to locate a child, the enforcement of child custody decrees, orders to appear, or any other court order defraying expenses related to the return of an illegally detained, abducted or concealed child, proceeding with civil court actions, and guaranteeing the appearance of offenders and minors in court actions. The Board's finding was in response to a claim of first impression filed by the County of San Bernardino.

III. ELIGIBLE CLAIMANTS

Any county which incurs increased costs as a result of this mandate is eligible to claim reimbursement of those costs.

IV. PERIOD OF REIMBURSEMENT

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

Chapter 1399, Statutes of 1976, became effective January 1, 1977. Section 17557 of the Government Code (GC) stated that a test claim must be submitted on or before November 30<sup>th</sup> following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on April 17, 1979; therefore, costs incurred on or after July 1, 1978, are reimbursable. San Bernardino County may claim and be reimbursed for mandated costs incurred on or after July 1, 1977.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561 (d) (3) of the Government Code (GC), all claims for reimbursement of costs shall be submitted within 120 days of issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

V. REIMBURSABLE COSTS

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 under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." 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.

A. Scope of the Mandate

Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren) by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody or visitation, as provided in Family Code Sections 3130 to 3134.5, with the exception of those activities listed in

Section VI.

B. Reimbursable Activities

For each eligible claimant meeting the above criteria, all direct and indirect costs of labor, materials and supplies, training and travel for the following activities are eligible for reimbursement:



1. Obtaining compliance with court orders relating to child custody or visitation proceedings and the enforcement of child custody or visitation orders, including:
  - a. Contact with child(ren) and other involved persons.
    - (1) Receipt of reports and requests for assistance.
    - (2) Mediating with or advising involved individuals. Mediating services may be provided by other departments. If this is the case, indicate the department.
    - (3) Locating missing or concealed offender and child(ren).
  - b. Utilizing any appropriate civil or criminal court action to secure compliance.
    - (1) Preparation and investigation of reports and requests for assistance.
    - (2) Seeking physical restraint of offenders and/or the child(ren) to assure compliance with court orders.
    - (3) Process services and attendant court fees and costs.
    - (4) Depositions.
  - c. Physically recovering the child(ren).
    - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
    - (2) Other personal necessities for the child. All such items purchased must be itemized.
2. Court actions and costs in cases involving child custody or visitation orders from another jurisdiction, which may include, but are not limited to, utilization of the Uniform Child Custody Jurisdiction Act (Family Code Sections 3400 through 3425) and actions relating to the Federal Parental Kidnapping Prevention Act (42 USC 1738A) and The Hague Convention of 25 October 1980 on the Civil Aspects of International Child Abduction (Senate Treaty Document 99-11, 99<sup>th</sup> Congress, 1<sup>st</sup> Session).
  - a. Cost of providing foster care or other short-term care for any child pending return to the out-of-jurisdiction custodian. The reimbursable period of foster home care or other short-term care

may not exceed three days unless special circumstances exist.

Please explain the special circumstances. A maximum of ten days per child is allowable. Costs must be identified per child, per day.

This cost must be reduced by the amount of state reimbursement for foster home care which is received by the county for the child(ren) so placed.

- b. Cost of transporting the child(ren) to the out-of-jurisdiction custodian.
  - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
  - (2) Other personal necessities for the child(ren). All such items purchased must be itemized. Cost recovered from any party, individual or agency, must be shown and used as an offset against costs reported in this section.
  - (3) Securing appearance of offender and/or child(ren) when an arrest warrant has been issued or other order of the court to produce the offender or child(ren).
    - (a) Cost of serving arrest warrant or order and detaining the individual in custody, if necessary, to assure appearance in accordance with the arrest warrant or order.
    - (b) Cost of providing foster home care or other short-term care for any child requiring such because of the detention of the individual having custody. The number of days for the foster home care or short-term care shall not exceed the number of days of the detention period of the individual having physical custody of the minor.
  - (4) Return of an illegally obtained or concealed child(ren) to the legal custodian or agency.
    - (a) Costs of food, lodging, transportation and other personal necessities for the child(ren) from the time he/she is located until he/she is delivered to the legal custodian or agency. All personal necessities purchased must be itemized.
    - (b) Cost of an escort for the child(ren), including costs

of food, lodging, transportation and other expenses where such costs are a proper charge against the county. The type of escort utilized must be specified.

Any funds received as a result of costs assessed against a defendant or other party in a criminal or civil action for the return or care of the minor(s) (or defendant, if not part of a criminal extradition) must be shown and used as an offset against these costs.

VI. NON-REIMBURSABLE COSTS

- A. Costs associated with criminal prosecution, commencing with the defendant's first appearance in a California court, for offenses defined in Sections 278 or 278.5 of the Penal Code, wherein the missing, abducted, or concealed child(ren) has been returned to the lawful person or agency.

VII. CLAIM PREPARATION AND SUBMISSION

Claims 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 V of this document.

A. Direct Costs

Direct costs are defined as costs that can be traced to specific goods, services, units, programs, activities or functions.

Claimed costs shall be supported by the following cost element information:

1. Salary and Employees' Benefits

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study. Benefits are reimbursable; however, benefit rates must be itemized. If no itemization is submitted, 21 percent must be used for computation of claimed cost.

2. Contracted Services

Provide copies of the contract, separately show the contract services performed relative to the mandate, and the itemized costs for such services. Invoices must be submitted as supporting documentation with

the claim.

3. Materials and Supplies

Only expenditures which can be identified as a direct cost of the mandate such as, but not limited to, vehicles, office equipment, communication devices, memberships, subscriptions, publications, 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 from the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlement are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of the traveler(s), purpose of travel, inclusive dates and times of travel, destination points, and travel costs.

5. Training

The cost of training an employee to perform the mandated activities 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. Ongoing training is essential to the performance of this mandate because of frequent turnover in staff, rapidly changing technology, and developments in case law, statutes, and procedures. Reimbursable training under this section includes child abduction training scheduled during the California Family Support Council's conferences, the annual advanced child abduction training sponsored by the California District Attorney Association, and all other professional training.

B. Indirect Costs

Indirect costs are defined as costs which 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 central government services distributed to 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 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) for the department if the indirect cost rate claimed exceeds 10%. If more than one department is claiming indirect costs for the mandated program, each department must have its own ICRP prepared in accordance with OMB Circular A-87. An ICRP must be submitted with the claim when the indirect cost rate exceeds 10%.

1. Reimbursements

On a separate schedule, show details of any reimbursements received from the individuals or agencies involved in these cases. Show the total amount of such reimbursements as a reduction of the amount claimed on the cost summary form.

In addition, the costs claimed must be reduced by the amount recovered from the charges imposed by the court.

Any amount received by a county and forwarded directly to the state, must be reported on the cost summary form, but will not reduce the amount of the claim.

2. Mileage and Travel

Local entities will be reimbursed according to the rules of the local jurisdiction.

VIII. 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>1</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 V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

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

IX. OFFSETTING SAVINGS AND OTHER REIMBURSEMENT

Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source e.g., federal, state, etc., shall be identified and deducted from the claim.

X. REQUIRED CERTIFICATION

An authorized representative of the claimant will be required to provide a certification of the claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained therein.

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS- CHILD ABDUCTION AND RECOVERY CLAIM FOR PAYMENT</b>	<b>For State Controller Use Only</b>	<b>FORM FAM-27</b>
		(19) Program Number 00013 (20) Date Filed (21) LRS Input	
(01) Claimant Identification Number		<b>Reimbursement Claim Data</b>	
(02) Claimant Name		(22) FORM 1, (04) 1. (f)	
County of Location		(23) FORM 1, (04) 2. (f)	
Street Address or P.O. Box		Suite	
		(24) FORM 1, (04) 3. (f)	
City		State	
		Zip Code	
		(25) FORM 1, (04) 4. (f)	
		<b>Type of Claim</b>	
	(03)	(09) Reimbursement <input type="checkbox"/>	(26) FORM 1, (06)
	(04)	(10) Combined <input type="checkbox"/>	(27) FORM 1, (07)
	(05)	(11) Amended <input type="checkbox"/>	(28) FORM 1, (09)
			(29) FORM 1, (10)
<b>Fiscal Year of Cost</b>	(06)	(12)	(30)
<b>Total Claimed Amount</b>	(07)	(13)	(31)
Less: <b>10% Late Penalty</b> (refer to attached Instructions)		(14)	(32)
Less: <b>Prior Claim Payment Received</b>		(15)	(33)
<b>Net Claimed Amount</b>		(16)	(34)
<b>Due from State</b>	(08)	(17)	(35)
<b>Due to State</b>		(18)	(36)
<b>(37) CERTIFICATION OF CLAIM</b>			
<p>In accordance with the provisions of Government Code sections 17560 and 17561, I certify that I am the officer authorized by the local agency to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received for reimbursement of costs claimed herein and claimed costs are for a new program or increased level of services of an existing program. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p>			
Signature of Authorized Officer			
		Date Signed	_____
		Telephone Number	_____
		Email Address	_____
Type or Print Name and Title of Authorized Signatory			
(38) Name of Agency Contact Person for Claim		Telephone Number	_____
		Email Address	_____
Name of Consulting Firm / Claim Preparer		Telephone Number	_____
		Email Address	_____

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM FOR PAYMENT INSTRUCTIONS</b>	<b>FORM FAM-27</b>
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- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, State, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) Not applicable.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate Form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown on Form 1 line (11). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial reimbursement claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15**, or otherwise specified in the claiming instructions, following the fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim filed on time. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Reimbursement Claims: Form FAM-27 line (13) multiplied by 10%, without limitation; or
  - Late Annual Reimbursement Claims: Form FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (29) Bring forward the cost information as specified on the left-hand column of lines (22) through (29) for the reimbursement claim, e.g., Form 1, (04) 1. (f), means the information is located on Form 1, block (04), line 1., column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. The indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 35.19% should be shown as 35. **Completion of this data block will expedite the process.**
- (30) to (36) Leave blank.
- (37) Read the statement of Certification of Claim. The claim must be signed and dated by the agency's authorized officer, type or print name and title, telephone number, and email address. **Claims cannot be paid unless accompanied by an original signed certification. (Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.)**
- (38) Enter the name, telephone number, and email address of the agency contact person for the claim. If the claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and email address.

**SUBMIT A SIGNED ORIGINAL FORM FAM-27 AND ONE COPY WITH ALL OTHER FORMS TO:**

**Address, if delivered by U.S. Postal Service:**

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
P.O. Box 942850  
Sacramento, CA 94250

**Address, if delivered by other delivery service:**

Office of the State Controller  
Attn: Local Reimbursements Section  
Local Government Programs and Services Division  
3301 C Street, Suite 700  
Sacramento, CA 95816



<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY CLAIM SUMMARY</b>					<b>FORM 1</b>	
(01) Claimant			(02)		Fiscal Year 20__/20__		
(03) Department							
<b>Direct Costs</b>		<b>Object Accounts</b>					
(04) Reimbursable Activities		(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Travel and Training	(f) Total
1. Compliance with Court Orders							
2. Court Costs for Out-of-Jurisdiction Cases							
3. Secure Appearance of Offender							
4. Return of Children to Custodian							
(05) Total Direct Costs							
<b>Indirect Costs</b>							
(06) Indirect Cost Rate		[From ICRP or 10%]				%	
(07) Total Indirect Costs		[Refer to Claim Summary Instructions]					
(08) Total Direct and Indirect Costs		[Line (05)(g) + line (07)]					
<b>Cost Reduction</b>							
(09) Less: Offsetting Revenues							
(10) Less: Other Reimbursements							
(11) Total Claimed Amount		[Line (08) - {line (09) + line (10)}]					

<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY</b> <b>CLAIM SUMMARY</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>1</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of claim.
- (03) If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 should be completed for each department.
- (04) For each reimbursable activity, enter the total from Form 2, line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row. Total each row.
- (05) Total columns (a) through (f).
- (06) Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits, without preparing an Indirect Cost Rate Proposal (ICRP). If an indirect cost rate of greater than 10% is used, include the ICRP with the claim.
- (07) Local agencies have the option of using the flat rate of 10% of direct labor costs or using a department's ICRP in accordance with Office of Management and Budget Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(a), by 10%. If an ICRP is submitted, multiply applicable costs used in the distribution base for the computation of the indirect cost rate by the Indirect Cost Rate, line (06). If more than one department is reporting costs, each must have its own ICRP for the program.
- (08) Enter the sum of Total Direct Costs, line (05)(f), and Total Indirect Costs, line (07).
- (09) If applicable, enter any offsetting revenue received by the claimant for this mandate from any state or federal source. Submit a schedule detailing the revenue sources and amounts.
- (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.  
  
**Note:** Any funds received as a result of costs assessed against a defendant or other party in a criminal or civil action for the return or care of the minor(s), (or defendant, if not part of a criminal extradition) must be shown on Form 1.2 and must also be used as an offset against these cases.
- (11) From the Total Direct and Indirect Costs, line (08), subtract the sum of Offsetting Revenues, line (09), and Other Reimbursements, line (10). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY REIMBURSEMENT SOURCE SUMMARY</b>	<b>FORM 1.2</b>
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(01) Claimant	(02) Fiscal Year 20___/20___
---------------	---------------------------------

(03) Indirect Costs Computation

(a) Cost Activity	(b) Case Number	(c) Reimbursement Source	(d) Amount

(04) Total <input type="checkbox"/> Subtotal <input type="checkbox"/>	
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<b>PROGRAM 013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY REIMBURSEMENT SOURCE SUMMARY INSTRUCTIONS</b>	<b>FORM 1.2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the year in which costs were incurred.
- (03)
  - (a) List the cost activity.
  - (b) Enter the case number.
  - (c) Enter the reimbursement source.
  - (d) Enter the amount of reimbursement for the custody of minor programs the county has received from defendants, other individuals, or the State Foster Care Program.
- (04) Total the amount of reimbursement received and carryforward this amount to Form 1, line (10), Other Reimbursements.

<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY</b> <b>ACTIVITY COST DETAIL</b>	<b>FORM</b> <b>2</b>
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(01) Claimant	(02) Fiscal Year 20___/20___
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(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

<input type="checkbox"/> 1. Compliance with Court Orders	<input type="checkbox"/> 3. Secure Appearance of Offender
<input type="checkbox"/> 2. Court Costs for Out-of-Jurisdiction Cases	<input type="checkbox"/> 4. Return of Children to Custodian

(04) Description of Expenses			Object Accounts				
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f) Materials and Supplies	(g) Contract Services	(h) Travel and Training

(05) Total <input type="checkbox"/> Subtotal <input type="checkbox"/> Page: ___ of ___	
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<b>PROGRAM</b> <b>013</b>	<b>CUSTODY OF MINORS-CHILD ABDUCTION AND RECOVERY</b> <b>ACTIVITY COST DETAIL</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Check the box which indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each activity.
- (04) The following table identifies the type of information required to support reimbursable costs. To itemize costs for the activity box checked in block (03), enter each employee name, job classification, a brief description of the activities performed, productive hourly rate, actual time spent, fringe benefits, supplies used, contract services, fixed assets, and travel and training expenses. **The descriptions required in column (04)(a) must be of sufficient detail to explain the cost of activities or items being claimed.**

Object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>	Employee Name and Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate X Hours Worked					
	Activities Performed	Benefit Rate			Benefits = Benefit Rate X Salaries				
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost X Quantity Used			
<b>Contract Services</b>	Name of Contractor and Specific Tasks Performed	Hourly Rate	Hours Worked and Inclusive Dates of				Cost = Hourly Rate X Hours Worked or Total Contract Cost		Copy of Contract and Invoices
<b>Travel and Training</b>	Purpose of Trip, Name and Title, Destination, Departure Date, and Return Date	Per Diem Rate, Mileage Rate, and Travel Cost	Days, Miles, and Travel Mode					Total Travel = Rate X Days or Miles	
	Employee Name and Title and Name of Class Attended		Dates Attended					Registration Fee	

- (05) Total line (04), columns (d) through (h) and enter the sums on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (h) to Form 1, block (04), columns (a) through (e) in the appropriate row.

## **Tab 4**



**BETTY T. YEE**  
**California State Controller**

January 14, 2021

Ben Lamera, Director of Finance  
Sacramento County  
700 H Street, Room 3650  
Sacramento, CA 95814

Re: Audit of Mandated Cost Claims for the Custody of Minors – Child Abduction and Recovery Program for the Period of July 1, 2016, through June 30, 2019

Dear Mr. Lamera:

This letter constitutes the initiation of an audit by the State Controller's Office of Sacramento County's legislatively mandated Custody of Minors – Child Abduction and Recovery Program cost claims filed for fiscal year (FY) 2016-17 through FY 2018-19. The objective of our audit is to determine whether costs claimed represent increased costs as a result of the mandated program. To that end, we will assess whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

Alexandra Bonezzi, of our office, contacted the county on January 11, 2021, to schedule an entrance conference for Wednesday, January 20, 2021, at 10:30 a.m. The audit will be conducted in accordance with generally accepted government auditing standards. Government Code sections 12410, 17558.5, and 17561 provide the authority for this audit. We will begin audit fieldwork after the entrance conference.



Ben Lamera, Director of Finance  
January 14, 2021  
Page 2

Lisa Kurokawa is the Bureau Chief with overall responsibility for the audit. Michael Reeves, CPA, is the Acting Division Chief, and is responsible for final review and signing the audit report.

If you have any questions, please contact me by telephone at (916) 323-2368, or email at [khowell@sco.ca.gov](mailto:khowell@sco.ca.gov).

Sincerely,

*Original signed by*

KEN HOWELL, Audit Manager  
Compliance Audits Bureau  
Division of Audits

KH/ac

20533

Attachment

Ben Lamera, Director of Finance  
January 14, 2021  
Page 3

cc: Phil Serna, Chair

Sacramento County Board of Supervisors  
Joyce Renison, Assistant Auditor-Controller  
Sacramento County  
Mark Aspesi, Chief of Financial Reporting and Control  
Sacramento County  
Melissa Chavez, Senior Administrative Analyst  
District Attorney's Office  
Sacramento County  
Sean Stoyanowski, Senior Administrative Analyst  
Department of Finance  
Sacramento County  
Ross McCarthy, Senior Audit Manager,  
Department of Finance  
Sacramento County  
Chris Hill, Principal Program Budget Analyst  
Local Government Unit  
California Department of Finance  
Steven Pavlov, Finance Budget Analyst  
Local Government Unit  
California Department of Finance  
Debra Morton, Manager  
Local Reimbursement Section  
State Controller's Office  
Gwendolyn Carlos, Supervisor  
Local Reimbursement Section  
State Controller's Office  
Lisa Kurokawa, Bureau Chief  
Division of Audits  
State Controller's Office  
Alexandra Bonezzi, Auditor-in-Charge  
Division of Audits  
State Controller's Office

**Attachment—  
Records Request for Mandated Cost Program  
FY 2016-17 through 2018-19**

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1. Copy of claims filed for the Custody of Minors – Child Abduction and Recovery Program for FY 2016-17, FY 2017-18, and FY 2018-19
2. Copy of external and internal audit reports performed on the mandated cost program.
3. Organization charts for the county effective during the audit period, showing employee names and position titles.
4. Chart of accounts
5. Documentation that support the productive hourly rate used, including support for benefit rates.
6. Employee timesheets or time logs that supports claimed hours.
7. Access to payroll records showing employee salaries and benefits paid during the audit.
8. Access to general ledger accounts that support disbursements.
9. Documentation that supports amounts received from other funding sources.
10. Documentation that supports the indirect cost rate proposal.
11. List of child abduction cases for each fiscal year.
12. Access to case files.
13. Documentation that supports the travel and training costs claimed.
14. Documentation that supports the materials and supplies costs claimed.
15. Documentation that supports the contract services costs claimed.

Note: This is a preliminary list of documents that we need to begin the audit. We will request additional documentation throughout the audit process, if necessary.

# **SACRAMENTO COUNTY**

Audit Report

## **CUSTODY OF MINORS – CHILD ABDUCTION AND RECOVERY PROGRAM**

Chapter 1399, Statutes of 1976;  
Chapter 162, Statutes of 1992; and  
Chapter 988, Statutes of 1996

*July 1, 2016, through June 30, 2019*



**BETTY T. YEE**  
California State Controller

February 2022



**BETTY T. YEE**  
California State Controller

February 23, 2022

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Joyce Renison, Assistant Auditor-Controller  
Sacramento County  
700 H Street, Room 3650  
Sacramento, CA 95814

Dear Ms. Renison:

The State Controller's Office (SCO) audited the costs claimed by Sacramento County for the legislatively mandated Custody of Minors – Child Abduction and Recovery Program for the period of July 1, 2016, through June 30, 2019.

The county claimed and was paid \$1,885,876 for costs of the mandated program. Our audit found that \$1,420,782 is allowable and \$465,094 is unallowable. The costs are unallowable primarily because the county claimed costs for unallowable activities and did not claim actual costs.

Following issuance of this audit report, the SCO's Local Government Programs Services Division will notify the county of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

This final audit report contains an adjustment to costs claimed by the county. If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). Pursuant to the Commission's regulations, outlined in Title 2, California Code of Regulations, section 1185.1, subdivision (c), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. IRC information is available on the Commission's website at [www.csm.ca.gov/forms/IRCForm.pdf](http://www.csm.ca.gov/forms/IRCForm.pdf).

If you have any questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

*Original signed by*

**KIMBERLY TARVIN, CPA**  
Chief, Division of Audits

KT/as

cc: John Black, CPA, Chief  
Administrative and Fiscal Services  
Sacramento County District Attorney's Office  
Chris Hill, Principal Program Budget Analyst  
Local Government Unit  
California Department of Finance  
Steven Pavlov, Finance Budget Analyst  
Local Government Unit  
California Department of Finance  
Darryl Mar, Manager  
Local Reimbursement Section  
State Controller's Office  
Everett Luc, Supervisor  
Local Reimbursement Section  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by Sacramento County for the legislatively mandated Custody of Minors – Child Abduction and Recovery Program for the period of July 1, 2016, through June 30, 2019.

The county claimed and was paid \$1,885,876 for costs of the mandated program. Our audit found that \$1,420,782 is allowable and \$465,094 is unallowable. The costs are unallowable primarily because the county claimed costs for unallowable activities and did not claim actual costs.

## Background

Chapter 1399, Statutes of 1976, established the Child Abduction and Recovery mandated program, based on the following laws:

- Civil Code section 4600.1 (repealed and added as Family Code sections 3060 through 3064 by Chapter 162, Statutes of 1992);
- Penal Code (PC) sections 278 and 278.5 (repealed and added as PC sections 277, 278, and 278.5 by Chapter 988, Statutes of 1996); and
- Welfare and Institutions Code section 11478.5 (repealed and added as Family Code section 17506 by Chapter 478, Statutes of 1999; last amended by Chapter 759, Statutes of 2002).

These laws require the District Attorney's Office to assist persons having legal custody of a child in:

- Locating their children when they are unlawfully taken away;
- Gaining enforcement of custody and visitation decrees and orders to appear;
- Defraying expenses related to the return of an illegally detained, abducted, or concealed child;
- Civil court action proceedings; and
- Guaranteeing the appearance of offenders and minors in court actions.

On September 19, 1979, the State Board of Control (now the Commission on State Mandates) determined that this legislation imposed a state mandate reimbursable under Government Code (GC) section 17561.

The parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission on State Mandates adopted the parameters and guidelines on January 21, 1981; they were last amended on October 30, 2009. In compliance with GC section 17558, the SCO issues claiming instructions for mandated programs to assist local agencies in claiming reimbursable costs.



**Audit Authority**

We conducted this performance audit in accordance with GC sections 17558.5 and 17561, which authorize the SCO to audit the county's records to verify the actual amount of the mandated costs. In addition, GC section 12410 provides the SCO with general audit authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law.

**Objective, Scope, and Methodology**

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated Custody of Minors – Child Abduction and Recovery Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.<sup>1</sup>

The audit period was July 1, 2016, through June 30, 2019.

To achieve our objective, we completed the following tasks:

- We reviewed the annual mandated cost claims filed by the county for the audit period and identified the significant cost components of each claim as salaries and benefits, materials and supplies, travel and training, and indirect costs. We determined whether there were any errors or unusual or unexpected variances from year to year. We reviewed the activities claimed to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines.
- We completed an internal control questionnaire by interviewing key county staff. We discussed the claim preparation process with county staff to determine what information was obtained, who obtained it, and how it was used.
- We reviewed activity codes charged by the county and job descriptions for the audit period.
- We judgmentally selected the following cases for review:
  - Fiscal year (FY) 2016-17 – six cases, which equaled 21% of Salaries and Benefits claimed for the year;
  - FY 2017-18 – nine cases, which equaled 20% of Salaries and Benefits claimed for the year; and
  - FY 2018-19 – 10 cases, which equaled 20% of Salaries and Benefits claimed for the year.
- We isolated the claimed costs associated with standard distributed time, as these costs are not specifically for the mandated cost program. 100% of these costs are unallowable (see Finding 1 for more information).

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<sup>1</sup> Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs.

- We isolated the claimed costs associated with PC section 278.7 (commonly known as “good cause” cases), as these cases are not allowable per the program’s parameters and guidelines. 100% of these costs are unallowable (see Finding 1 for more information).
- We traced claimed productive hourly rates for the audit period to county-provided personnel budget schedules. We noted no exceptions to the claimed productive hourly rates.
- We reviewed claimed materials and supplies costs and found that the county claimed costs that were allocated to the State Targeted Offenders Unit as direct costs applicable to the mandated program, although the costs were not actual costs supported by source documentation. Per the program’s parameters and guidelines, only actual costs are allowed. We found \$217,020 in materials and supplies costs to be unallowable (see Finding 2 for more information).
- We reviewed 100% of the claimed travel and training costs for the audit period. We found immaterial variances in the claimed travel and training costs that did not result in a finding.
- We reviewed the claimed indirect cost rates, including supporting documentation provided by the county. We found that the indirect cost rates were properly supported.
- We interviewed county personnel and reviewed the county’s Single Audit Reports and revenues reports to identify potential sources of offsetting revenues and reimbursements from federal or pass-through programs applicable to this mandated program. We found that the county did not receive any funding for this mandate that should be offset from claimed costs.

We conducted this performance 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We did not audit the county’s financial statements.

## Conclusion

As a result of performing the audit procedures, we found instances of noncompliance with the requirements described in our audit objective. We did not find that the county claimed costs that were funded by other sources; however, we did find that it claimed unsupported and ineligible costs, as quantified in the Schedule and described in the Findings and Recommendations section of this audit report.

For the audit period, the county claimed and was paid \$1,885,876 for costs of the legislatively mandated Custody of Minors – Child Abduction and Recovery Program. Our audit found that \$1,420,782 is allowable and \$465,094 is unallowable.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the county of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

**Follow-up on  
Prior Audit  
Findings**

The county has satisfactorily resolved the findings noted in our prior audit report for the period of July 1, 2001, through June 30, 2003, issued on August 5, 2005.

**Views of  
Responsible  
Officials**

We issued a draft report on November 17, 2021. John Black, CPA, Chief, Administrative and Fiscal Services, responded by letter dated December 10, 2021, disagreeing with the audit results. This final audit report includes the county's response.

**Restricted Use**

This audit report is solely for the information and use of Sacramento County, 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 audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

February 23, 2022

**Schedule—**  
**Summary of Program Costs**  
**July 1, 2016, through June 30, 2019**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>a</sup>
<u>July 1, 2016, through June 30, 2017</u>				
Direct costs:				
Salaries and benefits	\$ 358,375	\$ 308,151	\$ (50,224)	Finding 1
Materials and supplies	67,970	2,966	(65,004)	Finding 2
Travel and training	10,860	10,860	-	
Total direct costs	437,205	321,977	(115,228)	
Indirect costs	125,288	107,730	(17,558)	Finding 1
Total program costs	<u>\$ 562,493</u>	429,707	<u>\$ (132,786)</u>	
Less amount paid by the State <sup>b</sup>		(562,493)		
Amount paid in excess of allowable costs claimed		<u>\$ (132,786)</u>		
<u>July 1, 2017, through June 30, 2018</u>				
Direct costs:				
Salaries and benefits	\$ 388,786	\$ 337,180	\$ (51,606)	Finding 1
Materials and supplies	81,806	7,937	(73,869)	Finding 2
Travel and training	2,863	2,863	-	
Total direct costs	473,455	347,980	(125,475)	
Indirect costs	122,779	106,482	(16,297)	Finding 1
Total program costs	<u>\$ 596,234</u>	454,462	<u>\$ (141,772)</u>	
Less amount paid by the State <sup>b</sup>		(596,234)		
Amount paid in excess of allowable costs claimed		<u>\$ (141,772)</u>		

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>a</sup>
<u>July 1, 2018, through June 30, 2019</u>				
Direct costs:				
Salaries and benefits	\$ 463,254	\$ 378,681	\$ (84,573)	Finding 1
Materials and supplies <sup>c</sup>	110,876	32,729	(78,147)	Finding 2
Travel and training	655	655	-	
Total direct costs	574,785	412,065	(162,720)	
Indirect costs	152,364	124,548	(27,816)	Finding 1
Total program costs	<u>\$ 727,149</u>	536,613	<u>\$(190,536)</u>	
Less amount paid by the State <sup>b</sup>		(727,149)		
Amount paid in excess of allowable costs claimed		<u>\$ (190,536)</u>		
<u>Summary: July 1, 2016, through June 30, 2019</u>				
Direct costs:				
Salaries and benefits	\$ 1,210,415	\$ 1,024,012	\$(186,403)	Finding 1
Materials and supplies	260,652	43,632	(217,020)	Finding 2
Travel and training	14,378	14,378	-	
Total direct costs	1,485,445	1,082,022	(403,423)	
Indirect costs	400,431	338,760	(61,671)	Finding 1
Total program costs	<u>\$ 1,885,876</u>	1,420,782	<u>\$(465,094)</u>	
Less amount paid by the State <sup>b</sup>		(1,885,876)		
Amount paid in excess of allowable costs claimed		<u>\$ (465,094)</u>		

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

<sup>b</sup> Payment amount current as of December 16, 2021.

<sup>c</sup> For FY 2018-19, the county incorrectly identified materials and supplies costs as contract services.

# Findings and Recommendations

**FINDING 1—  
Overstated salaries  
and benefit costs and  
related indirect costs**

The county claimed \$1,210,415 in salaries and benefits for the audit period. We determined that \$1,024,012 is allowable and \$186,403 is unallowable. The related unallowable indirect costs total \$61,671, for total unallowable costs of \$248,074. The costs are unallowable because the county claimed time for activities performed for “good cause” cases, and did not claim actual time spent on mandated activities.

The following table summarizes the overstated salaries and benefits, the related indirect costs, and the audit adjustment:

	FY 2016-17	FY 2017-18	FY 2018-19	Total
Overstated salaries and benefits:				
“Good cause” cases (PC section 278.7)	\$ (9,910)	\$ (6,757)	\$ (15,609)	\$ (32,276)
Standard distributed time	(40,314)	(44,849)	(68,964)	(154,127)
Total unallowable salaries and benefits	<b>A</b> (50,224)	(51,606)	(84,573)	(186,403)
Claimed indirect cost rate	<b>B</b> 34.96%	31.58%	32.89%	
Related indirect costs (A × B)	<b>C</b> (17,558)	(16,297)	(27,816)	(61,671)
Audit adjustment (A + C)	<b>D</b> \$ (67,782)	\$ (67,903)	\$ (112,389)	\$ (248,074)

Standard Distributed Time

The county claimed time for employees working on non-program-specific activities—including supervisory, general clerical, and billing—for the State Targeted Offenders Unit. This time is categorized as standard distributed (SD) time, and is allocated monthly, based on the unit’s case load for all programs. The time is then spread amongst the programs based on the full-time equivalent percentage for each program.

We determined that \$154,127 claimed for SD time salaries and benefits is unallowable, because SD time is not actual time spent on traceable mandated activities.

Section V, “Reimbursable Costs,” of the parameters and guidelines states, in part:

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.

“Good Cause” Cases

The county claimed time spent on activities for PC section 278.7 cases (commonly referred to as “good cause” cases). We determined that the salaries and benefits claimed, totaling \$32,276, are unallowable because

the parameters and guidelines do not identify activities related to PC section 278.7 cases as a reimbursable cost.

The parameters and guidelines incorporate requirements of PC sections 278 and 278.5, as amended by Chapter 988, Statutes of 1996. This law, known as the Parental Kidnapping Prevention Act, also added section 278.7 to the Penal Code. However, PC section 278.7 was not incorporated into the parameters and guidelines; therefore, any costs claimed under this section are not reimbursable.

#### Recommendation

We recommend that the county:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

#### County Response

##### Standard Distributed Times

The Audit Report concluded that salaries and benefits for Standard Distributed (SD) time in the amount of \$154,127 claimed by the DA's Office during the audit period (July 1, 2016 – June 30, 2019) were unallowable. We do not agree with this finding.

California Family Code sections 3130 through 3134.5 mandate that District Attorneys assist the courts in enforcing their child custody and visitation orders and in locating and returning children who have been taken or detained in violation of another person's custody right. Prosecutors are authorized to utilize any appropriate civil or criminal proceeding to assist the courts in enforcing their orders and to locate and recover missing children. District Attorneys' child abduction work is reimbursable by the state under the Child Abduction and Recovery Mandate.

The DA's Office has a State Targeted Offenders Program (STOP), which consists of our Child Abduction and Recovery Program, CDCR prison prosecutions, and other state-reimbursed programs. This allows for consolidation of supervisory, clerical, and other general costs such as rent, phones, office supplies, and insurance for which the state will provide reimbursement. These costs were then subdivided amongst the various state-reimbursed programs within STOP, directly allocating those expenses to the appropriate program according to time studies. Employees who worked on Child Abduction cases tracked their time daily and only time actually worked on applicable cases was thereafter billed to the state. Many of these employees work exclusively on Child Abduction and Recovery cases. For other employees who provided supportive activities, such as clerical, supervisory, and billing, when they recorded time generally, those hours were proportioned based on the number of worked during the month. If not for state mandate, the DA's Office would not have had these dedicated employees and their related costs of employment handling Child Abduction and Recovery matters. The DA's Office allocated and claimed these costs using what was believed to be a reasonable methodology, which was applied consistently

and not disproportionately allocated to this mandated program. The time claimed was general administrative time on behalf of eligible cases as a whole, spread amongst the programs based on the full-time equivalent percentage for each program.

In finding that this methodology was unallowable, the audit relied upon and quoted the following language from section V of the 2009 *Custody of Minors: Child Abduction and Recovery* Amendment to Parameters and Guidelines (“Parameters and Guidelines”):

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.

Furthermore, the auditor noted that each cost had to be attributed to an actual case. However, the language of section V does not require that all costs be attributed to an actual *case*. Instead, it uses the language of “actual costs” (emphasis added). These are defined as “those costs actually incurred to implement the mandated activities.” It specifically allows the use of “employee time records or time logs” as a methodology to show actual costs. Additionally, section V goes on to provide that evidence corroborating the validity of costs may include “worksheets” and “cost allocation reports (system generated).” Section V by its very terms anticipates and allows for allocating costs. Subsection A of section V provides, “Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren) by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody and visitation....” This includes both direct and indirect costs.

The DA’s Office has properly submitted for reimbursement those increased costs which it was required to incur in order to conduct the mandated activities related to Child Abduction and Recovery. The DA’s Office used time records, time logs, and worksheets generated by employees detailing the time they worked on Child Abduction and Recovery activities, and then used cost allocation to determine the full-time equivalent percentage of those expenses attributable to that particular program. These reflect the DA’s actual costs associated with providing these mandated actions. The DA’s Office consolidation of services saves the state by avoiding duplicative costs.

We respectfully disagree with the audit’s findings and intend to submit an Incorrect Reduction Claim. However, in light of the audit’s findings and to avoid future billing disputes, moving forward, until any Incorrect Reduction Claim is resolved, the DA’s Office will individually track administrative time by case. Adjustments have been made to update time keeping so that all costs are directly charged to the specific case worked.



“Good Cause” Cases

Child abduction cases take many different forms, oftentimes evolving as an investigation unfolds. Complaints of a child abduction are received and reviewed by DA staff. It is not uncommon that while investigating a complaint, the DA’s Office will be contacted by the alleged offender with a “Good Cause” claim pursuant to Penal Code section 278.7 that the person has a good faith and reasonable belief that the child, if left with the other person, will suffer immediate bodily injury or physical harm. Furthermore, frequently the DA’s Office will receive multiple complaints regarding the same child or children and involved parties, which may relate back to a prior “Good Cause” claim, but each new complaint must be investigated anew.

The Audit Report noted that, even if otherwise in the context of a child abduction investigation, “Good Cause” cases are unallowable because the Parameters and Guidelines do not identify activities related to section 278.7 cases as a reimbursable cost. The finding determined that the DA’s Office claimed unallowable costs in the amount of \$32,276 related to “Good Cause” cases. We do not agree with this finding.

The Legislature created the Child Abduction and Recovery Mandate by statute in 1976. The code sections that set forth these provisions and the specific mandates were thereafter repealed and reissued with different section numbers. Former Civil Code section 4604 was reissued as Family Code sections 3130 and 3131. Family Code section 3130 provides that if a petition to determine custody of a child has been filed in court or a temporary order pending determination of custody has been entered, and the whereabouts of a party in possession of the child are not known or there is reason to believe that the party may not appear in the proceedings although ordered to appear personally with the child, *District Attorneys are mandated to take all actions necessary to locate the party and the child and to procure compliance with the order to appear with the child for purposes of adjudication of custody.* Family Code section 3131 provides that if a custody or visitation order has been entered and the child is taken or detained by another person in violation of the order, *District Attorneys are mandated to take all actions necessary to locate and return the child and the person who violated the order,* as well as assist in enforcement of the custody or visitation order or other order of the court by use of an appropriate civil or criminal proceeding. Neither section provides for or mentions a “Good Cause” exception. Although such a claim may arise in the course of an investigation, District Attorneys are still mandated by statute to take all actions necessary in locating the parties and procuring compliance, which would necessarily involve an evaluation of any “Good Cause” claim that is made.

Furthermore, as previously noted, subsection A of section V in the Parameters and Guidelines provides, “Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney *actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren)* by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody and visitation...” (emphasis added). Actively assisting in the resolution of child custody and visitation problems can involve and result in a “Good Cause” claim. All actions necessary in locating and returning a child can involve and result in a “Good Cause” claim. Thus, those costs should be allowable as they fall within mandated activities.

In creating the Child Abduction and Recovery Mandate in 1976, the Legislature added, amongst other things, two specific Penal Code provisions that prosecutors could charge as part of their authorization to utilize any appropriate civil or criminal proceedings to assist, as mandated, the courts in enforcing their orders and to locate and recover missing children (these two criminal provisions were later renumbered as Penal Code sections 278 and 278.5). In 1996, the Legislature added Penal Code section 278.7, which provides a specific exception for prosecutions under section 278.5 for “Good Cause” claims. Essentially, section 278.7 creates a defense to prosecution under section 278.5.

Part of investigating a potential criminal matter involves a determination of whether any particular defenses would excuse or justify the behavior, thus negating the possibility of successfully utilizing criminal proceedings to prosecute the matter. Imagine the state mandated that DA’s Offices investigate homicide cases under Penal Code section 187. However, Penal Code section 196 sets forth when a homicide may be justified, which includes homicides committed in self-defense. Using the same logic followed in the Audit Report, prosecutors would not be entitled to reimbursement for investigation for any homicide where the investigation led to a determination that the homicide was committed in self-defense because Penal Code section 196 is a different provision than section 187. However, it is still a homicide. Similarly, “Good Cause” cases are still a form of child abduction, where one person has deprived another of lawful custody or visitation, but for a lawfully excused reason.

We respectfully disagree with the audit’s findings and intend to submit an Incorrect Reduction Claim. However, in light of the audit’s findings and to avoid future billing disputes, moving forward, until any Incorrect Reduction Claim is resolved, the DA’s Office will review and modify its method of tracking “Good Cause” cases. Additional training has been provided to staff. Time will be tracked to the appropriate case and case review will occur prior to reimbursement request.

A change in allowable indirect costs of \$61,671 was associated with the adjustments from the SD times and “Good Cause” cases. The method of determining the indirect cost was not subject to a finding.

#### SCO’s Response

Our finding and recommendation remain unchanged.

#### Standard Distributed Times

In an email from the county dated February 3, 2021, the county explained the SD time as follows:

This is time spent working on non-program specific activities for the [State Targeted Offenders] unit as a whole. For example, a clerical person performs the mail run which takes 2.0 hours. They enter this as 2.0 hours general clerical and charge it to the whole unit. If we only worked on 4 cases that month, (1 Child Abduction, 1 SVP, 1 Prisons and 1 WF), each case in the month would get the 2.0 hours spread based on the FTE percentage for each unit.

Section V. (Reimbursable Activities) of the parameters and guidelines states, in part:

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.

Per the county, SD time is spent working on “non-program specific activities.” As these claimed costs are non-program-specific, we are unable to determine the validity of these costs and their relationship to the reimbursable activities.

Furthermore, the county separately identified, and claimed, a category called Program Distributed (PD) time. The county explained in an email dated February 3, 2021:

This is time spent working on a program but not a specific case. When entered in the system, it spreads this time over all the cases that were worked on in that specific program for the month. For example, a clerical person work on updating the child abduction logs for 2 hours. They enter this as 2.0 hours general clerical and charge it to the Child Abduction program. If we only worked on 2 child abduction cases throughout the month, each case would show 1.0 hours of PD – General Clerical billing.

We determined that PD time was allowable, as the activities performed were directly related the Child Abduction and Recovery Program. Any disallowed PD time was directly attributable to time spent on activities related to PC section 278.7 cases (commonly referred to as “good cause” cases). These cases are not incorporated into the program’s parameters and guidelines.

The county states “Furthermore, the auditor noted that each cost had to be attributed to an actual case.” We disagree with this statement.

As stated in the county’s response, “Employees who worked on Child Abduction cases tracked their time daily and only time actually worked on applicable cases was thereafter billed to the state.” For the time claimed for employees’ activities performed directly on cases, we requested case files to determine the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. The county disagrees with the exclusion of SD time as part this audit report, but its own records already segregate SD time and PD time. PD time is directly attributable to Child Abductions cases, but SD time is for “non-program specific” activities and, per the program’s parameters and guidelines, is not considered an “actual cost.”

#### “Good Cause” Cases

The county states:

Actively assisting in the resolution of child custody and visitation problems can involve and result in a “Good Cause” claim. All actions necessary in locating and returning a child can involve and result in a “Good Cause” claim. Thus, those costs should be allowable as they fall within mandated activities.

We disagree. The costs do not “fall within the mandated activities,” because activities for PC 278.7 are not identified in the parameters and guidelines.

During the audit, the county provided a list of “good cause” cases that it had misidentified. As stated by the county in an email on August 27, 2021, “The cases were reported to the county as ‘Good Cause’ cases but turned out to be child abduction cases after all.” Therefore, we allowed the time spent on mandated activities performed on these misidentified cases. All other “good cause” cases confirmed by the county, and the associated time claimed, were disallowed.

**FINDING 2—  
Overstated materials  
and supplies costs**

The county claimed a total of \$260,652 in materials and supplies costs for the audit period. We determined that \$43,632 is allowable and \$217,020 is unallowable. These costs are unallowable because the county claimed costs that were allocated to the State Targeted Offenders Unit, rather than actual costs supported by source documentation.

The following table shows the materials and supplies costs claimed by the State Targeted Offenders Unit, the allowable costs, and the audit adjustment by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2016-17	\$ 67,970	\$ 2,966	\$ (65,004)
2017-18	81,806	7,937	(73,869)
2018-19	110,876	32,729	(78,147)
	<u>\$260,652</u>	<u>\$ 43,632</u>	<u>\$(217,020)</u>

The county developed a methodology for allocating a percentage of materials and supplies costs incurred by the State Targeted Offenders Unit as direct costs applicable to the mandated program. For each fiscal year, the county calculated the ratio of the State Targeted Offenders Unit’s program-related salaries and benefits to the unit’s total salaries and benefits. To determine program-related materials and supplies costs, the county applied the applicable percentage to the materials and supplies costs incurred by the State Targeted Offenders Unit.

The following table illustrates the methodology used to calculate the State Targeted Offenders Unit’s materials and supplies costs, and the related audit adjustments by fiscal year.

Costs for the State Targeted Offenders Unit	Fiscal Year									Total Audit Adj.
	2016-17			2017-18			2018-19			
	Total Claimed	Total Allowable	Total Adj.	Total Claimed	Total Allowable	Total Adj.	Total Claimed	Total Allowable	Total Adj.	
Non-salary and benefit costs	\$ 737,151	-		\$ 788,279	-		\$ 747,223	-		
Less: travel and training	(18,842)	-		(21,113)	-		(23,290)	-		
Non-travel and training costs	718,309	-		767,166	-		723,933	-		
Percent of salaries and benefits related to program	x 9.0495%	-		9.6288%	-		10.7948%	-		
Non-travel and training costs reported as direct program materials and supplies	65,004	-		73,869	-		78,147	-		
Actual direct materials and supplies	2,966	2,966		7,937	7,937		32,729	32,729		
Total materials and supplies costs	<u>\$ 67,970</u>	<u>\$ 2,966</u>	<u>\$(65,004)</u>	<u>\$ 81,806</u>	<u>\$ 7,937</u>	<u>\$(73,869)</u>	<u>\$ 110,876</u>	<u>\$ 32,729</u>	<u>\$(78,147)</u>	<u>\$(217,020)</u>

Based on the documentation provided, we determined that a total of \$217,020 in materials and supplies costs is unallowable. The costs are unallowable because the county did not claim actual costs that were supported by source documentation.

Section V., “Reimbursable Costs,” of the parameters and guidelines states, in part:

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.

#### Recommendation

We recommend that the county:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

#### County’s Response

As previously noted in the Standard Distributed Times discussion in response to Finding 1, the DA’s Office similarly relied on the reasonable methodology of cost allocation based on full-time equivalents (FTEs) to determine materials and supplies costs for this program. These costs include California mandated employment costs, general office supplies, computer infrastructure, phones, and leased facilities charges all used by staff working on the Child Abduction and Recovery Program. The Audit Report concluded that \$217,020 in materials and supplies costs were unallowable. The auditor noted that each cost had to be directly attributable to a particular case. We do not agree with this finding.

The employees who worked on child abduction matters tracked their time and only noted billable hours for reimbursable activities. From this, it can be calculated what percentage of their time was spent on reimbursable mandated activities, which then was used to determine the actual cost of related materials and supplies used in those efforts. As noted above, the Parameters and Guidelines permit cost allocation and allow for determining actual cost based on time records, time logs, and worksheets. This is a reasonable and appropriate manner to show actual cost. This audit process is now imposing additional requirements and limitations not set forth in the Parameters and Guidelines.

To analyze this finding further, the cost of phones can be used as an example. Employees need phones to do their jobs. A service fee is imposed to have that phone available. According to the auditor, the DA’s Office can only charge for the cost of the phone attributable to a particular case, i.e., the minutes spent on the phone per actual case. Some

of these employees worked exclusively on child abduction cases. The remaining employees split time working on child abduction cases and other state-mandated activities, for which they tracked their time. They would not have had a phone for this particular work if not mandated to perform these functions. Denying this as an actual cost would be akin to saying reimbursement would not be available for the cost of a desk chair and would instead only be allowable for the portion of the cost of the chair for the actual minutes we could show spent sitting in it directly working on a particular case.

To further show the validity of the methodology used by the DA's Office, the DA's Office provided an alternative cost allocation worksheet based on productive hourly rates and actual hours worked for further consideration. The alternative method totaled \$222,966 after backing out the unallowed SD time. The disallowed claim amount based on current methodology was \$217,020. The difference between the two methods is only \$5,946, providing further evidence that the current methodology is comparably accurate and reasonable.

We respectfully disagree with the audit's findings and intend to submit an Incorrect Reduction Claim. However, in light of the audit's findings and to avoid future billing disputes, moving forward, until any Incorrect Reduction Claim is resolved, the DA's Office will no longer request reimbursement using cost allocation methodologies. Management is working to implement a tracking mechanism for program costs so they can follow the claiming instructions as established in this audit process.

#### SCO's Response

Our finding and recommendation remain unchanged.

The county states "The auditor noted that each cost had to be directly attributable to a particular case." We disagree.

The county claimed both direct and allocated materials and supplies costs. For the direct materials and supplies costs claimed, we requested support to show the validity of claimed costs and their relationship to the reimbursable activities. The county supported the costs with child abduction and recovery case files. The county provided the related case files, and we determined that all direct materials supplies costs were allowable. We noted no exceptions for the direct materials and supplies costs claimed.

The county developed a methodology for allocating a percentage of materials and supplies costs incurred by the State Targeted Offenders Unit as direct costs applicable to the mandated program. These costs were allocated across all programs within the State Targeted Offenders Unit, but were claimed as direct costs directly attributable to the Child Abduction program.

The county states:

As noted above, the Parameters and Guidelines permit cost allocation and allow for determining actual cost based on time records, time logs, and worksheets. This is a reasonable and appropriate manner to show actual cost. This audit process is now imposing additional requirements and limitations not set forth in the Parameters and Guidelines.

We disagree. Cost allocation reports are considered corroborating documents and not source documents.

Section V. (Reimbursable Activities) of the parameters and guidelines states, in part:

A source document is a document created at or near the same time the actual costs were 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 ...However, corroborating documents cannot be substituted for source documents.

The county must claim only the actual costs for the reimbursable program. Actual costs are supported by source documentation. Cost allocation reports are not considered source documents.

**Attachment—  
County’s Response to Draft Audit Report**

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Sacramento County  
District Attorney's Office

ANNE MARIE SCHUBERT  
District Attorney

Rod Norgaard  
Chief Deputy

Michael M. Blazina  
Assistant District Attorney

December 10, 2021

Lisa Kurokawa, Chief  
Office of the State Controller Betty T. Yee  
Division of Audits, Compliance Audits Bureau  
3301 C Street, Suite 725A  
Sacramento, CA 95816

Re: Audit of Legislatively Mandated Custody of Minors – Child Abduction and Recovery Program

Dear Ms. Kurokawa,

The Sacramento County District Attorney's (DA's) Office respectfully submits the following responses to the California State Controller's Audit Report regarding Sacramento County Custody of Minors – Child Abduction and Recovery Program for the period of July 1, 2016 – June 30, 2019.

**Finding 1** – Overstated salaries and benefit costs and related indirect costs

Standard Distributed Times

The Audit Report concluded that salaries and benefits for Standard Distributed (SD) time in the amount of \$154,127 claimed by the DA's Office during the audit period (July 1, 2016 – June 30, 2019) were unallowable. We do not agree with this finding.

California Family Code sections 3130 through 3134.5 mandate that District Attorneys assist the courts in enforcing their child custody and visitation orders and in locating and returning children who have been taken or detained in violation of another person's custody right. Prosecutors are authorized to utilize any appropriate civil or criminal proceeding to assist the courts in enforcing their orders and to locate and recover missing children. District Attorneys' child abduction work is reimbursable by the state under the Child Abduction and Recovery Mandate.

The DA's Office has a State Targeted Offenders Program (STOP), which consists of our Child Abduction and Recovery Program, CDCR prison prosecutions, and other state-reimbursed programs. This allows for consolidation of supervisory, clerical, and other general costs such as rent, phones, office supplies, and insurance for which the state will provide reimbursement. These costs were then subdivided amongst the various state-reimbursed programs within STOP, directly allocating those expenses to the appropriate program according to time studies. Employees who worked on Child Abduction cases tracked their time daily and only time actually worked on applicable cases was thereafter billed to the state. Many of these employees work exclusively on Child Abduction and Recovery cases. For other employees who provided supportive activities, such as clerical, supervisory, and billing, when they recorded time generally, those hours were proportioned based on the number of worked during the month. If not for state mandate, the DA's Office would not have had these dedicated employees and their related costs of employment handling Child Abduction and Recovery matters. The DA's Office allocated and claimed these costs using what was believed to be a reasonable methodology, which was applied consistently and not disproportionately allocated to this mandated program. The time claimed was general administrative time on behalf of eligible cases as a whole, spread amongst the programs based on the full-time equivalent percentage for each program.

In finding that this methodology was unallowable, the audit relied upon and quoted the following language from section V of the 2009 *Custody of Minors: Child Abduction and Recovery* Amendment to Parameters and Guidelines ("Parameters and Guidelines"):

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.

Furthermore, the auditor noted that each cost had to be attributed to an actual case. However, the language of section V does not require that all costs be attributed to an actual case. Instead, it uses the language of "actual costs" (emphasis added). These are defined as "those costs actually incurred to implement the mandated activities." It specifically allows the use of

“employee time records or time logs” as a methodology to show actual costs. Additionally, section V goes on to provide that evidence corroborating the validity of costs may include “worksheets” and “cost allocation reports (system generated).” Section V by its very terms anticipates and allows for allocating costs. Subsection A of section V provides, “Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren) by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody and visitation....” This includes both direct and indirect costs.

The DA’s Office has properly submitted for reimbursement those increased costs which it was required to incur in order to conduct the mandated activities related to Child Abduction and Recovery. The DA’s Office used time records, time logs, and worksheets generated by employees detailing the time they worked on Child Abduction and Recovery activities, and then used cost allocation to determine the full-time equivalent percentage of those expenses attributable to that particular program. These reflect the DA’s actual costs associated with providing these mandated actions. The DA’s Office consolidation of services saves the state by avoiding duplicative costs.

We respectfully disagree with the audit’s findings and intend to submit an Incorrect Reduction Claim. However, in light of the audit’s findings and to avoid future billing disputes, moving forward, until any Incorrect Reduction Claim is resolved, the DA’s Office will individually track administrative time by case. Adjustments have been made to update time keeping so that all costs are directly charged to the specific case worked.

#### “Good Cause” Cases

Child abduction cases take many different forms, oftentimes evolving as an investigation unfolds. Complaints of a child abduction are received and reviewed by DA staff. It is not uncommon that while investigating a complaint, the DA’s Office will be contacted by the alleged offender with a “Good Cause” claim pursuant to Penal Code section 278.7 that the person has a good faith and reasonable belief that the child, if left with the other person, will suffer immediate bodily injury or physical harm. Furthermore, frequently the DA’s Office will receive multiple complaints regarding the same child or children and involved parties, which may relate back to a prior “Good Cause” claim, but each new complaint must be investigated anew.

The Audit Report noted that, even if otherwise in the context of a child

abduction investigation, "Good Cause" cases are unallowable because the Parameters and Guidelines do not identify activities related to section 278.7 cases as a reimbursable cost. The finding determined that the DA's Office claimed unallowable costs in the amount of \$32,276 related to "Good Cause" cases. We do not agree with this finding.

The Legislature created the Child Abduction and Recovery Mandate by statute in 1976. The code sections that set forth these provisions and the specific mandates were thereafter repealed and reissued with different section numbers. Former Civil Code section 4604 was reissued as Family Code sections 3130 and 3131. Family Code section 3130 provides that if a petition to determine custody of a child has been filed in court or a temporary order pending determination of custody has been entered, and the whereabouts of a party in possession of the child are not known or there is reason to believe that the party may not appear in the proceedings although ordered to appear personally with the child, *District Attorneys are mandated to take all actions necessary to locate the party and the child and to procure compliance with the order to appear with the child for purposes of adjudication of custody.* Family Code section 3131 provides that if a custody or visitation order has been entered and the child is taken or detained by another person in violation of the order, *District Attorneys are mandated to take all actions necessary to locate and return the child and the person who violated the order,* as well as assist in enforcement of the custody or visitation order or other order of the court by use of an appropriate civil or criminal proceeding. Neither section provides for or mentions a "Good Cause" exception. Although such a claim may arise in the course of an investigation, District Attorneys are still mandated by statute to take all actions necessary in locating the parties and procuring compliance, which would necessarily involve an evaluation of any "Good Cause" claim that is made.

Furthermore, as previously noted, subsection A of section V in the Parameters and Guidelines provides, "Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney *actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren)* by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody and visitation..." (emphasis added). Actively assisting in the resolution of child custody and visitation problems can involve and result in a "Good Cause" claim. All actions necessary in locating and returning a child can involve and result in a "Good Cause" claim. Thus, those costs should be allowable as they fall within mandated activities.

In creating the Child Abduction and Recovery Mandate in 1976, the Legislature added, amongst other things, two specific Penal Code provisions that prosecutors could charge as part of their authorization to utilize any appropriate civil or criminal proceedings to assist, as mandated, the courts in enforcing their orders and to locate and recover missing children (these two criminal provisions were later renumbered as Penal Code sections 278 and 278.5). In 1996, the Legislature added Penal Code section 278.7, which provides a specific exception for prosecutions under section 278.5 for "Good Cause" claims. Essentially, section 278.7 creates a defense to prosecution under section 278.5.

Part of investigating a potential criminal matter involves a determination of whether any particular defenses would excuse or justify the behavior, thus negating the possibility of successfully utilizing criminal proceedings to prosecute the matter. Imagine the state mandated that DA's Offices investigate homicide cases under Penal Code section 187. However, Penal Code section 196 sets forth when a homicide may be justified, which includes homicides committed in self-defense. Using the same logic followed in the Audit Report, prosecutors would not be entitled to reimbursement for investigation for any homicide where the investigation led to a determination that the homicide was committed in self-defense because Penal Code section 196 is a different provision than section 187. However, it is still a homicide. Similarly, "Good Cause" cases are still a form of child abduction, where one person has deprived another of lawful custody or visitation, but for a lawfully excused reason.

We respectfully disagree with the audit's findings and intend to submit an Incorrect Reduction Claim. However, in light of the audit's findings and to avoid future billing disputes, moving forward, until any Incorrect Reduction Claim is resolved, the DA's Office will review and modify its method of tracking "Good Cause" cases. Additional training has been provided to staff. Time will be tracked to the appropriate case and case review will occur prior to reimbursement request.

A change in allowable indirect costs of \$61,671 was associated with the adjustments from the SD times and "Good Cause" cases. The method of determining the indirect cost was not subject to a finding.

**Finding 2 – Overstated materials and supplies costs**

As previously noted in the Standard Distributed Times discussion in response to Finding 1, the DA's Office similarly relied on the reasonable methodology of cost allocation based on full-time equivalents (FTEs) to determine

materials and supplies costs for this program. These costs include California mandated employment costs, general office supplies, computer infrastructure, phones, and leased facilities charges all used by staff working on the Child Abduction and Recovery Program. The Audit Report concluded that \$217,020 in materials and supplies costs were unallowable. The auditor noted that each cost had to be directly attributable to a particular case. We do not agree with this finding.

The employees who worked on child abduction matters tracked their time and only noted billable hours for reimbursable activities. From this, it can be calculated what percentage of their time was spent on reimbursable mandated activities, which then was used to determine the actual cost of related materials and supplies used in those efforts. As noted above, the Parameters and Guidelines permit cost allocation and allow for determining actual cost based on time records, time logs, and worksheets. This is a reasonable and appropriate manner to show actual cost. This audit process is now imposing additional requirements and limitations not set forth in the Parameters and Guidelines.

To analyze this finding further, the cost of phones can be used as an example. Employees need phones to do their jobs. A service fee is imposed to have that phone available. According to the auditor, the DA's Office can only charge for the cost of the phone attributable to a particular case, i.e., the minutes spent on the phone per actual case. Some of these employees worked exclusively on child abduction cases. The remaining employees split time working on child abduction cases and other state-mandated activities, for which they tracked their time. They would not have had a phone for this particular work if not mandated to perform these functions. Denying this as an actual cost would be akin to saying reimbursement would not be available for the cost of a desk chair and would instead only be allowable for the portion of the cost of the chair for the actual minutes we could show spent sitting in it directly working on a particular case.

To further show the validity of the methodology used by the DA's Office, the DA's Office provided an alternative cost allocation worksheet based on productive hourly rates and actual hours worked for further consideration. The alternative method totaled \$222,966 after backing out the unallowed SD time. The disallowed claim amount based on current methodology was \$217,020. The difference between the two methods is only \$5,946, providing further evidence that the current methodology is comparably accurate and reasonable.

We respectfully disagree with the audit's findings and intend to submit an Incorrect Reduction Claim. However, in light of the audit's findings and to

avoid future billing disputes, moving forward, until any Incorrect Reduction Claim is resolved, the DA's Office will no longer request reimbursement using cost allocation methodologies. Management is working to implement a tracking mechanism for program costs so they can follow the claiming instructions as established in this audit process.

Sincerely,



John Black, CPA  
Chief, Administrative & Fiscal Services

**State Controller's Office  
Division of Audits  
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Sacramento, CA 94250**

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



Amended: October 30, 2009  
Amended: August 26, 1999  
Amended: July 25, 1987  
Amended: July 19, 1984  
Adopted: January 21, 1981

**AMENDMENT TO PARAMETERS AND GUIDELINES**

Family Code Sections 3060 TO 3064, 3130 TO 3134.5, 3408, 3411, and 3421

Penal Code Sections 277, 278, and 278.5

Welfare And Institutions Code Section 11478.5

Chapter 1399, Statutes of 1976

Chapter 162, Statutes of 1992

Chapter 988, Statutes of 1996

*Custody of Minors-Child Abduction and Recovery*

05-PGA-26 (CSM 4237)

State Controller's Office, Claimant

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

I. SUMMARY OF MANDATE

Chapter 1399, Statutes of 1976, added Sections 4600.1 and 4604 to and amended Sections 5157, 5160, and 5169 of the Civil Code, added Section 278 and 278.5 to the Penal Code, and amended sections 11478.5 of the Welfare and Institutions Code, which increased the level of service provided by several county departments which must become involved in child custody matters. Where previously parents or others interested in the custody status of minors pursued their interests in court with no assistance from law enforcement agencies, due to this statute counties are required to actively assist in the resolution of custody problems and the enforcement of custody decrees. To accomplish this, several additional tools were provided to the courts and enforcement agencies in this legislation, including changes in the procedures for filing petitions to determine custody and enforce visitation rights, increased authorization to issue warrants of arrest to insure compliance, and increased access to locator and other information maintained by County and State departments. These activities increased the level of service provided to the public under Title 9 of Part 5 of the Civil Code, the Uniform Child Custody Jurisdiction Act.

Chapter 990, Statutes of 1983, amended Section 4604 of the Civil Code to clarify that the enforcement requirements of this section applied to visitation decrees as well as custody decrees.

Chapter 162, Statutes of 1992, repealed Sections 4600.1, 4604, 5157, 5160, and 5169 of the Civil Code and without substantial change enacted Sections 3060 to 3064, 3130 to 3134.5, 3408, 3411, and 3421 of the Family Code.

Chapter 988, Statutes of 1996, the Parental Kidnapping Prevention Act, repealed Sections 277, 278 and 278.5 of the Penal Code and enacted in a new statutory scheme in Sections 277, 278 and 278.5 which eliminated the distinction between cases with and cases without a preexisting child custody order.

II. BOARD OF CONTROL DECISIONS

On September 19, 1979, the Board of Control determined that Chapter 1399, Statutes of 1976, imposed a reimbursable state mandate upon counties by requiring district attorney offices to actively assist in the resolution of child custody problems including visitation disputes, the enforcement of custody decrees and of any other order of the court in a child custody proceeding. These activities include all actions necessary to locate a child, the enforcement of child custody decrees, orders to appear, or any other court order defraying expenses related to the return of an illegally detained, abducted or concealed child, proceeding with civil court actions, and guaranteeing the appearance of offenders and minors in court actions. The Board's finding was in response to a claim of first impression filed by the County of San Bernardino.

III. ELIGIBLE CLAIMANTS

Any county which incurs increased costs as a result of this mandate is eligible to claim reimbursement of those costs.

IV. PERIOD OF REIMBURSEMENT

This amendment is effective beginning with claims filed for the July 1, 2005 through June 30, 2006 period of reimbursement.

Chapter 1399, Statutes of 1976, became effective January 1, 1977. Section 17557 of the Government Code (GC) stated that a test claim must be submitted on or before November 30<sup>th</sup> following a given fiscal year to establish eligibility for that fiscal year. The test claim for this mandate was filed on April 17, 1979; therefore, costs incurred on or after July 1, 1978, are reimbursable. San Bernardino County may claim and be reimbursed for mandated costs incurred on or after July 1, 1977.

Actual costs for one fiscal year should be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561 (d) (3) of the Government Code (GC), all claims for reimbursement of costs shall be submitted within 120 days of issuance of the claiming instructions by the State Controller.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

V. REIMBURSABLE COSTS

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 under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." 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.

A. Scope of the Mandate

Counties shall be reimbursed for the increased costs which they are required to incur to have the district attorney actively assist in the resolution of child custody and visitation problems; for the enforcement of custody and visitation orders; for all actions necessary to locate and return a child(ren) by use of any appropriate civil or criminal proceeding; and for complying with other court orders relating to child custody or visitation, as provided in Family Code Sections 3130 to 3134.5, with the exception of those activities listed in

Section VI.

B. Reimbursable Activities

For each eligible claimant meeting the above criteria, all direct and indirect costs of labor, materials and supplies, training and travel for the following activities are eligible for reimbursement:

1. Obtaining compliance with court orders relating to child custody or visitation proceedings and the enforcement of child custody or visitation orders, including:
  - a. Contact with child(ren) and other involved persons.
    - (1) Receipt of reports and requests for assistance.
    - (2) Mediating with or advising involved individuals. Mediating services may be provided by other departments. If this is the case, indicate the department.
    - (3) Locating missing or concealed offender and child(ren).
  - b. Utilizing any appropriate civil or criminal court action to secure compliance.
    - (1) Preparation and investigation of reports and requests for assistance.
    - (2) Seeking physical restraint of offenders and/or the child(ren) to assure compliance with court orders.
    - (3) Process services and attendant court fees and costs.
    - (4) Depositions.
  - c. Physically recovering the child(ren).
    - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
    - (2) Other personal necessities for the child. All such items purchased must be itemized.
2. Court actions and costs in cases involving child custody or visitation orders from another jurisdiction, which may include, but are not limited to, utilization of the Uniform Child Custody Jurisdiction Act (Family Code Sections 3400 through 3425) and actions relating to the Federal Parental Kidnapping Prevention Act (42 USC 1738A) and The Hague Convention of 25 October 1980 on the Civil Aspects of International Child Abduction (Senate Treaty Document 99-11, 99<sup>th</sup> Congress, 1<sup>st</sup> Session).
  - a. Cost of providing foster care or other short-term care for any child pending return to the out-of-jurisdiction custodian. The reimbursable period of foster home care or other short-term care

may not exceed three days unless special circumstances exist.

Please explain the special circumstances. A maximum of ten days per child is allowable. Costs must be identified per child, per day.

This cost must be reduced by the amount of state reimbursement for foster home care which is received by the county for the child(ren) so placed.

- b. Cost of transporting the child(ren) to the out-of-jurisdiction custodian.
  - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
  - (2) Other personal necessities for the child(ren). All such items purchased must be itemized. Cost recovered from any party, individual or agency, must be shown and used as an offset against costs reported in this section.
  - (3) Securing appearance of offender and/or child(ren) when an arrest warrant has been issued or other order of the court to produce the offender or child(ren).
    - (a) Cost of serving arrest warrant or order and detaining the individual in custody, if necessary, to assure appearance in accordance with the arrest warrant or order.
    - (b) Cost of providing foster home care or other short-term care for any child requiring such because of the detention of the individual having custody. The number of days for the foster home care or short-term care shall not exceed the number of days of the detention period of the individual having physical custody of the minor.
  - (4) Return of an illegally obtained or concealed child(ren) to the legal custodian or agency.
    - (a) Costs of food, lodging, transportation and other personal necessities for the child(ren) from the time he/she is located until he/she is delivered to the legal custodian or agency. All personal necessities purchased must be itemized.
    - (b) Cost of an escort for the child(ren), including costs

of food, lodging, transportation and other expenses where such costs are a proper charge against the county. The type of escort utilized must be specified.

Any funds received as a result of costs assessed against a defendant or other party in a criminal or civil action for the return or care of the minor(s) (or defendant, if not part of a criminal extradition) must be shown and used as an offset against these costs.

VI. NON-REIMBURSABLE COSTS

- A. Costs associated with criminal prosecution, commencing with the defendant's first appearance in a California court, for offenses defined in Sections 278 or 278.5 of the Penal Code, wherein the missing, abducted, or concealed child(ren) has been returned to the lawful person or agency.

VII. CLAIM PREPARATION AND SUBMISSION

Claims 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 V of this document.

A. Direct Costs

Direct costs are defined as costs that can be traced to specific goods, services, units, programs, activities or functions.

Claimed costs shall be supported by the following cost element information:

1. Salary and Employees' Benefits

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study. Benefits are reimbursable; however, benefit rates must be itemized. If no itemization is submitted, 21 percent must be used for computation of claimed cost.

2. Contracted Services

Provide copies of the contract, separately show the contract services performed relative to the mandate, and the itemized costs for such services. Invoices must be submitted as supporting documentation with

the claim.

3. Materials and Supplies

Only expenditures which can be identified as a direct cost of the mandate such as, but not limited to, vehicles, office equipment, communication devices, memberships, subscriptions, publications, 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 from the claimant. Supplies that are withdrawn from inventory shall be charged based on a recognized method of costing, consistently applied.

4. Travel

Travel expenses for mileage, per diem, lodging, and other employee entitlement are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of the traveler(s), purpose of travel, inclusive dates and times of travel, destination points, and travel costs.

5. Training

The cost of training an employee to perform the mandated activities 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. Ongoing training is essential to the performance of this mandate because of frequent turnover in staff, rapidly changing technology, and developments in case law, statutes, and procedures. Reimbursable training under this section includes child abduction training scheduled during the California Family Support Council's conferences, the annual advanced child abduction training sponsored by the California District Attorney Association, and all other professional training.

B. Indirect Costs

Indirect costs are defined as costs which 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 central government services distributed to 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 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) for the department if the indirect cost rate claimed exceeds 10%. If more than one department is claiming indirect costs for the mandated program, each department must have its own ICRP prepared in accordance with OMB Circular A-87. An ICRP must be submitted with the claim when the indirect cost rate exceeds 10%.

1. Reimbursements

On a separate schedule, show details of any reimbursements received from the individuals or agencies involved in these cases. Show the total amount of such reimbursements as a reduction of the amount claimed on the cost summary form.

In addition, the costs claimed must be reduced by the amount recovered from the charges imposed by the court.

Any amount received by a county and forwarded directly to the state, must be reported on the cost summary form, but will not reduce the amount of the claim.

2. Mileage and Travel

Local entities will be reimbursed according to the rules of the local jurisdiction.

VIII. 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>1</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 V, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

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



IX. OFFSETTING SAVINGS AND OTHER REIMBURSEMENT

Any offsetting savings the claimant experiences as a direct result of this statute must be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source e.g., federal, state, etc., shall be identified and deducted from the claim.

X. REQUIRED CERTIFICATION

An authorized representative of the claimant will be required to provide a certification of the claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained therein.

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Wednesday, February 3, 2021 9:24 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: [REDACTED] shared the folder "Requested Docs" with you.

Thank you, [REDACTED] I will take a look at the responses and documents and get back to you on next steps.

[REDACTED] | Auditor  
Office of State Controller Betty T. Yee  
Division of Audits, Compliance Audits Bureau  
[REDACTED]  
Sacramento, CA 95816 | Office/Cell Phone: [REDACTED]

CONFIDENTIALITY NOTICE: This communication with its contents as well as any attachments may contain confidential and/or legally privileged information. It is solely for the use of the intended recipient(s). Unauthorized interception, review, use or disclosure is prohibited and may violate applicable laws including the Electronic Communications Privacy Act. If you are not the intended recipient, please contact the sender and destroy all copies of the communication.

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**From:** [REDACTED]  
**Sent:** Wednesday, February 3, 2021 8:57 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** RE: [REDACTED] shared the folder "Requested Docs" with you.

**CAUTION:**  
This email originated from outside of the organization.  
Do not click links or open attachments unless you recognize the sender's email address and know the content is safe.

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Please see below. Thanks!

[REDACTED]

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**From:** [REDACTED]  
**Sent:** Monday, February 1, 2021 3:23 PM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** [REDACTED] shared the folder "Requested Docs" with you.

Hi [REDACTED]

Thank you again for sending us the requested documents. I have a few follow up questions regarding the documents you sent:

1. [REDACTED]

3. We noticed that some line items do not have an initial attached to them. In particular, several line items have a SD attached to the activity. [REDACTED]

[REDACTED]

b. SD stands for standard distributed time.

i. This is time spent working on non-program specific activities for the unit as a whole. For example, a clerical person performs the mail run which takes 2.0 hours. They enter this as 2.0 hours general clerical and charge it to the whole unit. If we only worked on 4 cases that month, (1 Child Abduction, 1 SVP, 1 Prisons and 1 WF), each case in the month would get the 2.0 hours spread based on the FTE percentage for each unit. Using the allocations below, 1.26 hours would be billed to Prisons, 0.24 hours would be billed to SVP/MDO/NGI, 0.32 hours would be billed to CAI and 0.18 would be billed to WF.

Program	FTE	Percentage Spread
Prisons	10.0	63%
SVP/MDO/NGI	2.0	12%
CAI	2.5	16%
WF	1.5	9%

[REDACTED]



July 30, 2018

Mr. Christian Keiner  
Dannis Woliver Kelly  
555 Capitol Mall, Suite 645  
Sacramento, CA 95814

Ms. Jill Kanemasu  
Division of Accounting and Reporting  
State Controller's Office  
3301 C Street, Suite 700  
Sacramento, CA 95816

*And Parties, Interested Parties, and Interested Persons (See Mailing List)*

Re: **Decision**  
*The Stull Act*, 14-9825-I-02  
Education Code Sections 44660-44665;  
Statutes 1983, Chapter 498; Statutes 1999, Chapter 4  
Fiscal Years: 2005-2006, 2006-2007, 2007-2008, and 2008-2009  
Carlsbad Unified School District, Claimant

Dear Mr. Keiner and Ms. Kanemasu:

On July 27, 2018, the Commission on State Mandates adopted the Decision on the above-entitled matter.

Sincerely,

Heather Halsey  
Executive Director

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

<p><b>IN RE INCORRECT REDUCTION CLAIM ON:</b></p> <p>Education Code Sections 44662 and 44664<sup>1</sup></p> <p>Statutes 1983, Chapter 498 and Statutes 1999, Chapter 4</p> <p>Fiscal Years 2005-2006, 2006-2007, 2007-2008, and 2008-2009</p> <p>Filed on June 9, 2015</p> <p>Carlsbad Unified School District, Claimant</p>	<p>Case No.: 14-9825-I-02</p> <p><i>The Stull Act</i></p> <p><b>DECISION PURSUANT TO GOVERNMENT CODE SECTION 17500 ET SEQ.; CALIFORNIA CODE OF REGULATIONS, TITLE 2, DIVISION 2, CHAPTER 2.5. ARTICLE 7</b></p> <p><i>(Adopted July 27, 2018)</i></p> <p><i>(Served July 30, 2018)</i></p>
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**DECISION**

The Commission on State Mandates (Commission) heard and decided this Incorrect Reduction Claim (IRC) during a regularly scheduled hearing on July 27, 2018. Sean Mick appeared on behalf of the claimant, and Masha Vorobyova appeared on behalf of the State Controller’s Office (Controller).

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 et seq., and related case law.

The Commission adopted the Proposed Decision to deny the IRC by a vote of 5-0 as follows:

<b>Member</b>	<b>Vote</b>
Lee Adams, County Supervisor	Yes
Ken Alex, Director of the Office of Planning and Research	Absent
Richard Chivaro, Representative of the State Controller	Absent
Sarah Olsen, Public Member	Yes
Carmen Ramirez, City Council Member	Yes
Andre Rivera, Representative of the State Treasurer, Vice Chairperson	Yes
Jacqueline Wong-Hernandez, Representative of the Director of the Department of Finance, Chairperson	Yes

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<sup>1</sup> Note that this caption differs from the Test Claim and Parameters and Guidelines captions because it only includes those code sections approved for reimbursement by the Commission and not those pled in the Test Claim but denied.

### **Summary of the Findings**

This analysis addresses reductions made by the Controller to reimbursement claims filed by the Carlsbad Unified School District (claimant) for costs incurred during fiscal years 2005-2006 through 2008-2009 (audit period) for the *Stull Act* program. The claimant disputes reductions totaling \$274,101 for the audit period.

The Commission denies this IRC, finding that reductions related to the claimant's time study, and disallowances of completed employee evaluations in all four fiscal years were correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

Specifically, the Controller reduced costs based on denial of 19 of 22 discrete activities identified in the claimant's time study, relating to training, meetings, observation, report writing, conferences between evaluators and teachers, and other activities relating to planning, preparation, and organizing notes, and STAR testing. These activities are beyond the very narrow scope of the approved higher level of service, and the claimant has presented no argument or evidence establishing the relationship to the mandated activities included in the Parameters and Guidelines. The reduction based on the 19 denied activities is therefore correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

In addition, the Controller reduced reimbursement based on disallowed completed evaluations for non-instructional certificated employees, such as administrators, counselors, and librarians, among others; and preschool teachers. Preschool teachers do not perform the requirements of educational programs mandated by state or federal law, and therefore evaluations of preschool teachers are not reimbursable. Similarly, evaluations of non-instructional certificated personnel are reimbursable under Part IV.B. of the Parameters and Guidelines only if such employees' last regularly-scheduled evaluation resulted in an unsatisfactory evaluation; those facts are not supported in the record. The reduction based on disallowed completed evaluations is therefore correct as a matter of law.

### **COMMISSION FINDINGS**

#### **I. Chronology**

- 12/28/2006     The claimant filed its 2005-2006 reimbursement claim.<sup>2</sup>
- 01/25/2008     The claimant filed its 2006-2007 reimbursement claim.<sup>3</sup>
- 02/13/2009     The claimant filed its 2007-2008 reimbursement claim.<sup>4</sup>
- 01/29/2010     The claimant filed its 2008-2009 reimbursement claim.<sup>5</sup>

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<sup>2</sup> Exhibit A, IRC, page 338 [Claim Documentation for Fiscal Year 2005-2006].

<sup>3</sup> Exhibit A, IRC, page 270 [Claim Documentation for Fiscal Year 2006-2007].

<sup>4</sup> Exhibit A, IRC, page 184 [Claim Documentation for Fiscal Year 2007-2008].

<sup>5</sup> Exhibit A, IRC, page 85 [Claim Documentation for Fiscal Year 2008-2009].

- 06/24/2010 The Controller issued a letter informing the claimant of the initiation of the audit.<sup>6</sup>
- 05/02/2012 The Controller issued the Draft Audit Report.<sup>7</sup>
- 05/09/2012 The claimant responded to the Draft Audit Report
- 06/15/2012 The Controller issued its Final Audit Report.<sup>8</sup>
- 07/13/2012 The Controller issued “results of review” letters.<sup>9</sup>
- 06/09/2015 The claimant filed the IRC.<sup>10</sup>
- 10/02/2015 The Controller filed late comments on the IRC.<sup>11</sup>
- 05/22/2018 Commission staff issued the Draft Proposed Decision.<sup>12</sup>
- 05/29/2018 The Controller filed comments on the Draft Proposed Decision.<sup>13</sup>

## II. Background

The Stull Act was originally enacted in 1971 to establish a uniform system of evaluation and assessment of the performance of “certificated personnel” within each school district. (Former Ed. Code, §§ 13485-13490.) As originally enacted, the Stull Act required the governing board of each school district to develop and adopt specific guidelines to evaluate and assess certificated personnel, and to avail itself of the advice of certificated instructional personnel before developing and adopting the guidelines.<sup>14</sup> The evaluation and assessment of the certificated personnel was required to be reduced to writing and a copy transmitted to the employee no later than sixty days before the end of the school year.<sup>15</sup> The employee then had the right to initiate a written response to the evaluation, which became a permanent part of the employee’s personnel file.<sup>16</sup> The school district was also required to hold a meeting with the employee to discuss the evaluation.<sup>17</sup>

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<sup>6</sup> Exhibit B, Controller’s Late Comments on the IRC, page 62 [Audit Entrance Conference Letter].

<sup>7</sup> Exhibit A, IRC, page 62 [Final Audit Report, p. 3].

<sup>8</sup> Exhibit A, IRC, page 57 [Final Audit Report Cover Letter].

<sup>9</sup> Exhibit A, IRC, page 4.

<sup>10</sup> Exhibit A, IRC, page 1.

<sup>11</sup> Exhibit B, Controller’s Late Comments on the IRC.

<sup>12</sup> Exhibit C, Draft Proposed Decision.

<sup>13</sup> Exhibit D, Controller’s Comments on the Draft Proposed Decision.

<sup>14</sup> Former Education Code sections 13486-13487.

<sup>15</sup> Former Education Code section 13488.

<sup>16</sup> Former Education Code section 13488.

<sup>17</sup> Former Education Code section 13488.

Prior law also required that the evaluation and assessment be continuous.<sup>18</sup> For probationary employees, the evaluation had to occur once each school year. For permanent employees, the evaluation was required every other year. Former section 13489 also required that the evaluation include recommendations, if necessary, for areas of improvement in the performance of the employee. If the employee was not performing his or her duties in a satisfactory manner according to the standards, the “employing authority” was required to notify the employee in writing, describe the unsatisfactory performance, and confer with the employee making specific recommendations as to areas of improvement and endeavor to assist in the improvement. Reimbursement for these prior requirements was denied by the Commission.<sup>19</sup>

The test claim statutes amended the Stull Act in 1983 and 1999 to expand the scope of evaluation and assessment of certificated personnel. The test claim statutes added additional criteria that must be included in those evaluations: the employee’s instructional techniques and strategies, and adherence to curricular objectives; and the performance of instructional employees that teach reading, writing, mathematics, history/social science, and science in grades 2 to 11 (i.e., the STAR test subjects) as it reasonably relates to the progress of pupils towards the state adopted academic content standards as measured by state adopted assessment tests.<sup>20</sup> And, in the case the employee receives an unsatisfactory result, the test claim statutes require an additional evaluation “in the years in which the permanent certificated employee would not have otherwise been evaluated.”<sup>21</sup>

Since prior law already required evaluation and assessment of certificated personnel, the Commission partially approved the Test Claim on May 27, 2004, for those activities that represent the *limited* new program or higher level of service mandated by the state by the test claim statutes. The Test Claim Decision also found that the mandate was limited to certificated personnel performing the requirements of educational programs mandated by state or federal law; in other words, if the personnel being evaluated are performing the duties of voluntary school programs, the evaluation of those personnel would not be mandated by the state.<sup>22</sup>

The Parameters and Guidelines were adopted September 27, 2005. As relevant to this IRC, the Parameters and Guidelines identify the following reimbursable activities and limitations:

A. Certificated Instructional Employees

1. Evaluate and assess the performance of certificated instructional employees that perform the requirements of educational programs mandated by state or federal law as it reasonably relates to the instructional techniques and strategies used by the employee and the employee's adherence to curricular objectives (Ed. Code, § 44662, subd. (b), as amended by Stats. 1983, ch. 498.).

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<sup>18</sup> Former Education Code section 13489.

<sup>19</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, pages 2; 17-18.

<sup>20</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, pages 29-33.

<sup>21</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, pages 33-34.

<sup>22</sup> See Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, pages 5-12.



Reimbursement for this activity is limited to:

- a. reviewing the employee's instructional techniques and strategies and adherence to curricular objectives, and
- b. including in the written evaluation of the certificated instructional employees the assessment of these factors during the following evaluation periods:
  - o once each year for probationary certificated employees;
  - o every other year for permanent certificated employees; and
  - o beginning January 1, 2004, every five years for certificated employees with permanent status who have been employed at least ten years with the school district, are highly qualified (as defined in 20 U.S.C. § 7801), and whose previous evaluation rated the employee as meeting or exceeding standards, if the evaluator and certificated employee being evaluated agree.

*Note: For purposes of claiming reimbursement, eligible claimants must identify the state or federal law mandating the educational program being performed by the certificated instructional employees.*

2. Evaluate and assess the performance of certificated instructional employees that teach reading, writing, mathematics, history/social science, and science in grades 2 to 11 as it reasonably relates to the progress of pupils towards the state adopted academic content standards as measured by state adopted assessment tests (Ed. Code, § 44662, subd. (b), as amended by Stats. 1999, ch. 4.).

Reimbursement for this activity is limited to:

- a. reviewing the results of the Standardized Testing and Reporting test as it reasonably relates to the performance of those certificated employees that teach reading, writing, mathematics, history/social science, and science in grades 2 to 11, and
- b. including in the written evaluation of those certificated employees the assessment of the employee's performance based on the Standardized Testing and Reporting results for the pupils they teach during the evaluation periods specified in Education Code section 44664, and described below:
  - o once each year for probationary certificated employees;
  - o every other year for permanent certificated employees; and
  - o beginning January 1, 2004, every five years for certificated employees with permanent status who have been employed at least ten years with the school district, are highly qualified (as defined in 20 U.S.C. § 7801), and whose previous evaluation rated the employee as meeting or exceeding standards, if the evaluator and certificated employee being evaluated agree.

**B. Certificated (Instructional and Non-Instructional) Employees**

1. Evaluate and assess permanent certificated, instructional and non-instructional, employees that perform the requirements of educational programs mandated by state or federal law and receive an *unsatisfactory evaluation* in the years in which the permanent certificated employee would not have otherwise been evaluated pursuant to Education Code section 44664 (i.e., every other year). The additional evaluations shall last until the employee achieves a positive evaluation, or is separated from the school district (Ed. Code, § 44664, as amended by Stats. 1983, ch. 498).

This additional evaluation and assessment of the permanent certificated employee requires the school district to perform the following activities:

- a. evaluating and assessing the certificated employee performance as it reasonably relates to the following criteria: (1) the progress of pupils toward the standards established by the school district of expected pupil achievement at each grade level in each area of study, and, if applicable, the state adopted content standards as measured by state adopted criterion referenced assessments; (2) the instructional techniques and strategies used by the employee; (3) the employee's adherence to curricular objectives; (4) the establishment and maintenance of a suitable learning environment, within the scope of the employee's responsibilities; and, if applicable, (5) the fulfillment of other job responsibilities established by the school district for certificated non-instructional personnel (Ed. Code, § 44662, subs. (b) and (c));
- b. reducing the evaluation and assessment to writing (Ed. Code, § 44663, subd. (a)). The evaluation shall include recommendations, if necessary, as to areas of improvement in the performance of the employee. If the employee is not performing his or her duties in a satisfactory manner according to the standards prescribed by the governing board, the school district shall notify the employee in writing of that fact and describe the unsatisfactory performance (Ed. Code, § 44664, subd. (b));
- c. transmitting a copy of the written evaluation to the certificated employee (Ed. Code, § 44663, subd. (a));
- d. attaching any written reaction or response to the evaluation by the certificated employee to the employee's personnel file (Ed. Code, § 44663, subd. (a)); and
- e. conducting a meeting with the certificated employee to discuss the evaluation (Ed. Code, § 44553, subd. (a)).

*Note: For purposes of claiming reimbursement, eligible claimants must identify the state or federal law mandating the educational program being performed by the certificated, instructional and non-instructional, employees.*<sup>23</sup>

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<sup>23</sup> Exhibit A, IRC, pages 31-33 [Parameters and Guidelines, pp. 3-5].

Additionally, the Parameters and Guidelines require that actual costs claimed “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.”<sup>24</sup>

### **Controller’s Audit and Summary of the Issues**

The Controller’s Final Audit Report states that “[i]nitially, all costs claimed [for employee salaries and benefits] by the district were unallowable because they were based on average time increments supported with time records that were not completed contemporaneously.”<sup>25</sup> In other words, the claimant did not provide adequate source documentation, and utilized average times to calculate the reimbursement requested. The Controller initially disallowed the entire claim. The claimant’s representatives then conducted a time study in fiscal year 2010-2011, as a substitute for records of actual time spent on evaluations, to determine the costs for the audit period (fiscal years 2005-2006 through 2008-2009).<sup>26</sup> The Controller accepted and applied that time study to the audit period, but as explained below determined that the scope of the time study included unallowable activities and costs.

There is no indication in the record that claimant disputes the Controller’s initial rejection of the claimant’s source documentation; the dispute in this IRC is focused on the development and application of the claimant’s time study.<sup>27</sup>

The claimant’s time study documented the time to perform 22 “activities of the teacher evaluation process,” and determined that it takes evaluators approximately 10 hours and 38 minutes, on average, to complete each required evaluation.<sup>28</sup> Of those 22 “activities” included in the time study, the Controller disallowed 19, as follows:

1. Preparing before training or planning meetings/conferences;
2. Training or planning meetings/conferences;
3. Preparing/organizing notes from training or planning meetings/conferences;
4. Preparing before meeting with teachers;
5. Conducting actual conference with teachers;
6. Preparing or organizing notes from meetings with teachers;
7. Preparing before “Pre-Observation” conferences with teachers;

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<sup>24</sup> Exhibit A, IRC, page 30 [Parameters and Guidelines, p. 3].

<sup>25</sup> Exhibit A, IRC, page 65 [Controller’s Final Audit Report, p. 6].

<sup>26</sup> Exhibit A, IRC, page 65 [Controller’s Final Audit Report, p. 6].

<sup>27</sup> Exhibit A, IRC, page 11 [“In response to the Controller’s exclusion at the beginning of the audit of all of the original claim documentation, the District with the agreement of the auditor prepared a time study based on the FY 2010-2011 certificated staff evaluation cycle.”].

<sup>28</sup> Exhibit A, IRC, page 65 [Controller’s Final Audit Report, p. 6]. See also, Exhibit A, IRC, page 11 [“The time study identified 22 discrete activities established as a result of staff interviews.”].

8. Conducting “Pre-Observation” conferences with teachers;
9. Preparing/organizing notes form “Pre-Observation” conferences with teachers;
10. Preparing before classroom observations of teachers;
11. Preparing/organizing notes from classroom observations, finalizing Collect Data forms;
12. Reporting observations, preparing the Standards for Excellence in Teaching observation checklists;
13. Preparing before “Post-Observation” conferences with teachers;
14. Conducting “Post-Observation” conferences with teachers;
15. Preparing notes from “Post-Observation” conferences and preparing Reflecting Conference worksheets;
16. Preparing before Final Evaluation conferences with teachers;
17. Conducting Final Evaluation conferences with teachers;
18. Preparing/organizing notes from Final Evaluation conferences with teachers; and
19. Discussing the STAR results with teachers and assessing how to improve instructional abilities.<sup>29</sup>

The Controller determined that activities related to planning, preparation, and organizing notes are not reimbursable because they are not required activities under the Parameters and Guidelines; that the claimant duplicated costs by including training in the time study, which was identified as a separate reimbursable activity in the Parameters and Guidelines on a one-time basis for each employee performing the mandate; and that conferences between teachers and evaluators are not reimbursable because they were required under prior law.<sup>30</sup>

Accordingly, the Controller allowed three elements, or “activities” of the time study:

- Conducting “informal” classroom observations;
- Conducting “formal” classroom observations; and
- Writing Final Evaluation Reports and/or preparing Teacher Evaluation Report.<sup>31</sup>

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<sup>29</sup> Exhibit A, IRC, pages 65-66 [Controller’s Final Audit Report, pp. 6-7].

<sup>30</sup> Exhibit A, IRC, page 66 [Controller’s Final Audit Report, p. 7].

<sup>31</sup> Exhibit A, IRC, page 67 [Controller’s Final Audit Report, p. 8].

Based on these three activities, the Controller found that it takes approximately 5 hours and 8 minutes to complete each required teacher evaluation under the mandated program.<sup>32</sup>

In addition to limiting the elements of the time study, the Controller disallowed costs for 46 of 660 completed evaluations, which the Controller determined were claimed in excess of the scope of the mandate. The evaluations that the Controller found to be non-reimbursable were for:

- Principals, vice principals, directors, coordinators, counselors, psychologists, librarians, and library media specialists who are not certificated *instructional* employees;
- Preschool teachers who do not perform the requirements of the program that is mandated by state or federal law;
- Duplicate teacher evaluations claimed multiple times in one school year;
- Permanent biannual teacher evaluations claimed every year rather than every other year; and
- Permanent five-year teacher evaluations claimed multiple times in a five-year period rather than once every five years.<sup>33</sup>

The claimant responded to these findings in the Draft Audit Report, concurring with the findings on duplicate evaluations and evaluations conducted in years that they were not mandated, but asserting that the remaining reductions for administrative or library personnel, who were also certificated employees, and for preschool teachers, were not supported in the audit report or by any law or rule cited by the Controller.<sup>34</sup> In addition, the claimant conceded that training activities and costs were duplicated in the time study, and agreed that because the Parameters and Guidelines permitted training only once for each employee, the Controller's adjustment is reasonable.<sup>35</sup>

Accordingly, based on the claimant's response to the audit report and its IRC filing, the following issues are in dispute:

- Reductions based on the 19 disallowed activities in the claimant's time study; and
- Disallowed completed evaluations based on the type of certificated employee (i.e., Principals, vice principals, directors, coordinators, counselors, psychologists, librarians, and library media specialists, which are not certificated *instructional* employees; and preschool teachers, which the Controller found were not

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<sup>32</sup> Exhibit A, IRC, page 67 [Controller's Final Audit Report, p. 8].

<sup>33</sup> Exhibit A, IRC, page 67 [Controller's Final Audit Report, p. 8].

<sup>34</sup> Exhibit A, IRC, pages 70-71 [Controller's Final Audit Report, pp. 11-12].

<sup>35</sup> Exhibit A, IRC, page 70 [Controller's Final Audit Report, p. 11].

performing the requirements of state- or federally-mandated educational programs).<sup>36</sup>

### III. Positions of the Parties

#### A. Carlsbad Unified School District

##### 1. Time Study

The claimant groups the 19 disallowed activities from the time study into four categories: evaluation conferences; preparation activities; training activities; and STAR testing results.<sup>37</sup> The claimant acknowledges that the audit report allows reimbursement for training costs elsewhere in the findings, and therefore the claimant “does not dispute removal of the training time from the time study.”<sup>38</sup> With respect to evaluation conferences, the claimant cites the Controller’s finding that evaluation conferences are not new to the test claim statute, and argues that “[t]he Controller has confused the subject matter of the old and new mandates with the method of implementation.”<sup>39</sup> The claimant notes that the Commission’s Test Claim Decision found that the test claim statute added two new factors or criteria for evaluation of certificated instructional employees: “the instructional techniques and strategies used by the employee, and the employee’s adherence to curricular objectives.”<sup>40</sup> The claimant argues that “the fact that districts used evaluation conferences to implement the previous mandated activities does not exclude reimbursement to use the same method to implement the new activities.”<sup>41</sup>

With respect to “preparation activities,” the claimant argues that preparation time was stated as a separate element in the time study only to promote accuracy: “preparation time could have been logically merged with the activity relevant to the preparation.”<sup>42</sup> The claimant notes that the Parameters and Guidelines “enumerates the subject matter of the evaluation process and not the entire process to implement the mandate.”<sup>43</sup> The claimant further notes, “[e]ven the Controller characterizes the parameters and guidelines as an ‘outline.’”<sup>44</sup> The claimant therefore concludes that preparation relating to evaluation conferences “is a rational, relevant, reasonable and

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<sup>36</sup> The total disputed reduction over four fiscal years is \$258,812 in salaries and benefits, and \$15,289 in related indirect costs. (Exhibit A, IRC, page 65 [Controller’s Final Audit Report, p. 6].)

<sup>37</sup> Exhibit A, IRC, pages 13-16.

<sup>38</sup> Exhibit A, IRC, page 16.

<sup>39</sup> Exhibit A, IRC, page 13.

<sup>40</sup> Exhibit A, IRC, page 14.

<sup>41</sup> Exhibit A, IRC, page 14.

<sup>42</sup> Exhibit A, IRC, page 15.

<sup>43</sup> Exhibit A, IRC, page 15.

<sup>44</sup> Exhibit A, IRC, page 15.

necessary part of implementing the mandated activities in the usual course of business and the Controller has stated no basis to exclude it from the scope of the evaluation process.”<sup>45</sup>

And with respect to STAR testing results, the claimant argues that the audit disallows time to review STAR test results “as it reasonably relates to the performance of those certificated employees that teach reading, writing, mathematics, history/social science, and science in grades 2 to 11...” despite such review being found reimbursable in the Commission’s Test Claim Decision.<sup>46</sup>

Accordingly, the claimant alleges that the Controller incorrectly denied costs for activities properly included within the time study, and, incorrectly reduced the average time resulting from the study.

## 2. Excluded Evaluations

The claimant’s time study assigned a value (in staff time) to each evaluation, for purposes of tracking costs and claiming reimbursement. The Controller, however, disallowed costs for 46 of 660 completed evaluations claimed, based on findings that those evaluations were beyond the scope of the mandate. Evaluations claimed beyond the scope of the mandate include those that were conducted at a time they were not required, including duplicate evaluations within a single school year and evaluations conducted more than once every five years for permanent five-year-tenured teachers, or more than every other year for permanent non-tenured teachers.<sup>47</sup> The remaining disallowances were for certificated employees who were not required to be evaluated under the mandate (specifically, administrative and other non-instructional personnel, and preschool instructors).<sup>48</sup> While the claimant concurs with the Controller’s findings relating to evaluations conducted in a year they were not required, the claimant also notes in its IRC that the Controller has not identified the number of evaluations excluded based on each of these grounds.<sup>49</sup> With respect to excluded employees, such as “principals, vice principals, directors, coordinators, counselors, psychologists, librarians, and library media specialists,”<sup>50</sup> the claimant argues that the Test Claim Decision and Parameters and Guidelines do not limit reimbursement to employees providing classroom instruction. Rather, the claimant argues that the Test Claim Decision includes all certificated personnel “involved in the education process...”<sup>51</sup>

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<sup>45</sup> Exhibit A, IRC, page 15.

<sup>46</sup> Exhibit A, IRC, page 16 [citing the Test Claim Decision, *The Stull Act*, 98-TC-25].

<sup>47</sup> Exhibit A, IRC, page 67 [Controller’s Final Audit Report, p. 8].

<sup>48</sup> Exhibit A, IRC, page 67 [Controller’s Final Audit Report, p. 8].

<sup>49</sup> Exhibit A, IRC, pages 19-20.

<sup>50</sup> Exhibit A, IRC, page 67 [Controller’s Final Audit Report, p. 8].

<sup>51</sup> Exhibit A, IRC, page 17 [citing the Test Claim Decision, *The Stull Act*, 98-TC-25, pages 18-20 (“Certificated employees are those employees directly involved in the educational process and include both instructional and non-instructional employees such as teachers, administrators, supervisors, and principals.”)].

With respect to the exclusion of completed evaluations for preschool teachers, the claimant argues that the Commission identified a number of voluntary educational programs for which reimbursement for this mandate was not required, and preschool instruction was not among them.<sup>52</sup> Accordingly, the claimant asserts that “[t]here is no stated basis to exclude certificated preschool instructors.”<sup>53</sup>

The claimant did not file comments on the Draft Proposed Decision.

### **B. State Controller’s Office**

The Controller explains that “[i]nitially, all costs claimed by the district were unallowable because they were based on average time increments supported with time records that were not completed contemporaneously.”<sup>54</sup> The claimant conducted a time study in fiscal year 2010-2011, “as a substitute for records of actual time spent on teacher evaluations.”<sup>55</sup> The Controller accepted and applied that time study to the audit period, but determined that the scope of the time study included unallowable activities and costs:

The time study documented the time it took district evaluators to perform 22 separate activities of the teacher evaluation process. The time study results reported time for training, planning, preparation, meetings, observation, report writing and other activities within the evaluation process. We determined that 19 activities reported in the time study were unallowable.<sup>56</sup>

The claimant disputed those 19 disallowed activities, and grouped them into four categories: evaluation conferences; preparation activities; training activities; and STAR testing results.<sup>57</sup> Responding to the claimant’s categories, the Controller asserts that “evaluation conferences” as described by the claimant are not reimbursable for two reasons: first, section IV.B.1. of the Parameters and Guidelines only provides reimbursement for evaluation conferences every other year, unless a previous evaluation results in an unsatisfactory evaluation. The Controller states that no unsatisfactory evaluations were reported.<sup>58</sup> And second, the Controller maintains that section IV.A.1. and IV.A.2. do not provide reimbursement for evaluation conferences, and the Commission’s Statement of Decision expressly found that conferences were not reimbursable “because they were required before the enactment of the test claim legislation.”<sup>59</sup> The Controller

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<sup>52</sup> Exhibit A, IRC, pages 18-19 [citing Parameters and Guidelines, p. 3; Test Claim Decision, p. 11, Fn 42].

<sup>53</sup> Exhibit A, IRC, page 19.

<sup>54</sup> Exhibit B, Controller’s Late Comments on the IRC, page 10.

<sup>55</sup> Exhibit B, Controller’s Late Comments on the IRC, page 10.

<sup>56</sup> Exhibit B, Controller’s Late Comments on the IRC, page 10.

<sup>57</sup> Exhibit A, IRC, pages 13-16.

<sup>58</sup> Exhibit B, Controller’s Late Comments on the IRC, page 14.

<sup>59</sup> Exhibit B, Controller’s Late Comments on the IRC, page 14.



notes that the test claim statutes added “two new evaluation factors,” but the evaluation itself was required under prior law.<sup>60</sup>

With respect to “preparation activities,” the Controller argues that reimbursement is limited to those activities outlined in the Parameters and Guidelines, which do not list any preparation activities as reimbursable.<sup>61</sup> To the extent the claimant asserts that preparation activities are “reasonable and necessary,” the Controller suggests that “[t]he district may file an amendment with the Commission on State Mandates to amend the existing parameters and guidelines.”<sup>62</sup>

And with respect to “STAR testing results,” the Controller asserts that the claimant “did not claim any activity that is reimbursable.”<sup>63</sup> The Controller notes that “[r]eimbursement for the activity IV.A.2 is limited to ‘review of the results of the STAR test...and to include in the written evaluation...the assessment of the employee’s performance based on STAR results...’<sup>64</sup> The claimant instead claimed reimbursement for “discussing the STAR results with teachers and how to improve instructional abilities.”<sup>65</sup> The Controller asserts that “these two activities are not interchangeable,” and “[w]e believe conference activities are not reimbursable, as they are not listed as allowable activities in the respective section of the program’s parameters and guidelines.”<sup>66</sup>

Finally, with respect to the number of completed evaluations claimed, and the number disallowed, the Controller notes that the claimant disagrees with the disallowed evaluations for “non-instructional certificated personnel,” including administrators, counselors, librarians, and others; and disallowed evaluations for preschool teachers.<sup>67</sup> The Controller maintains that the claimant is reading the Commission’s Test Claim Decision out of context, and therefore misinterpreting the Parameters and Guidelines with respect to employees for whom evaluations are reimbursable.<sup>68</sup> Addressing preschool teachers specifically, the Controller argues that the claimant failed to identify any specific state or federal law making preschool instruction mandatory, and therefore evaluations of preschool teachers are beyond the scope of this mandate.<sup>69</sup>

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<sup>60</sup> Exhibit B, Controller’s Late Comments on the IRC, page 14.

<sup>61</sup> Exhibit B, Controller’s Late Comments on the IRC, page 15.

<sup>62</sup> Exhibit B, Controller’s Late Comments on the IRC, page 15.

<sup>63</sup> Exhibit B, Controller’s Late Comments on the IRC, page 15.

<sup>64</sup> Exhibit B, Controller’s Late Comments on the IRC, page 15.

<sup>65</sup> Exhibit B, Controller’s Late Comments on the IRC, page 15.

<sup>66</sup> Exhibit B, Controller’s Late Comments on the IRC, page 15.

<sup>67</sup> Exhibit B, Controller’s Late Comments on the IRC, pages 18-19.

<sup>68</sup> Exhibit B, Controller’s Late Comments on the IRC, page 18.

<sup>69</sup> Exhibit B, Controller’s Late Comments on the IRC, page 19.

The Controller's Comments on the Draft Proposed Decision state that the Controller agrees with the findings and recommendations in the Draft Proposed Decision.<sup>70</sup>

#### **IV. Discussion**

Government Code section 17561(d) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state mandated costs that the Controller determines is excessive or unreasonable.

Government Code Section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to the local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission's regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of the parameters and guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit. The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6 of the California Constitution.<sup>71</sup> The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an "equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities."<sup>72</sup>

With regard to the Controller's audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.<sup>73</sup> Under this standard, the courts have found that:

When reviewing the exercise of discretion, "[t]he scope of review is limited, out of deference to the agency's authority and presumed expertise: 'The court may not reweigh the evidence or substitute its judgment for that of the agency. [Citation.]' ... 'In general ... the inquiry is limited to whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support. . . .'" [Citations.] When making that inquiry, the " "court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational

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<sup>70</sup> Exhibit D, Controller's Comments on the Draft Proposed Decision.

<sup>71</sup> *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

<sup>72</sup> *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1281, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

<sup>73</sup> *Johnston v. Sonoma County Agricultural Preservation and Open Space Dist.* (2002) 100 Cal.App.4th 973, 983-984. See also *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

connection between those factors, the choice made, and the purposes of the enabling statute.” [Citation.]’ ”<sup>74</sup>

The Commission must review the Controller’s audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with the claimant.<sup>75</sup> In addition, section 1185.1(f)(3) and 1185.2(d) and (e) of the Commission’s regulations require that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Commission’s ultimate findings of fact must be supported by substantial evidence in the record.<sup>76</sup>

**A. The Claimant Timely Filed this IRC Within Three Years From the Date It First Received From the Controller Written Notice of the Adjustment as Required by Former Section 1185.1 of the Commission’s Regulations.**

Government Code section 17561 authorizes the Controller to audit the reimbursement claims and records of local government to verify the actual amount of the mandated costs, and to reduce any claim that the Controller determines is excessive or unreasonable. If the Controller reduces a claim on a state-mandated program, the Controller is required to notify the claimant in writing, specifying the claim components adjusted, the amounts adjusted, interest charges on claims adjusted to reduce the overall reimbursement to the claimant, and the reason for the adjustment.<sup>77</sup> The claimant may then file an IRC with the Commission “pursuant to regulations adopted by the Commission” contending that the Controller’s reduction was incorrect and to request that the Controller reinstate the amounts reduced to the claimant.<sup>78</sup>

To be complete, an IRC filing must be timely filed “no later than three years following the date of the Office of State Controller’s final audit report, letter, remittance advice, or other written notice of adjustment to a reimbursement claim.”<sup>79</sup>

Here, the Final Audit Report is dated June 15, 2012.<sup>80</sup> The IRC was filed with the Commission on June 9, 2015.<sup>81</sup> Less than three years having elapsed between the issuance of the final audit

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<sup>74</sup> *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th, 534, 547-548.

<sup>75</sup> *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

<sup>76</sup> Government Code section 17559(b), which provides that a claimant or the state may commence a proceeding in accordance with the provisions of section 1094.5 of the Code of Civil Procedure to set aside a decision of the Commission on the ground that the Commission’s decision is not supported by substantial evidence in the record.

<sup>77</sup> Government Code section 17558.5(c).

<sup>78</sup> Government Code sections 17551(d), 17558.7; California Code of Regulations, title 2, sections 1185.1, 1185.9.

<sup>79</sup> Former California Code of Regulations, title 2, sections 1185.1(c), 1185.2(a) (Register 2014, No. 21).

<sup>80</sup> Exhibit A, IRC, pages 4; 57.

<sup>81</sup> Exhibit A, IRC, page 1.

report and the filing of the IRC, this IRC was filed within the period prescribed in former Code of Regulations, title 2, section 1185.1.

Based on the foregoing, the Commission finds the IRC was timely filed.

**B. The Controller’s Reductions Based on the Denial of Activities Included in the Claimant’s Time Study that the Controller Found Were Beyond the Scope of the Mandate Are Correct as Matter of Law, and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.**

The Parameters and Guidelines for this program, adopted September 27, 2005, require that reimbursement be based on *actual costs* supported by contemporaneous source documents created at or near the same time the actual cost was incurred, as follows:

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.<sup>82</sup>

The claimant’s original reimbursement claim documentation is comprised of forms and schedules containing administrators’ assertions of estimated staff time spent on the mandate, which were then compiled to produce average times to perform the mandated activities, and translated into costs.<sup>83</sup> The Controller rejected the claimant’s initial claimed costs for fiscal years 2005-2006 through 2008-2009 “because they were based on average time increments supported with time records that were not completed contemporaneously.”<sup>84</sup> This amounts to a finding that the claimant did not comply with the contemporaneous source document rule, and did not claim actual costs, as required by the Parameters and Guidelines.<sup>85</sup> There is no assertion or evidence in the record rebutting that finding. Pursuant to Government Code section 17564, reimbursement claims filed with the Controller shall be filed in the manner prescribed in the Parameters and Guidelines, and the Parameters and Guidelines, as a quasi-judicial decision of the Commission, are final and binding.<sup>86</sup> The claimant failed to comply with the Parameters and

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<sup>82</sup> Exhibit A, IRC, page 30 [Parameters and Guidelines, p. 3].

<sup>83</sup> Exhibit A, IRC, pages 85-366. See, e.g., Exhibit A, IRC, pages 101; 104-122; 124-125; 141.

<sup>84</sup> Exhibit A, IRC, page 65 [Final Audit Report, p. 6].

<sup>85</sup> See Exhibit A, IRC, page 30 [Parameters and Guidelines, p. 3]; *Clovis Unified School Dist. v. Chiang* (2010) 188 Cal.App.4th 794, 802-803 [Discussing non-enforceability of the Controller’s Contemporaneous Source Document Rule when imposed only by Controller’s Claiming Instructions, prior to valid incorporation within Parameters and Guidelines, a regulatory document].

<sup>86</sup> *California School Boards Association v. State of California* (2009) 171 Cal.App.4th 1183, 1201.

Guidelines, and therefore the Controller could have reduced the entire claim to zero. Any such reduction would have been correct as a matter of law.

Instead, the Controller permitted the claimant to conduct a time study based on fiscal year 2010-2011 activities, “as a substitute for records of actual time spent on teacher evaluations.”<sup>87</sup> The results of that time study were then applied to the earlier audit period, and the issue before the Commission in this IRC is whether the Controller’s adjustments to and application of the time study is arbitrary, capricious, or entirely lacking in evidentiary support.

The claimant’s time study identified 22 discrete activities involved in the teacher evaluation process, and identified the time spent on each item, in order to determine average times to perform the reimbursable activities.<sup>88</sup> Those items included time for training, planning, preparation, meetings, observation, report writing, and other activities, for a total (average) of 10 hours, 38 minutes per evaluation.<sup>89</sup>

The Controller disallowed 19 of the 22 discrete activities of the time study, based on the following findings:

- (1) The activities related to planning, preparation, and organizing notes are not reimbursable under the mandate.
- (2) Training-related activities were included in the time study, but were also claimed as a direct cost item in each fiscal year. “We determined allowable time spend on training from the district’s original claims.”
- (3) Conferences between the evaluators and teachers are not reimbursable because they were required before the enactment of the test claim legislation.<sup>90</sup>

And, according to the claimant’s narrative, the Controller also denied one activity related to evaluation and assessment of teachers with respect to their pupils’ STAR testing results, and progress toward state standards.<sup>91</sup>

The Controller found that each completed evaluation takes an average of 5 hours and 8 minutes, based on the three allowed activities from the claimant’s time study.<sup>92</sup>

The claimant disputes the disallowance of activities related to evaluation conferences, preparation and planning activities, and reviewing STAR test results.<sup>93</sup> Specifically, the claimant argues that evaluation conferences are “a method of implementing this mandate, and

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<sup>87</sup> Exhibit A, IRC, page 65 [Final Audit Report, p. 6].

<sup>88</sup> See Exhibit A, IRC, page 11.

<sup>89</sup> Exhibit A, IRC, page 65 [Final Audit Report, p. 6].

<sup>90</sup> Exhibit A, IRC, page 66 [Final Audit Report, p. 7].

<sup>91</sup> Exhibit A, IRC, page 16.

<sup>92</sup> Exhibit A, IRC, page 67 [Final Audit Report, p. 8].

<sup>93</sup> Exhibit A, IRC, pages 13-16.

not just a subject matter activity.”<sup>94</sup> The claimant further asserts that preparation activities were not explicitly considered or denied by the Test Claim Decision, and “[p]reparation is a rational, relevant, reasonable and necessary part of implementing the mandated activities in the usual course of business and the Controller has stated no basis to exclude it from the scope of the evaluation process.”<sup>95</sup> In addition, the claimant argues that the Test Claim Decision approved “the review of the results of the STAR test as it reasonably relates to the performance of those certificated employees [that teach STAR test subjects], and to include in the written evaluation of those certificated employees the assessment of the employee’s performance based on the STAR results for the pupils they teach.”<sup>96</sup>

The Commission finds that the Controller’s denial of the 19 activities included in the claimant’s time study is correct as a matter of law, and not arbitrary, capricious, or without evidentiary support.

The Parameters and Guidelines limit reimbursement for evaluation and assessment of certificated employees as follows:

- Evaluate and assess the performance of certificated instructional employees *that perform the requirements of educational programs mandated by state or federal law* as it reasonably relates to the instructional techniques and strategies used by the employee; and the employee’s adherence to curricular objectives.

*Reimbursement for this activity is limited to:*

- *review* of the employee’s instructional techniques and strategies and adherence to curricular objectives, and
  - *include in the written evaluation* of the certificated instructional employees the assessment of these factors during the specified evaluation periods.
- Evaluate and assess the performance of certificated instructional employees that teach [STAR test subjects, reading, writing, mathematics, etc.] in grades 2 to 11 as it reasonably relates to the progress of pupils toward [STAR test statewide standards].

*Reimbursement for this activity is limited to:*

- *review* of the results of the STAR test as it reasonably relates to the performance of those certificated employees that teach reading, writing, mathematics, history/social science, and science in grades 2 to 11, and
- *include in the written evaluation* of those certificated employees the assessment of the employee’s performance based on the STAR results for the pupils they teach during the specified evaluation periods.

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<sup>94</sup> Exhibit A, IRC, page 13.

<sup>95</sup> Exhibit A, IRC, pages 13-15.

<sup>96</sup> Exhibit A, IRC, page 16.

- Evaluate and assess permanent *certificated, instructional and non-instructional employees that perform the requirements of educational programs mandated by state or federal law and receive an unsatisfactory evaluation* in the years in which the permanent certificated employee would not have otherwise been evaluated. The additional evaluations shall last until the employee achieves a positive evaluation, or is separated from the school district. The following activities are reimbursable:
  - evaluate and assess the certificated employee performance as it reasonably relates to the following criteria: (1) the progress of pupils toward the standards established by the school district of expected pupil achievement at each grade level in each area of study, and, if applicable, the state adopted content standards as measured by state adopted criterion referenced assessments; (2) the instructional techniques and strategies used by the employee; (3) the employee's adherence to curricular objectives; (4) the establishment and maintenance of a suitable learning environment, within the scope of the employee's responsibilities; and, if applicable, (5) the fulfillment of other job responsibilities established by the school district for certificated non-instructional personnel;
  - the evaluation and assessment shall be reduced to writing. The evaluation shall include recommendations, if necessary, as to areas of improvement in the performance of the employee. If the employee is not performing his or her duties in a satisfactory manner according to the standards prescribed by the governing board, the school district shall notify the employee in writing of that fact and describe the unsatisfactory performance;
  - transmit a copy of the written evaluation to the certificated employee;
  - attach any written reaction or response to the evaluation by the certificated employee to the employee's personnel file; and
  - conduct a meeting with the certificated employee to discuss the evaluation.<sup>97</sup>

This is a very narrow higher level of service, and reimbursement is not required for the full evaluation and assessment of those certificated employees who have received satisfactory evaluations. For those employees, reimbursement is limited to the review and the inclusion of the new criteria mandated by the test claim statutes in the written evaluation. Further, the Parameters and Guidelines require the claimant to identify the state or federal law that mandates the educational program being performed by the employee being evaluated.<sup>98</sup>

Nowhere in the time study documentation, the response to the Draft Audit Report, or the IRC narrative itself, does the claimant attempt to isolate the narrow higher level of service approved by the Commission in the Test Claim Decision, or to tie the 19 disallowed time study items to the approved activities. As explained in the Test Claim Decision, prior law already required

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<sup>97</sup> Exhibit A, IRC, pages 31-33 [Parameters and Guidelines, pp. 4-6].

<sup>98</sup> Exhibit A, IRC, pages 31-33 [Parameters and Guidelines, pp. 4-6].

evaluation of certificated employees.<sup>99</sup> The test claim statutes merely added additional criteria to be considered within those evaluations, and required a follow-up evaluation when a certificated employee receives an unsatisfactory evaluation and annual evaluations thereafter until the employee receives a satisfactory evaluation or, is separated from the school district.<sup>100</sup> The time study activities proposed by the claimant make are not restricted to the time and costs of evaluations pertaining to only the new evaluation and assessment criteria,<sup>101</sup> nor are they limited to only those evaluations required for employees whose last regularly-scheduled evaluation resulted in an unsatisfactory rating.<sup>102</sup> The Parameters and Guidelines require documentation to establish the relationship between the activities and costs claimed and the reimbursable activities stated in the Parameters and Guidelines.<sup>103</sup> The claimant’s time study activities (which generally include evaluation conferences, preparation and planning activities) are described too generally to establish that connection.<sup>104</sup>

Furthermore, the activity proposed for claimant’s time study related to STAR testing goes beyond the scope of the reimbursable activity. The claimant argues that the Commission approved “the review of the results of the STAR test as it reasonably relates to the performance of those certificated employees [teaching STAR test subjects] and to include in the written evaluation of those certificated employees the assessment of the employee’s performance based on the STAR results for the pupils they teach...”<sup>105</sup> That description is substantially similar to and consistent with the Parameters and Guidelines, which indeed provide reimbursement to evaluate and assess the performance of teachers of STAR test subjects<sup>106</sup> “as it reasonably relates to the progress of pupils towards the state adopted academic content standards...” The Parameters and Guidelines also clarify that reimbursement for this activity is limited to “reviewing the results” of the STAR test and “including in the written evaluation...the assessment of the employee’s performance based on the [STAR test] results for the pupils they teach.”<sup>107</sup> However, the activity stated in the claimant’s proposed time study pertaining to STAR testing is “*Discussing* the STAR results with teachers and assessing how to improve instructional abilities.”<sup>108</sup> The activity as described in the claimant’s time study implies interaction between

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<sup>99</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, pages 18-25.

<sup>100</sup> Exhibit A, IRC, pages 31-32 [Parameters and Guidelines, pp. 4-5].

<sup>101</sup> Exhibit A, IRC, pages 31-32 [Parameters and Guidelines, pp. 4-5, Parts IV.A.1. & 2.].

<sup>102</sup> Exhibit A, IRC, page 32 [Parameters and Guidelines, p. 5, Part IV.B.1.].

<sup>103</sup> Exhibit A, IRC, page 30 [Parameters and Guidelines, p. 3]. Actual costs claimed “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.”

<sup>104</sup> Exhibit A, IRC, pages 31-32 [Parameters and Guidelines, pp. 4-5].

<sup>105</sup> Exhibit A, IRC, page 16 [citing Test Claim Decision, *The Stull Act*, 98-TC-25, p. 31].

<sup>106</sup> Grades 2 through 11, teaching Reading, Writing, Mathematics, History/Social Science, and Science.

<sup>107</sup> Exhibit A, IRC, page 31 [Parameters and Guidelines, p. 4].

<sup>108</sup> Exhibit A, IRC, page 13.



the teacher and the evaluator that is not required by the plain language of the approved activity as stated in the Parameters and Guidelines. Both reviewing the results of the STAR test, and including an assessment in the written evaluation can be done unilaterally by the evaluator, and do not require a discussion.

And, to the extent certain elements of the claimant's time study related to evaluation conferences, preparation, and planning activities seem "rational, relevant, reasonable and necessary part[s] of implementing the mandated activities,"<sup>109</sup> they are not identified as reimbursable activities in the Parameters and Guidelines. The claimant had an opportunity to include those activities within the Parameters and Guidelines as "reasonably necessary activities" pursuant to Government Code section 17557(a) and Code of Regulations, title 2, section 1183.7(d). Section 1183.7 describes the "Content of Parameters and Guidelines," and subdivision (d) defines "reasonably necessary activities" as those activities "necessary to comply with the statutes, regulations and other executive orders found to impose a state-mandated program." The section further states that "[w]hether an activity is reasonably necessary is a mixed question of law and fact," the assertion of which must be supported by documentary evidence submitted in accordance with section 1187.5.<sup>110</sup> In other words, if the claimant seeks reimbursement for the various elements of its time study as "reasonably necessary" elements of the reimbursable mandate, those activities have to be approved by the Commission based on substantial evidence in the record and included within the Parameters and Guidelines, either when the Parameters and Guidelines were first adopted, or as an amendment request.<sup>111</sup> To the extent the activities claimed exceed the scope of the mandate as stated in the Parameters and Guidelines, they are not eligible for reimbursement. The Parameters and Guidelines, as adopted, are binding on the parties.<sup>112</sup> The argument that such items are "reasonably necessary" cannot now be employed as an end-run around the Parameters and Guidelines.

Finally, it is the claimant's burden to establish actual costs, using "source documents that show the validity of such costs, when they were incurred, and *their relationship to the reimbursable activities.*"<sup>113</sup> The claimant argues that the Controller's reduction of costs is incorrect or arbitrary or capricious, and frames these issues in terms of the Controller's failure to state a reason for the reduction.<sup>114</sup> The claimant, however, ignores its duty to establish the relationship to the reimbursable activities. The Controller's concession permitting the use of a time study does not alter the scope of the mandate, which is a question of law, or otherwise relieve the claimant of the burden to show that its claimed costs are eligible for reimbursement pursuant to the Test Claim Decision and Parameters and Guidelines. Moreover, there is no evidence in the

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<sup>109</sup> Exhibit A, IRC, page 15.

<sup>110</sup> California Code of Regulations, title 2, section 1183.7.

<sup>111</sup> See California Code of Regulations, title 2, section 1183.17.

<sup>112</sup> *California School Boards Association v. State of California* (2009) 171 Cal.App.4th 1183, 1201.

<sup>113</sup> Exhibit A, IRC, page 30 [Parameters and Guidelines, p. 3].

<sup>114</sup> See, e.g., Exhibit A, IRC, page 15 [Discussing "Preparation Activities," the claimant states that the Controller "has stated no basis to exclude it from the scope of the evaluation process."].

record that the Controller's reduction of costs based on the denial of these 19 activities is arbitrary, capricious, or entirely lacking in evidentiary support.

Accordingly, the Commission finds that the Controller's reduction of costs based on the Controller's denial of 19 of the activities included in claimant's time study is correct as a matter of law, and is not arbitrary, capricious, or entirely lacking in evidentiary support.

**C. The Controller's Disallowance of Completed Evaluations that Are Beyond the Scope of the Mandate Is Correct as a Matter of Law.**

As noted above, the Parameters and Guidelines for *The Stull Act* program require reimbursement for the following:

- Evaluate and assess the performance of certificated instructional employees that perform the requirements of educational programs mandated by state or federal law as it reasonably relates to
  - the instructional techniques and strategies used by the employee; and
  - the employee's adherence to curricular objectives;
- Evaluate and assess the performance of certificated instructional employees that teach [STAR test subjects, reading, writing, mathematics, etc.] in grades 2 to 11 as it reasonably relates to the progress of pupils toward [STAR test statewide standards]; and
- Evaluate and assess permanent certificated, instructional, and non-instructional employees that perform the requirements of educational programs mandated by state or federal law and receive an unsatisfactory evaluation in the years in which the permanent certificated employee would not have otherwise been evaluated. The additional evaluations shall last until the employee achieves a positive evaluation, or is separated from the school district.<sup>115</sup>

The Parameters and Guidelines further require the claimant to identify the state or federal law mandating the educational program being performed by the employee being evaluated and assessed.<sup>116</sup>

The Controller disallowed reimbursement for evaluations completed for employees that are not within the scope of the mandate. Specifically, as disputed here, the Controller disallowed reimbursement for evaluations of the following employees:

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<sup>115</sup> Exhibit A, IRC, pages 31-33 [Parameters and Guidelines, pp. 4-6].

<sup>116</sup> Exhibit A, IRC, pages 31-33 [Parameters and Guidelines, pp. 4-6]. Note that this caveat is not stated under section IV.A.2. of the Parameters and Guidelines, with respect to certificated instructional employees that teach STAR test subjects in grades 2 to 11 (presumably because simply claiming costs under this very specific activity makes clear which state and federal laws are implicated).

- Principals, vice principals, directors, coordinators, counselors, psychologists, librarians, and library media specialists who are not certificated instructional employees; and
- Preschool teachers [because they] do not perform the requirements of the program that is mandated by state or federal law.<sup>117</sup>

The claimant argues that all certificated employees are “instructional personnel even if they are not ‘classroom teachers’” and that preschool teachers are not excluded by the Parameters and Guidelines.<sup>118</sup> Addressing preschool instructors specifically, claimant argues that “[t]he audit report excludes preschool teachers in general based on the Controller’s opinion that preschool teachers do not perform the requirements of an educational program mandated by state or federal law.”<sup>119</sup> The claimant further argues that the Commission identified voluntary programs for which reimbursement is not required in a footnote in the Test Claim Decision, “and preschool is not included in that enumeration.”<sup>120</sup> Accordingly, claimant asserts that “[t]here is no stated basis to exclude certificated preschool instructors.”<sup>121</sup>

With respect to other personnel, such as administrators, librarians, and others for whom evaluations and assessments were excluded from reimbursement, the claimant states that the audit report misstates the standard for judging which employees’ evaluations are reimbursable and which are not:

The intent of this component is to evaluate the elements of classroom instruction. Principals, vice principals, directors, coordinators, counselors, psychologists, librarians, and library media specialists do not provide classroom instruction and are considered “non-instructional” certificated personnel.<sup>122</sup>

The claimant concedes that “the portion of the mandate relating to the evaluation of compliance with the testing assessment standards (the STAR component) is limited to classroom teachers because the parameters and guidelines specifically state ‘employees that teach’ specified curriculum.”<sup>123</sup> However, the claimant maintains that all certificated employees are instructional personnel and that “[i]t has not been established as a matter of law that involvement in the educational process requires a ‘classroom.’”<sup>124</sup>

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<sup>117</sup> Exhibit A, IRC, pages 73-74 [Final Audit Report, pp. 14-15].

<sup>118</sup> Exhibit A, IRC, pages 18-19 and 71.

<sup>119</sup> Exhibit A, IRC, page 18.

<sup>120</sup> Exhibit A, IRC, page 19.

<sup>121</sup> Exhibit A, IRC, page 19.

<sup>122</sup> Exhibit A, IRC, page 17 [quoting Controller’s Final Audit Report, p. 15 (Exhibit A, IRC, p. 74)].

<sup>123</sup> Exhibit A, IRC, page 71 [Controller’s Final Audit Report, p. 12].

<sup>124</sup> Exhibit A, IRC, page 18 and 71.

The claimant is wrong on both counts. The Test Claim Decision analyzed at length the distinction between instructional and non-instructional personnel, in an attempt to isolate the higher level of service imposed by the test claim statutes. The Commission found that prior law “required school districts to develop evaluation and assessment guidelines and to evaluate both instructional and non-instructional certificated employees based on the guidelines on a continuing basis.”<sup>125</sup> The Commission also found case law to support the conclusion that the Stull Act, prior to the test claim statutes, applied to both instructional and non-instructional certificated personnel.<sup>126</sup> In analyzing the test claim statutes the Commission found, and the Department of Finance and the test claimant agreed, that the new categories of “instructional techniques and strategies,” and “the employee’s adherence to curricular objectives,” represented new criteria for the evaluation and assessment of certificated *instructional* personnel equating the term “instructional” with “teachers.”<sup>127</sup>

Accordingly, Part IV.A.1. of the Parameters and Guidelines limits reimbursement for the higher level of service imposed by the test claim statutes to “certificated *instructional* employees,” and to the *two new components* of the evaluation, both of which relate to the provision of *instruction*: “instructional techniques and strategies used by the employee and the employee’s adherence to curricular objectives.”<sup>128</sup> In addition, as noted, Part IV.A.1. *requires the claimant* to identify the state or federal law mandating the educational program being performed by the certificated instructional personnel.<sup>129</sup> Therefore, this section provides reimbursement for evaluation and assessment of *instructional* employees only, and only those performing the requirements of educational programs mandated by state or federal law. Although administrators, librarians, counselors, and psychologists are positions requiring certification, they generally do not provide instruction to students.<sup>130</sup> The claimant argues that these employees are *not excluded* by the

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<sup>125</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, page 22.

<sup>126</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, pages 22-23.

<sup>127</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, pages 28-30; 21 [The plain language of these statutes does not distinguish between instructional employees (teachers) and non-instructional employees (principals, administrators), or specifically exclude certificated non-instructional employees.].

<sup>128</sup> Exhibit A, IRC, page 31 [Parameters and Guidelines, p. 4].

<sup>129</sup> Exhibit A, IRC, page 31 [Parameters and Guidelines, p. 4].

<sup>130</sup> Education Code section 44065, which governs teaching and services credential requirements. See also, California Code of Regulations, title 5, section 80049.1, which authorizes a school psychologist with a services credential to “provide services that enhance academic performance; design strategies and programs to address problems of adjustment; consult with other educators and parents on issues of social development, behavioral and academic difficulties; conduct psycho-educational assessments for purposes of identifying special needs; provide psychological counseling for individuals, groups and families; and coordinate intervention strategies for management of individual and school-wide crises.”

California Code of Regulations, title 5, section 80049.1 also authorizes a school counselor with a services credential to “develop, plan, implement and evaluate a school counseling and guidance

Parameters and Guidelines, but neither do they necessarily fall within the higher level of service that the Commission determined to be reimbursable, absent some evidence that they are indeed performing the requirements of educational programs mandated by state or federal law; a requirement that the Parameters and Guidelines expressly requires the claimant to establish and for which the claimant has submitted no evidence. Thus, the Controller correctly concludes that “instructional” employees excludes administrators, librarians, counselors, and psychologists, and others, absent additional evidence.<sup>131</sup>

With regard to preschool instruction, the claimant mistakenly relies on a footnote in the Test Claim Decision, which listed examples of voluntary educational programs funded by the Budget Act, to suggest that preschool instruction, which was not among the programs listed, must therefore be mandatory.<sup>132</sup> The list in the Test Claim Decision was not intended to represent an exhaustive cataloging of voluntary (or non-mandatory) educational programs, as the claimant suggests.<sup>133</sup> Rather, the Parameters and Guidelines expressly require the claimant to specifically identify the educational programs mandated by state or federal law being performed by the certificated instructional employee in order to get reimbursed for the evaluation, which the claimant has not done. In addition, Education Code section 48200 et seq., provides for compulsory education for pupils aged 6 to 18, but does not as a matter of law apply to preschool-

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program that includes academic, career, personal and social development; advocate for the higher academic achievement and social development of all students; provide school-wide prevention and intervention strategies and counseling services; provide consultation, training and staff development to teachers and parents regarding students' needs; and supervise a district-approved advisory program as described in Education Code Section 49600.”

California Code of Regulations, title 5, section 80053, authorizes the librarian with a services credential to “instruct students in accessing, evaluating, using and integrating information and resources in the library program; to plan and coordinate school library programs with the instructional programs of a school district through collaboration with teachers; to select materials for school and district libraries; to develop programs for and deliver staff development for school library services; to coordinate or supervise library programs at the school, district or county level; to plan and conduct a course of instruction for those pupils who assist in the operation of school libraries; to supervise classified personnel assigned school library duties; and to develop procedures for and management of the school and district libraries.”

California Code of Regulations, title 5, section 80054.5, authorizes the school administrator with a services credential to develop, coordinate, and assess instructional programs; supervise and evaluate certificated and classified personnel; discipline students; manage fiscal services; develop, coordinate, and supervise student support services.

And, Code of Regulations, title 5, section 16043 states that persons employed by a school district as librarians may supplement classroom instruction, or conduct “a planned course of instruction for those pupils who assist in the operation of school libraries.”

<sup>131</sup> Exhibit A, IRC, pages 73-74 [Final Audit Report, pp. 14-15].

<sup>132</sup> Exhibit A, IRC, pages 18-19.

<sup>133</sup> Exhibit E, Test Claim Decision, *The Stull Act*, 98-TC-25, page 12, Fn 42.

aged children. The claimant argues that federal special education law requires preschool instruction for pupils when part of a pupil's Individualized Education Plan.<sup>134</sup> However, the claimant has not provided any evidence that preschool teachers evaluated and claimed provided instruction in educational programs mandated by federal law, as required by the Parameters and Guidelines.

In addition, Part IV.A.2. requires reimbursement only for evaluations of “certificated instructional employees that teach...” STAR test subjects in grades 2 to 11.<sup>135</sup> This provision also excludes non-instructional administrative and support personnel, and excludes preschool teachers, based on nothing more than its plain language.

Part IV.B.1. does provide for reimbursement for evaluation and assessment of certificated instructional *and* non-instructional employees, but only those whose last regularly-scheduled evaluation resulted in an unsatisfactory evaluation (i.e., off-year evaluations for permanent certificated employees, and more often than once every five years for permanent “tenured” certificated employees). Part IV.B.1. also includes the same caveat as above, that the claimant must identify the state or federal law mandating the educational program being performed. There has been no specific argument or evidence in the record to support a finding that any of the non-instructional personnel whose evaluations were disallowed were evaluated on the basis of having a previously unsatisfactory evaluation.

The claimant, with all of its arguments, attempts to shift the burden to the Controller to support its reductions, but it is the claimant's burden to make out its claim.<sup>136</sup> In addition, sections 1185.1(f)(3), 1185.2(d) and (e) of the Commission's regulations require that any assertions of fact by the parties to an IRC must be supported by documentary evidence. The Parameters and Guidelines specifically and expressly require the *claimant* to identify the state or federal law mandating the educational program being performed by the employee(s) evaluated, except in the case of STAR subject instructors in grades 2 to 11 (for whom the mandatory nature of the educational program is presumed).<sup>137</sup> The claimant has not complied with the Parameters and Guidelines.

Based on the foregoing, the Commission finds that the Controller's disallowance of 46 completed evaluations that were beyond the scope of the mandate is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

## V. Conclusion

Based on the foregoing, the Commission finds that the IRC was timely filed and denies this IRC. The Commission finds that the Controller's reduction of costs based the denial of 19 activities included in the claimant's time study and the disallowance of 46 completed evaluations that were beyond the scope of the mandate, are correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

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<sup>134</sup> Exhibit A, IRC, pages 71-74 [Controller's Final Audit Report, pp. 12-15].

<sup>135</sup> Exhibit A, IRC, pages 31-32 [Parameters and Guidelines, pp. 4-5].

<sup>136</sup> *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

<sup>137</sup> Exhibit A, IRC, pages 31-33 [Parameters and Guidelines, pp. 4-6].



RE: **Decision**

*The Stull Act*, 14-9825-I-02

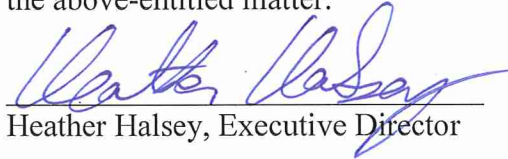
Education Code Sections 44660-44665;

Statutes 1983, Chapter 498; Statutes 1999, Chapter 4

Fiscal Years: 2005-2006, 2006-2007, 2007-2008, and 2008-2009

Carlsbad Unified School District, Claimant

On July 27, 2018, the foregoing Decision of the Commission on State Mandates was adopted on the above-entitled matter.

  
Heather Halsey, Executive Director

Dated: July 30, 2018

**DECLARATION OF SERVICE BY EMAIL**

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On July 30, 2018, I served the:

- **Decision adopted July 27, 2018**

*The Stull Act*, 14-9825-I-02

Education Code Sections 44662 and 44664;

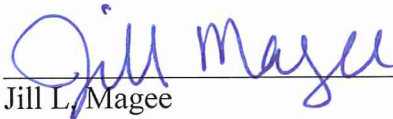
Statutes 1983, Chapter 498; Statutes 1999, Chapter 4

Fiscal Years: 2005-2006, 2006-2007, 2007-2008, and 2008-2009

Carlsbad Unified School District, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on July 30, 2018 at Sacramento, California.



Jill L. Magee

Commission on State Mandates

980 Ninth Street, Suite 300

Sacramento, CA 95814

(916) 323-3562



# COMMISSION ON STATE MANDATES

## Mailing List

**Last Updated:** 7/2/18

**Claim Number:** 14-9825-I-02

**Matter:** The Stull Act

**Claimant:** Carlsbad Unified School District

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Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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March 30, 2016

Ms. Elizabeth Pianca  
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San Jose, CA 95110-1770

Ms. Jill Kanemasu  
State Controller's Office  
Accounting and Reporting  
3301 C Street, Suite 700  
Sacramento, CA 95816

*And Parties, Interested Parties, and Interested Persons (See Mailing List)*

Re: **Decision**

*Child Abduction and Recovery*, 08-4237-I-02 and 12-4237-I-03  
Family Code Sections 3060-3064, 3130-3134.5, 3408, 3411, and 3421;  
Penal Code Sections 277, 278, and 278.5; Welfare and Institutions Code Section 11478.5  
Statutes 1976, Chapter 1399; Statutes 1992, Chapter 162; Statutes 1996, Chapter 988  
Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2003-2004, 2004-2005, 2005-2006,  
and 2006-2007  
County of Santa Clara, Claimant

Dear Ms. Pianca and Ms. Kanemasu:

On March 25, 2016, the Commission on State Mandates adopted the decision on the above-entitled matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Heather Halsey".

Heather Halsey  
Executive Director

BEFORE THE  
COMMISSION ON STATE MANDATES  
STATE OF CALIFORNIA

**IN RE INCORRECT REDUCTION CLAIM  
ON:**

Family Code Sections 3060-3064,  
3130-3134.5, 3408, 3411, and 3421;  
Penal Code Sections 277, 278, and 278.5;  
Welfare and Institutions Code Section 11478.5

Statutes 1976, Chapter 1399; Statutes 1992,  
Chapter 162; Statutes 1996, Chapter 988

Fiscal Years 1999-2000, 2000-2001,  
2001-2002, 2003-2004, 2004-2005,  
2005-2006, and 2006-2007

County of Santa Clara, Claimant

Case Nos.: 08-4237-I-02 and 12-4237-I-03

*Child Abduction and Recovery*

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

*(Adopted March 25, 2016)*

*(Served March 30, 2016)*

**DECISION**

The Commission on State Mandates (Commission) heard and decided this consolidated incorrect reduction claim (IRC) during a regularly scheduled hearing on March 25, 2016. Jim Spano, Chris Ryan, and Masha Vorobyova appeared on behalf of the State Controller’s Office. The County of Santa Clara did not appear, but filed a letter indicating that it was standing on the record submitted.

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 et seq., and related case law.

The Commission adopted the proposed decision to deny this IRC by a vote of 6-0 as follows:

<b>Member</b>	<b>Vote</b>
Ken Alex, Director of the Office of Planning and Research	Yes
John Chiang, State Treasurer, Vice Chairperson	Yes
Richard Chivaro, Representative of the State Controller	Yes
Sarah Olsen, Public Member	Yes
Eraina Ortega, Representative of the Director of the Department of Finance, Chairperson	Yes
Carmen Ramirez, City Council Member	Yes
Don Saylor, County Supervisor	Absent

### **Summary of the Findings**

Incorrect Reduction Claim (IRC) 08-4237-I-02 (fiscal years 1999-2000, 2000-2001, and 2001-2002) and IRC 12-4237-I-03 (fiscal years 2003-2004, 2004-2005, 2005-2006, and 2006-2007)<sup>1</sup> have been consolidated for hearing. These consolidated IRCs challenge the State Controller's Office (Controller's) reductions to reimbursement claims of the County of Santa Clara (claimant) for the *Child Abduction and Recovery* program.

The only issue remaining in contention for this matter is whether the Controller's reductions totaling \$1,183,619 for unsupported salaries, benefits, and related indirect costs claimed for fiscal years 1999-2000 through 2001-2002 and 2003-2004 are correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

To claim costs for employee salaries and benefits, the parameters and guidelines require that the claimant either specify the actual number of hours devoted to each mandated function and provide source documents or worksheets that show evidence of the validity of the costs, or claim costs based on the average number of hours devoted to each mandated function if supported by a documented time study. Average time accountings to support employee time claimed "can be deemed akin to worksheets."<sup>2</sup> However, the time study is still required to "show evidence of and the validity of [the] costs [claimed]" for the mandated program.<sup>3</sup>

The Commission finds that the Controller's reduction of costs claimed for fiscal year 1999-2000 through 2001-2002 is correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support. The payroll documentation originally provided by the claimant to the Controller, which does not verify the time spent on the program, does not comply with the documentation requirements of the parameters and guidelines. Moreover, based on the evidence in the record, the Controller's decision to reject the time study that claimant later prepared using data from later fiscal years as inadequate documentation to support the costs claimed for all the employees is not arbitrary, capricious, or entirely lacking in evidentiary support. The record shows that the Controller considered the claimant's arguments and all relevant factors, and has demonstrated a rational connection between those factors and the decision made to reject the time study. The Commission cannot substitute its judgment for that of the Controller on audit decisions.

The Commission also finds that the Controller's reduction of salary and benefit costs for fiscal year 2003-2004 is not arbitrary, capricious, or entirely lacking in evidentiary support. For this reimbursement claim, the claimant resubmitted the same four week time study conducted from November 15, 2004, through December 10, 2004 to support fiscal year 2003-2004 claimed costs, with a summary of the time study results and a projection of the results to a full fiscal year. The Controller determined, however, that the claimant's time study did not adequately support the time claimed for fiscal year 2003-2004 because the time study included three employee classifications that the county did not include in their claim for reimbursement; the time study period included a holiday week when employees worked fewer hours; and actual timesheets kept for January 2005 through June 2005 showed varying changes in staffing levels and workload.

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<sup>1</sup> Note that there was no audit for 2002-2003 and that year is not in issue in this IRC.

<sup>2</sup> *Clovis Unified School Dist. v. Chiang* (2010) 188 Cal.App.4th 794, 804.

<sup>3</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 53-60.

Since the claimant did not provide time logs or other adequate documentation supporting the time spent on the mandate in fiscal year 2003-2004, the Controller extrapolated employee hours identified on timesheets for January 2005 through June 2005 to approximate the actual hours spent on the program for the 2003-2004 fiscal year, instead of reducing costs to \$0. The Commission finds that there is no evidence in the record that the Controller's rejection of the claimant's time study or the Controller's calculation of employee costs for fiscal year 2003-2004, is arbitrary, capricious, or entirely lacking in evidentiary support.

Therefore, the Commission denies these IRCs.

**I. Chronology**

- 03/17/2006 Controller issued the final audit report for fiscal years 1999-2000 through 2001-2002.<sup>4</sup>
- 01/28/2009 Claimant filed IRC 08-4237-I-02.<sup>5</sup>
- 12/04/2009 Controller issued the final audit report for fiscal years 2003-2004 through 2006-2007.<sup>6</sup>
- 11/29/2012 Claimant filed IRC 12-4237-I-03.<sup>7</sup>
- 12/22/2014 Controller filed Late Comments on IRC 08-4237-I-02.<sup>8</sup>
- 12/22/2014 Controller filed Late Comments on IRC 12-4237-I-03.
- 12/31/2014 Controller filed Revised Late Comments on IRC 12-4237-I-03.<sup>9</sup>
- 04/02/2015 Claimant filed Rebuttal to Controller's Late Comments on IRC 08-4237-I-02.<sup>10</sup>
- 04/02/2015 Claimant filed Rebuttal to Controller's Late Comments on IRC 12-4237-I-03.<sup>11</sup>
- 1/13/2016 Commission staff issued the Draft Proposed Decision.<sup>12</sup>
- 1/15/2015 Controller filed Comments on the Draft Proposed Decision.<sup>13</sup>

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<sup>4</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 19.

<sup>5</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 1.

<sup>6</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 16.

<sup>7</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 1.

<sup>8</sup> Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, page 1.

<sup>9</sup> Exhibit D, Controller's Revised Late Comments on IRC 12-4237-I-03, page 1. Note that these revised comments simply replaced illegible pages with legible ones and these revised comments filed December 31, 2014 replace the late comments filed December 22, 2014.

<sup>10</sup> Exhibit E, Claimant's Rebuttal to Controller's Late Comments on IRC 08-4237-I-02, page 1.

<sup>11</sup> Exhibit F, Claimant's Rebuttal to Controller's Late Comments on IRC 12-4237-I-03, page 1.

<sup>12</sup> Exhibit G, Draft Proposed Decision.

<sup>13</sup> Exhibit H, Controller's Comments on the Draft Proposed Decision.



3/22/2016 Claimant filed a letter with the Commission indicating that a representative of the county would not be present at the hearing and that it stands on the record submitted.

## II. Background

### A. Child Abduction and Recovery Program

On September 19, 1979, the Board of Control approved a test claim filed by the County of San Bernardino, finding that the test claim statutes imposed a reimbursable state-mandated program on counties by requiring district attorney offices to actively assist in the resolution of child custody problems, including visitation disputes and the enforcement of custody and other orders of the court in a child custody proceeding. These activities include actions necessary to locate and return a child; the enforcement of child custody orders, orders to appear; or any other court order defraying expenses related to the return of an illegally detained, abducted, or concealed child; proceeding with civil court actions; and guaranteeing the appearance of offenders and minor in court actions. Reimbursement was found not to be required for the costs associated with criminal prosecutions under the Penal Code.<sup>14</sup>

On January 21, 1981, the Board of Control adopted the parameters and guidelines for this program for costs incurred beginning January 1, 1977. Since the adoption of the original parameters and guidelines, the test claim statutes have been renumbered and some have been amended.<sup>15</sup> In addition, the parameters and guidelines have been amended several times. The parameters and guidelines that govern the reimbursement claims at issue in this case were amended on August 26, 1999, and provide that counties may claim reimbursement for the following activities:

1. Obtaining compliance with court orders relating to child custody or visitation proceedings and the enforcement of child custody or visitation orders, including:
  - a. Contact with child(ren) and other involved persons.

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<sup>14</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 43-50 (parameters and guidelines, as amended July 22, 1993), 53-60 (parameters and guidelines, as amended August 26, 1999).

<sup>15</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 53-54 (parameters and guidelines, as amended August 26, 1999), which explain under the Summary of Mandate section of the parameters and guidelines, the statutory changes as follows:

Chapter 990, Statutes of 1983, amended Section 4604 of the Civil Code to clarify that the enforcement requirements of this section applied to visitation decrees as well as custody decrees.

Chapter 162, Statutes of 1992, repealed Sections 4600.1, 4604, 5157, 5160, and 5169 of the Civil Code and without substantial change enacted Sections 3060 to 3064, 3130 to 3134.5, 3408, 3411, and 3421 of the Family Code.

Chapter 988, Statutes of 1996, the Parental Kidnapping Prevention Act, repealed Sections 277, 278 and 278.5 of the Penal Code and enacted in a new statutory scheme in Sections 277, 278 and 278.5 which eliminated the distinction between cases with and cases without a preexisting child custody order.

- (1) Receipt of reports and requests for assistance.
- (2) Mediating with or advising involved individuals. Mediating services may be provided by other departments. If this is the case, indicate the department.
- (3) Locating missing or concealed offender and child(ren).
- b. Utilizing any appropriate civil or criminal court action to secure compliance.
  - (1) Preparation and investigation of reports and requests for assistance.
  - (2) Seeking physical restraint of offenders and/or the child(ren) to assure compliance with court orders.
  - (3) Process services and attendant court fees and costs.
  - (4) Depositions.
- c. Physically recovering the child(ren).
  - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
  - (2) Other personal necessities for the child. All such items purchased must be itemized.
2. Court actions and costs in cases involving child custody or visitation orders from another jurisdiction, which may include, but are not limited to, utilization of the Uniform Child Custody Jurisdiction Act (Family Code Sections 3400 through 3425) and actions relating to the Federal Parental Kidnapping Prevention Act (42 USC 1738A) and The Hague Convention of 25 October 1980 on the Civil Aspects of International Child Abduction (Senate Treaty Document 99-11, 99<sup>th</sup> Congress, 1<sup>st</sup> Session).
  - a. Cost of providing foster care or other short-term care for any child pending return to the out-of-jurisdiction custodian. The reimbursable period of foster home care or other short-term care may not exceed three days unless special circumstances exist.

Please explain the special circumstances. A maximum of ten days per child is allowable. Costs must be identified per child, per day. This cost must be reduced by the amount of state reimbursement for foster home care which is received by the county for the child(ren) so placed.
  - b. Cost of transporting the child(ren) to the out-of-jurisdiction custodian.
    - (1) Travel expenses, food, lodging, and transportation for the escort and child(ren).
    - (2) Other personal necessities for the child(ren). All such items purchased must be itemized. Cost recovered from any party, individual or agency, must be shown and used as an offset against costs reported in this section.
    - (3) Securing appearance of offender and/or child(ren) when an arrest warrant has been issued or other order of the court to produce the offender or child(ren).
      - (a) Cost of serving arrest warrant or order and detaining the individual in custody, if necessary, to assure appearance in accordance with the arrest warrant or order.
      - (b) Cost of providing foster home care or other short-term care for any child

requiring such because of the detention of the individual having custody. The number of days for the foster home care or short-term care shall not exceed the number of days of the detention period of the individual having physical custody of the minor.

- (4) Return of an illegally obtained or concealed child(ren) to the legal custodian or agency.
  - (a) Costs of food, lodging, transportation and other personal necessities for the child(ren) from the time he/she is located until he/she is delivered to the legal custodian or agency. All personal necessities purchased must be itemized.
  - (b) Cost of an escort for the child(ren), including costs of food, lodging, transportation and other expenses where such costs are a proper charge against the county. The type of escort utilized must be specified.<sup>16</sup>

Section VI. of these parameters and guidelines describe the non-reimbursable costs as follows: “Costs associated with criminal prosecution, commencing with the defendant’s first appearance in a California court, for offenses defined in Sections 278 or 278.5 of the Penal Code, wherein the missing, abducted, or concealed child(ren) has been returned to the lawful person or agency.”

Section VII. of these parameters and guidelines further require that claimed costs “shall be supported” by cost element information, as specified. With respect to claims for salaries and benefits, claimants are required to:

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study. Benefits are reimbursable; however, benefit rates must be itemized. If no itemization is submitted, 21 percent must be used for computation of claimed cost.

Section VIII. further requires that “all costs claimed must be traceable to source documents and/or worksheets that show evidence of and the validity of such costs,” and that these “documents must be kept on file by the agency submitting the claim for [the audit] period specified in Government Code section 17558.5.” However, contemporaneous source documentation was not required by these parameters and guidelines.

#### B. The Audit Findings of the Controller

The audit report for fiscal years 1999-2000 through 2001-2002 reduced costs by \$1,278,468 because claimant overstated productive hourly rates when calculating employee salaries and benefits (Finding 1) and claimed unsupported salaries, benefits, and related indirect costs (Finding 2).<sup>17</sup> The audit report for fiscal years 2003-2004 through 2006-2007 reduced costs by

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<sup>16</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 53-60 (parameters and guidelines, as amended August 26, 1999).

<sup>17</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 18-38. The audit report also reduced costs in Finding 3 for overstated indirect costs, which are not challenged by the claimant.

\$296,732 on similar grounds: the claimant overstated productive hourly wage rates in all audit years (Finding 1) and claimed unsupported salaries, benefits, and related indirect costs in fiscal year 2003-2004 (Finding 2).<sup>18</sup>

The claimant originally challenged both findings made by the Controller. After the IRCs were filed, however, the claimant withdrew the challenge to audit Finding 1 in both audit reports relating to the reduction of costs based on overstated productive hourly rates.<sup>19</sup> Thus, the claimant now only challenges the reductions in Finding 2 of the audit reports for unsupported salaries and benefits and related indirect costs claimed for fiscal years 1999-2000 through 2001-2002 and 2003-2004, totaling \$1,183,619, described as follows:<sup>20</sup>

- The Controller reduced costs for salaries and benefits claimed for fiscal years 1999-2000 through 2001-2002 for two full-time employees in the claimant's Child Abduction and Recovery Unit because the county did not provide any documentation to support mandate-related hours claimed. In addition, one of the full-time employees stated that she spent part of her time assisting with criminal trial preparation after the defendant's first court appearance, which is not eligible for reimbursement. Moreover, the time study later submitted by the claimant shows that the two full-time employees worked between 42.50 and 69.27 percent and 60 and 92.94 percent, respectively, on the mandated program during the four week time study,<sup>21</sup> which contradicts the claimant's assertion that the full-time employees performed only mandate-related activities during the audit period.

The Controller also partially reduced costs claimed for the remaining employees working part-time on the program in these fiscal years because the county provided time logs that did not support all of the mandate-related hours claimed. The time logs identified mandate-related time, non-mandate related time, and non-productive time, but did not reconcile and support the hours claimed. Subsequently, the claimant submitted a four-week time study conducted in fiscal year 2004-2005 in lieu of the employee time logs, which the Controller rejected because the time study is not competent evidence to replace time logs provided to support the costs claimed for earlier fiscal years. In addition, the Controller found that the county did not identify how the time period studied (four weeks in fiscal year 2004-2005) was representative of the costs incurred in fiscal years 1999-2000 through 2001-2002, and did not show how the results could be projected to approximate actual costs for the audit period. The Controller concluded that a time study

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<sup>18</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, pages 15-43. Finding 3 of this audit report also finds understated salaries, benefits, and related indirect costs for one employee, which occurred as result of an input error in the claimant's payroll system. The adjustment in Finding 3 is not disputed.

<sup>19</sup> Exhibit E, Claimant's Rebuttal to Controller's Late Comments on IRC 08-4237-I-02, page 4; Exhibit F, Claimants Rebuttal to Controller's Late Comments on IRC 12-4237-I-03, page 4.

<sup>20</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 28; Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 31.

<sup>21</sup> Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, pages 16 and 43 (Tab 8, Controller's Analysis of Paralegal and Legal Clerk Time Study Hours).

is not appropriate since the entire program requires varying levels of effort and includes activities that are not mandated by the state.

The Controller, therefore, allowed reimbursement for salaries and benefits for fiscal years 1999-2000 through 2001-2002 based on mandate-related hours supported by employee time logs.

- The Controller reduced costs for salaries and benefits claimed for fiscal year 2003-2004 because the claimant did not provide documentation to support the mandate-related hours claimed. Instead, the claimant resubmitted the four week time study from fiscal year 2004-2005 with a summary of the results and a projection of the results to estimate costs for 2003-2004. However, the Controller found that the time study was still not representative of the 2003-2004 costs because the time study included three employee classifications that the county did not include in their claim for reimbursement; the time study period included a holiday week when employees worked fewer hours; and actual timesheets kept from January 2005 through June 2005 showed varying changes in staffing levels and workload.

The Controller, therefore, rejected the claimant's time study and, instead, extrapolated the employee hours identified on the timesheets for January 2005 through June 2005 to approximate the actual hours spent on the program for the 2003-2004 fiscal year.

### III. Positions of the Parties

#### A. County of Santa Clara

The claimant contends that the Controller's reductions for salary, benefits, and related indirect costs are incorrect and should be reinstated. For fiscal years 1999-2000 through 2001-2002, the claimant asserts that the employees working full-time on the mandated program should not be required to provide time logs, and that payroll documentation for these employees is sufficient, alone, to substantiate the hours claimed for full-time employees. The claimant argues in its rebuttal to the Controller's comments that while the "SCO response devalues the time study because it does not show that the County employees worked on mandate-related activities on a full-time basis...it does show that a percentage of these employees time was spent on mandate-related activities and the County should be reimbursed for this time."<sup>22</sup>

The claimant also asserts that it provided time logs to substantiate the hours spent in mandate activities for those employees who did not perform mandate-activities full time.<sup>23</sup> The claimant asserts that "to the extent that the SCO believed that the time logs were insufficient, a time study was performed from November 15, 2004 through December 10, 2004."<sup>24</sup> The claimant argues that "[t]he county did perform a time study in FY 2004-2005 to support costs claimed for FY 1999-2000, FY 2000-2001, and FY 2001-2002 because the source document requirement was not in the Commission's parameters and guidelines at the time the mandate claim was filed."<sup>25</sup> The claimant further argues that to the extent the Controller felt the time logs provided

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<sup>22</sup> Exhibit E, Claimant's Rebuttal to Controller's Late Comments on IRC 08-4237-I-02, page 5.

<sup>23</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 15.

<sup>24</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 15.

<sup>25</sup> Exhibit E, Claimant's Rebuttal to Controller's Late Comments on IRC 08-4237-I-02, page 5.

were insufficient, the time study performed provides a reliable measure of the time needed to perform mandated activities and that the Controller should rely on a current time study to support the hours claimed.<sup>26</sup> The claimant argues that the time study relied on contemporaneous documentation of mandated and non-mandated activities to fully account for the time; that it covered four weeks that corresponded with pay periods to assure that the time study documentation could be checked against payroll information; and that all employees performing mandated activities participated in order to eliminate errors due to small sample size or extrapolation. Further, the claimant argues that the time study is representative of a full fiscal year because the activities related to the program are not seasonal and have not changed appreciably over time.<sup>27</sup>

For fiscal year 2003-2004, the claimant makes similar arguments regarding the appropriateness of the fiscal year 2004-2005 time study to support the costs claimed. The claimant also argues that the time study was done “in close proximity to the claim period and for a reasonable length of time to merit acceptance as representative of the fiscal year.” The claimant asserts that the Controller failed to recognize that the time study substantiated the County’s claims and wrongfully applied its own standard.<sup>28</sup>

Claimant did not file comments on the draft proposed decision.

**B. State Controller’s Office**

It is the Controller’s position that the audit adjustments are correct and that these IRCs should be denied. The Controller states that unallowable salary, benefits, and indirect costs were claimed because the claimant did not provide any documentation to support the hours claimed for two full-time employees, and that for other employees the county provided time logs that did not support the hours claimed and included time for non-mandate-related activities. The Controller argues that claimant has not complied with the documentation requirements of the parameters and guidelines by merely providing payroll documentation in support of the costs claimed for full-time employees for fiscal years 1999-2000 through 2001-2002. The Controller further found that for fiscal years 1999-2000, 2000-2001, and 2001-2002, a time study conducted during fiscal year 2004-2005 and provided in lieu of time logs was not competent evidence to replace time logs in support of the costs claimed. For fiscal year 2003-2004, the Controller found that the county did not support costs claimed with source documents showing the evidence of and the validity of such costs and that the 18-day time study in fiscal year 2004-2005, was not representative of the audit period.

On January 15, 2016, the Controller filed comments on the draft proposed decision, supporting the Commission’s conclusion and recommendation.

**IV. Discussion**

Government Code section 17561(b) authorizes the Controller to audit the claims filed by local agencies and school districts and to reduce any claim for reimbursement of state mandated costs that the Controller determines is excessive or unreasonable.

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<sup>26</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 15.

<sup>27</sup> *Id.*

<sup>28</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 12.

Government Code Section 17551(d) requires the Commission to hear and decide a claim that the Controller has incorrectly reduced payments to a local agency or school district. If the Commission determines that a reimbursement claim has been incorrectly reduced, section 1185.9 of the Commission’s regulations requires the Commission to send the decision to the Controller and request that the costs in the claim be reinstated.

The Commission must review questions of law, including interpretation of the parameters and guidelines, de novo, without consideration of legal conclusions made by the Controller in the context of an audit. The Commission is vested with exclusive authority to adjudicate disputes over the existence of state-mandated programs within the meaning of article XIII B, section 6.<sup>29</sup> The Commission must also interpret the Government Code and implementing regulations in accordance with the broader constitutional and statutory scheme. In making its decisions, the Commission must strictly construe article XIII B, section 6 and not apply it as an “equitable remedy to cure the perceived unfairness resulting from political decisions on funding priorities.”<sup>30</sup>

With regard to the Controller’s audit decisions, the Commission must determine whether they were arbitrary, capricious, or entirely lacking in evidentiary support. This standard is similar to the standard used by the courts when reviewing an alleged abuse of discretion of a state agency.<sup>31</sup> Under this standard, the courts have found that:

When reviewing the exercise of discretion, “[t]he scope of review is limited, out of deference to the agency’s authority and presumed expertise: ‘The court may not reweigh the evidence or substitute its judgment for that of the agency. [Citation.]’”...“In general...the inquiry is limited to whether the decision was arbitrary, capricious, or entirely lacking in evidentiary support...” [Citations.] When making that inquiry, the “ ‘ ‘court must ensure that an agency has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute.’ ”<sup>32</sup>

The Commission must review the Controller’s audit in light of the fact that the initial burden of providing evidence for a claim of reimbursement lies with claimant.<sup>33</sup> In addition, section 1185.1(f)(3) and 1185.2(c) of the Commission’s regulations requires that any assertions of fact

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<sup>29</sup> *Kinlaw v. State of California* (1991) 54 Cal.3d 326, 331-334; Government Code sections 17551, 17552.

<sup>30</sup> *County of Sonoma v. Commission on State Mandates* (2000) 84 Cal.App.4th 1264, 1280, citing *City of San Jose v. State of California* (1996) 45 Cal.App.4th 1802, 1817.

<sup>31</sup> *Johnston v. Sonoma County Agricultural Preservation and Open Space District* (2002) 100 Cal.App.4th 973, 983-984. See also *American Bd. of Cosmetic Surgery, Inc. v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547.

<sup>32</sup> *American Bd. of Cosmetic Surgery, Inc., v. Medical Bd. of California* (2008) 162 Cal.App.4th 534, 547-548.

<sup>33</sup> *Gilbert v. City of Sunnyvale* (2005) 130 Cal.App.4th 1264, 1274-1275.

by the parties to an IRC must be supported by documentary evidence. The Commission's ultimate findings of fact must be supported by substantial evidence in the record.<sup>34</sup>

**The Controller's Reduction of Costs for Employee Salaries, Benefits, and Related Indirect Costs Is Correct as a Matter of Law and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.**

08-4237-I-02 (fiscal years 1999-2000, 2000-2001, and 2001-2002) and 12-4237-I-03 (fiscal years 2003-2004, 2004-2005, 2005-2006, and 2006-2007)<sup>35</sup> have been consolidated for hearing. These consolidated IRCs challenge the Controller's reductions to reimbursement claims filed by claimant for the *Child Abduction and Recovery* program.

The only issue remaining in contention for this matter is whether the Controller's reductions totaling \$1,183,619 for unsupported salaries, benefits, and related indirect costs claimed for fiscal years 1999-2000 through 2001-2002 and 2003-2004 are correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

Reimbursement claims filed with the Controller are required as a matter of law to be filed in accordance with the parameters and guidelines adopted by the Commission.<sup>36</sup> Parameters and guidelines provide instructions for eligible claimants to prepare reimbursement claims for the direct and indirect costs of a state-mandated program, and also identify the supporting documentation required to be retained.<sup>37</sup>

As indicated in the Background, the parameters and guidelines amended by the Commission on August 26, 1999, apply to these reimbursement claims.<sup>38</sup> Section VII.A.1. of the parameters and guidelines provide instructions on how to claim costs for employee salaries and benefits as follows:

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related

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<sup>34</sup> Government Code section 17559(b), which provides that a claimant or the state may commence a proceeding in accordance with the provisions of section 1094.5 of the Code of Civil Procedure to set aside a decision of the Commission on the ground that the Commission's decision is not supported by substantial evidence in the record.

<sup>35</sup> Note that there was no audit for 2002-2003 and it is unclear whether or not a reimbursement claim was filed in that year but that year is not in issue in this IRC.

<sup>36</sup> Government Code sections 17561(d)(1); 17564(b); and 17571; *Clovis Unified School District v. Chiang* (2010) 188 Cal.App.4th 794, 801, where the court ruled that parameters and guidelines adopted by the Commission are regulatory in nature and are "APA valid"; *California School Boards Association v. State of California* (2009) 171 Cal.App.4th 1183, 1201, where the court found that the Commission's quasi-judicial decisions are final and binding, just as judicial decisions.

<sup>37</sup> Government Code section 17557; California Code of Regulations, title 2, section 1183.7.

<sup>38</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 7; Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 4, Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, page 8; Exhibit D, Controller's Revised Late Comments on IRC 12-4237-I-03, page 9.



benefits. The average number of hours devoted to each function may be claimed if supported by a documented time study. Benefits are reimbursable; however, benefits rates must be itemized. If no itemization is submitted, 21 percent must be used for computation of claimed costs.

Section VIII. of the parameters and guidelines also requires that costs claimed “be traceable to source documents and/or worksheets that show evidence of and the validity of such costs.”<sup>39</sup>

Therefore the parameters and guidelines require that the claimant either specify the actual number of hours devoted to each mandated function and provide source documents or worksheets that show evidence of the validity of the costs, or claim costs based on the average number of hours devoted to each mandated function if supported by a documented time study. Average time accountings to support employee time claimed “can be deemed akin to worksheets.”<sup>40</sup> However, the time study is still required to “show evidence of and the validity of [the] costs [claimed]” for the mandated program.<sup>41</sup>

For the reasons discussed below, the Commission finds that the reduction costs claimed for employee salaries, benefits, and related indirect costs is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

A. The Controller’s Reduction of Costs for Fiscal Years 1999-2000 Through 2001-2002 Is Correct as a Matter of Law and Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

1. Reduction of costs for full-time employees

The Controller reduced salary and benefit costs claimed for fiscal years 1999-2000 through 2001-2002 for two full-time employees because the county did not provide adequate documentation to support mandate-related *hours* claimed. The claimant originally provided payroll documents to support the costs claimed for these employees, and asserts that the provision of payroll documentation for full-time employees should be sufficient to substantiate the hours claimed.<sup>42</sup> However, payroll documentation does not show the actual number of hours the employees worked on mandated activities, as required by the parameters and guidelines. In addition, the reimbursement claims for fiscal years 1999-2000, 2000-2001, and 2001-2002, list the employee names, job classifications, and a brief description of the activities performed, but do not identify the actual number of hours devoted to each reimbursable function.<sup>43</sup> Further, the Controller noted that one of the full-time employees stated during the audit that she did not work full-time on mandate-related activities, and that she assisted in trial preparation after the

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<sup>39</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 58, 60; Exhibit B, Incorrect Reduction Claim 12-4237-I-03, pages 50, 52.

<sup>40</sup> *Clovis Unified School Dist. v. Chiang* (2010) 188 Cal.App.4th 794, 804.

<sup>41</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 60 (parameters and guidelines, amended August 26, 1999).

<sup>42</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 37.

<sup>43</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 82, 117-118, 155.

defendant’s first court appearance, which is not eligible for reimbursement.<sup>44</sup> There is no evidence in the record contradicting this statement.

Therefore, for full-time employees, the payroll documentation provided by the claimant does not comply with the requirements of the parameters and guidelines to support the actual number of hours devoted to each reimbursable function.

The claimant then tried to support the salary and benefit costs claimed for fiscal years 1999-2000, 2000-2001, and 2001-2002 by providing to the Controller a four-week time study of the program, conducted from November 15, 2004, through December 10, 2004. The claimant states that the time study relied on contemporaneous documentation of mandated and non-mandated activities to fully account for the time; that it covered four weeks that corresponded with pay periods to assure that the time study documentation could be checked against payroll information; and that all employees performing mandated activities participated in order to eliminate errors due to small sample size or extrapolation. Further, the claimant argues that the time study is representative of a full fiscal year because the activities related to the program are not seasonal and the time spent on the program has not changed appreciably over time.<sup>45</sup>

The Controller, however, rejected the time study because it does not adequately support the costs claimed for these employees. The Controller found that the time study specifically contradicted the claimant’s assertion that the full-time employees worked on mandate activities full-time. The two full-time employees, a paralegal and legal clerk, reported the following percentages of time spent on mandate activities for the time study period:

	<u>Week 1</u>	<u>Week 2</u>	<u>Week 3</u>	<u>Week 4</u>
Paralegal	91.50%	0.00%	60.00%	92.94%
Legal Clerk	47.44%	42.50%	67.78%	69.27% <sup>46</sup>

The claimant admits that the time study shows less than full-time hours for these employees, but argues that it should be reimbursed for the time identified in the study.<sup>47</sup> The claimant states that while the “SCO response devalues the time study because it does not show that the County employees worked on mandate-related activities on a full-time basis...it does show that *a percentage of these employees time* was spent on mandate-related activities and the County should be reimbursed for this time.”<sup>48</sup>

However, the Controller found that the time study itself, was not representative of the costs claimed for fiscal years 1999-2000, 2000-2001, and 2001-2002. The mandate-related hours

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<sup>44</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 30; Exhibit C, Controller’s Late Comments on IRC 08-4237-I-02, page 16.

<sup>45</sup> *Id.*

<sup>46</sup> Exhibit C, Controller’s Late Comments on IRC 08-4237-I-02, pages 16, 43 (Tab 8, Controller’s Analysis of Paralegal and Legal Clerk’s Time Study Hours).

<sup>47</sup> Exhibit E, Claimant’s Rebuttal to Controller’s Late Comments on IRC 08-4237-I-02, page 5.

<sup>48</sup> Exhibit E, Claimant’s Rebuttal to Controller’s Late Comments on IRC 08-4237-I-02, page 5 (emphasis added).

reported during the time study, 606.5 hours,<sup>49</sup> extrapolates to approximately 7,885 mandate-related hours annually.<sup>50</sup> However, for the fiscal year in which the time study was done (2004-2005), the county only claimed 3,335 mandate-related hours.<sup>51</sup> In addition, and as more fully explained in the next section below, the Controller found that the time spent on this state-mandated program varied from year to year and was not constant and, thus, the time study does not adequately support the time spent on the program during these earlier fiscal years.<sup>52</sup>

The Commission finds that the Controller's full reduction of costs for these employees is correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support. As indicated above, the payroll documentation originally provided by the claimant, which does not verify the time spent on the program, does not comply with the documentation requirements of the parameters and guidelines. Moreover, based on the evidence in the record, the Controller's decision to reject the time study as inadequate documentation to support the costs claimed is not arbitrary, capricious, or entirely lacking in evidentiary support. The Commission cannot substitute its judgment for that of the Controller on audit decisions to reject the time study. With respect to audit decisions of the Controller, the Commission need only determine if the Controller "has adequately considered all relevant factors, and has demonstrated a rational connection between those factors, the choice made, and the purposes of the enabling statute."<sup>53</sup> The Commission finds that the Controller has met this burden. Based on the evidence in the record, the Controller's finding that the time study does not support or "show evidence of and the validity of [the] costs [claimed]" for the full-time employees is not arbitrary, capricious, or entirely lacking in evidentiary support.

Accordingly, the Commission finds that the claimant did not comply with the documentation requirements of the parameters and guidelines and, thus, the Controller's reduction of all costs claimed for the full-time employees is correct as a matter of law, and not arbitrary, capricious, or entirely lacking in evidentiary support.

## *2. Reduction of costs for the remaining employees*

The Controller also partially reduced the costs claimed for the remaining employees that worked on this program part-time in these fiscal years because the county provided time logs, but the time logs did not support all of the mandate-related hours claimed. The time logs identified mandate-related time, non-mandate related time, and non-productive time, but did not reconcile

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<sup>49</sup> Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, page 45 (Tab 9, Analysis of Time Study).

<sup>50</sup> The time study occurred over a 4 week period, including Thanksgiving Break: 606.5 hour/4 weeks equals: 151.625 mandated-hours per week. Multiplied by 52 weeks is 7884.5 hours. See also, Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, page 16.

<sup>51</sup> Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, pages 16, 56 (Tab 10, Santa Clara County's Total Mandate-Related Hours Claimed).

<sup>52</sup> Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, pages 16, 51-56 (Tab 10, Santa Clara County's Total Mandate-Related Hours Claimed).

<sup>53</sup> *American Bd. of Cosmetic Surgery, Inc.*, *supra*, 162 Cal.App.4th 534, 547-548.

and support the hours claimed. The Controller allowed the time supported by documentation as required by the parameters and guidelines, and reduced the unsupported costs claimed.<sup>54</sup>

Subsequently, the claimant submitted the four-week time study conducted in November and December 2004 *in lieu* of the employee time logs to support the costs claimed for these employees, which the Controller rejected. The Controller found that the time-study (conducted in 2004) was not competent evidence to replace actual time records provided for costs claimed for fiscal years 1999-2000 through 2001-2002, and that the time study results did not represent the time spent on the program in the fiscal years claimed.<sup>55</sup> Further, in the time study plan overview, the claimant also asserts that “the activities in this mandate do not vary by the time of year.”<sup>56</sup> However, the Controller found that neither the time study, nor the claimant’s annual reimbursement claims, support the claimant’s assertion that the workload is constant as follows:

[T]he Child Recovery Unit Lieutenant Investigator testified that the unit routinely loaned investigators to other units because of shortages or not enough work in the Child Recovery Unit. Furthermore, the county’s claims show significant workload variance from year to year based on total mandate-related hours that the county reported...

<u>Fiscal Year</u>	<u>Total Mandated-Related Hours Reported</u>
1999-2000	10,694
2000-01	14,150
2001-02	13,531
2002-03	12,814
2003-04	7,783
2004-05	3,334 <sup>57</sup>

The Commission finds that the Controller’s audit decision to reject the time study as inadequate documentation to support the costs claimed is not arbitrary, capricious, or entirely lacking in evidentiary support. The record shows that the Controller considered the claimant’s arguments and all relevant factors, and has demonstrated a rational connection between those factors and the decision made.<sup>58</sup> The claimant has not filed any evidence rebutting the Controller’s findings on the variability of time spent on mandated activities in the fiscal years reported. Therefore, the Commission is required to defer to the Controller’s audit decision.<sup>59</sup>

Accordingly, based on the evidence in this record, the Commission finds that the claimant did not comply with the documentation requirements of the parameters and guidelines and, thus, the Controller’s partial reduction of costs claimed for employees working on the program on a part-

<sup>54</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 28, 58, 60.

<sup>55</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, pages 30-31.

<sup>56</sup> Exhibit A, Incorrect Reduction Claim 08-4237-I-02, page 190.

<sup>57</sup> *Id.*, page 31.

<sup>58</sup> *American Bd. of Cosmetic Surgery, Inc.*, *supra*, 162 Cal.App.4th 534, 547-548.

<sup>59</sup> *Ibid.*

time basis in fiscal years 1999-2000, 2000-2001, and 2001-2002 is correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

B. The Controller's Reduction of Costs for Fiscal Year 2003-2004 Is Not Arbitrary, Capricious, or Entirely Lacking in Evidentiary Support.

For fiscal year 2003-2004, the claimant did not provide time logs or payroll documentation to support the costs claimed, but resubmitted the four week time study conducted from November 15, 2004, through December 10, 2004 to support fiscal year 2003-2004 claimed costs, with a summary of the time study results and a projection of the results to a full fiscal year.<sup>60</sup> However, the Controller found that the time study was still not representative of the 2003-2004 costs because the time study included three employee classifications that the county did not include in their claim for reimbursement; the time study period included a holiday week when employees worked fewer hours; and actual timesheets kept from January 2005 through June 2005 showed varying changes in staffing levels and workload.<sup>61</sup> The Controller, therefore, rejected the claimant's time study and, instead, extrapolated the employee hours identified on the timesheets for January 2005 through June 2005 to approximate the actual hours spent on the program for the 2003-2004 fiscal year.<sup>62</sup> The Controller's audit resulted in a partial reduction of salary, benefit, and related indirect costs totaling \$169,848.<sup>63</sup>

The claimant argues that the Controller wrongfully applied its own standard and failed to recognize the time study the claimant provided, which substantiates the claim.<sup>64</sup> The claimant argues that the time study provided is a reliable measure of the time needed to perform the mandated activities as follows:

The time study relied on contemporaneous documentation of the mandated and non-mandated activities to provide a full accounting of time; it covered four weeks that corresponded with pay periods to assure that the time study documentation could be checked back against payroll information; it was done in close proximity to the claim period and for a reasonable length of time to merit acceptance as representative of the fiscal year; and all employees performing mandated activities participated to eliminate any errors that could have occurred due to small sample size or extrapolation. Moreover, because the activities related to the program are not seasonal and have not changed appreciably over time, the November-December 2004 time study is a reliable indicator of the time spent on the same activities during the claiming period in question.<sup>65</sup>

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<sup>60</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 31.

<sup>61</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 13, 31.

<sup>62</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 32.

<sup>63</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 31.

<sup>64</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 12.

<sup>65</sup> *Id.*

In their response to the draft audit report, the claimant also argues that the time study was conducted close in proximity to the claim period and for a reasonable length of time to be representative of the claim period.<sup>66</sup>

The Controller found the time study does not adequately represent the costs claimed for fiscal year 2003-2004.<sup>67</sup> The evidence in the record supports the Controller's decision. For example, the four week time study period included the Thanksgiving holiday, in which three employees did not work at all, and the remaining time-studied employees worked fewer hours.<sup>68</sup> The subsequent timesheets submitted for January 2005 through June 2005 also contradict the claimant's assertion that there were no substantial staffing level or workload changes within the program. County employees maintained actual timesheets for the period of January 2005 through June 2005. During that time, employees documented monthly mandate-related time between 440.5 hours and 662.5 hours, a variance of 50 percent.<sup>69</sup> The Controller concluded that this variance of 50 percent shows that the time study of 18 work days is not representative of the fiscal year 2003-2004 costs.<sup>70</sup> Further, the time study results for the seven employees the county claimed do not support the mandate-related hours claimed for fiscal year 2003-2004. For fiscal year 2003-2004 the county claimed 7,783 mandate-related hours attributable to seven employees.<sup>71</sup> However an extrapolation of the time study hours for these same seven employees total only 6,646.25 mandate-related hours.<sup>72</sup>

The Commission finds that the Controller considered the claimant's arguments and all relevant factors, and has demonstrated a rational connection between those factors and the decision made.<sup>73</sup> And the claimant has not filed any evidence rebutting the Controller's findings. Therefore the Controller's conclusion that the time study does not adequately support the actual hours claimed is not arbitrary, capricious, or lacking in evidentiary support.

The Commission further finds that the Controller's decision to estimate fiscal year 2003-2004 salary and benefit costs based on an extrapolation of hours actually spent on the mandate and documented on timesheets from January 2005 through June 2005 is not arbitrary, capricious, or entirely lacking in evidentiary support. As indicated above, the claimant did not provide time logs or other adequate documentation supporting the time spent on the mandate in fiscal year 2003-2004 as required by the parameters and guidelines and, instead of reducing the costs to \$0, the Controller used actual time spent on the program the following year. There is no evidence in

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<sup>66</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 40.

<sup>67</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 31.

<sup>68</sup> Exhibit D, Controller's Revised Late Comments on IRC 12-4237-I-03, page 17.

<sup>69</sup> Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 34.

<sup>70</sup> Exhibit D, Controller's Revised Late Comments on IRC 12-4237-I-03, page 17.

<sup>71</sup> Exhibit D, Controller's Revised Late Comments on IRC 12-4237-I-03, page 18; Exhibit B, Incorrect Reduction Claim 12-4237-I-03, page 81; Exhibit C, Controller's Late Comments on IRC 08-4237-I-02, page 55 (Tab 10, Santa Clara County's Total Mandate-Related Hours Claimed).

<sup>72</sup> Exhibit D, Controller's Revised Late Comments on IRC 12-4237-I-03, page 18.

<sup>73</sup> *American Bd. of Cosmetic Surgery, Inc.*, *supra*, 162 Cal.App.4th 534, 547-548.

the record that the time spent on the mandate in 2005 is not representative of the fiscal year 2003-2004 costs.

The Commission therefore finds that the Controller's reduction of costs for employees' salaries, benefits, and related indirect costs for fiscal year 2003-2004 is not arbitrary, capricious, or entirely lacking in evidentiary support.

**V. Conclusion**

The Commission finds that the Controller's reductions are correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

Based on the foregoing, the Commission denies this IRC.

**COMMISSION ON STATE MANDATES**

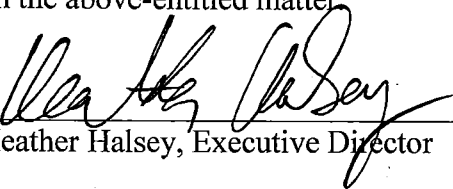
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**RE: Decision**

*Child Abduction and Recovery*, 08-4237-I-02 and 12-4237-I-03  
Family Code Sections 3060-3064, 3130-3134.5, 3408, 3411, and 3421;  
Penal Code Sections 277, 278, and 278.5; Welfare and Institutions Code Section 11478.5  
Statutes 1976, Chapter 1399; Statutes 1992, Chapter 162; Statutes 1996, Chapter 988  
Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2003-2004, 2004-2005, 2005-2006,  
and 2006-2007  
County of Santa Clara, Claimant

On March 25, 2016, the foregoing decision of the Commission on State Mandates was adopted on the above-entitled matter.

  
Heather Halsey, Executive Director

Dated: March 30, 2016



**DECLARATION OF SERVICE BY EMAIL**

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On March 30, 2016, I served the:

**Decision**

*Child Abduction and Recovery*, 08-4237-I-02 and 12-4237-I-03

Family Code Sections 3060-3064, 3130-3134.5, 3408, 3411, and 3421;

Penal Code Sections 277, 278, and 278.5; Welfare and Institutions Code Section 11478.5

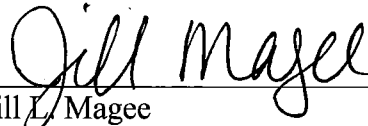
Statutes 1976, Chapter 1399; Statutes 1992, Chapter 162; Statutes 1996, Chapter 988

Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2003-2004, 2004-2005, 2005-2006, and 2006-2007

County of Santa Clara, Claimant

by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 30, 2016 at Sacramento, California.



Jill L. Magee

Commission on State Mandates

980 Ninth Street, Suite 300

Sacramento, CA 95814

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# COMMISSION ON STATE MANDATES

## Mailing List

**Last Updated:** 3/24/16

**Claim Number:** 08-4237-I-02 Consolidated with 12-4237-I-03

**Matter:** Child Abduction and Recovery

**Claimant:** County of Santa Clara

### TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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State of California

PENAL CODE

Section 278.7

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278.7. (a) Section 278.5 does not apply to a person with a right to custody of a child who, with a good faith and reasonable belief that the child, if left with the other person, will suffer immediate bodily injury or emotional harm, takes, entices away, keeps, withholds, or conceals that child.

(b) Section 278.5 does not apply to a person with a right to custody of a child who has been a victim of domestic violence who, with a good faith and reasonable belief that the child, if left with the other person, will suffer immediate bodily injury or emotional harm, takes, entices away, keeps, withholds, or conceals that child. "Emotional harm" includes having a parent who has committed domestic violence against the parent who is taking, enticing away, keeping, withholding, or concealing the child.

(c) The person who takes, entices away, keeps, withholds, or conceals a child shall do all of the following:

(1) Within a reasonable time from the taking, enticing away, keeping, withholding, or concealing, make a report to the office of the district attorney of the county where the child resided before the action. The report shall include the name of the person, the current address and telephone number of the child and the person, and the reasons the child was taken, enticed away, kept, withheld, or concealed.

(2) Within a reasonable time from the taking, enticing away, keeping, withholding, or concealing, commence a custody proceeding in a court of competent jurisdiction consistent with the federal Parental Kidnapping Prevention Act (Section 1738A, Title 28, United States Code) or the Uniform Child Custody Jurisdiction Act (Part 3 (commencing with Section 3400) of Division 8 of the Family Code).

(3) Inform the district attorney's office of any change of address or telephone number of the person and the child.

(d) For the purposes of this article, a reasonable time within which to make a report to the district attorney's office is at least 10 days and a reasonable time to commence a custody proceeding is at least 30 days. This section shall not preclude a person from making a report to the district attorney's office or commencing a custody proceeding earlier than those specified times.

(e) The address and telephone number of the person and the child provided pursuant to this section shall remain confidential unless released pursuant to state law or by a court order that contains appropriate safeguards to ensure the safety of the person and the child.

(Added by Stats. 1996, Ch. 988, Sec. 9. Effective January 1, 1997.)



## DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On March 6, 2025, I served the:

- **Current Mailing List dated February 28, 2025**
- **Controller's Comments on the Incorrect Reduction Claim filed March 6, 2025**

*Child Abduction and Recovery, 24-4237-I-04*

Family Code Sections 3060-3064, 3130-3134.5, 3408, 3411, and 3421;  
Penal Code Sections 277, 278, and 278.5; Welfare and Institutions Code Section 11478.5; Statutes 1976, Chapter 1399; Statutes 1992, Chapter 162; Statutes 1996, Chapter 988

Fiscal Years: 2016-2017, 2017-2018, 2018-2019

County of Sacramento, Claimant

By making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on March 6, 2025 at Sacramento, California.



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## COMMISSION ON STATE MANDATES

### Mailing List

**Last Updated:** 2/28/25

**Claim  
Number:** 24-4237-I-04

**Matter:** Child Abduction and Recovery

**Claimant:** County of Sacramento

### **TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:**

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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