STATE of CALIFORNIA
COMMISSION ON STATE MANDATES

For CSM Use Only	
Filing Date:	Commission on State Mandates Filed Date February 18, 2026
IRC #:	25-0308-I-02

INCORRECT REDUCTION CLAIM FORM

Section 1

Proposed Incorrect Reduction Claim Title:
Identity Theft and Reporting

Section 2

Local Government (Local Agency/School District) Name:
City of Hesperia

Name and Title of Claimant's Authorized Official pursuant to CCR. tit. 2, § 1185.1(a)(1-5):
Casey Brooksher, Finance/Administrative Services Director

Street Address, City, State, and Zip:
9700 Seventh Street, Hesperia CA 92345

Telephone Number	Email Address
760-947-1813	cbrooksher@cityofhesperia.us

Section 3 – Claimant designates the following person to act as its sole representative in this incorrect reduction claim. All correspondence and communications regarding this claim shall be forwarded to this representative. Any change in representation must be authorized by the claimant in writing, and sent to the Commission on State Mandates. (CCR, tit.2, § 1185.1(a)(1-5).)

Name and Title of Claimant Representative:
Annette S. Chinn

Organization:
COST RECOVERY SYSTEMS, INC.

Street Address, City, State, Zip:
705-2 E. BIDWELL STREET #294, Folsom, CA 95630

Telephone Number	Email Address
9169397901	achinncrs@aol.com

Section 4 – Identification of Statutes or Executive Orders
Please specify the subject statute or executive order that claimant alleges is not being fully reimbursed pursuant to the adopted parameters and guidelines.
Penal Code Section 530.6(a) as added by Statutes of 2000, Chapter 956 Identity Theft Program

☑ Incorrect Reduction Claim is Timely Filed on [Insert Filing Date]: 02 / 18 / 2026

☑ Which is not later than three years following the date [Insert Receipt Date of Notice that Complies with Government Code section 17558.5(c)]: 06 / 21 / 2023 the claimant first received from the Office of State Controller a final state audit report, letter, or other written notice of adjustment to a reimbursement claim, which complies with Government Code section 17558.5(c) by 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. The filing shall be returned to the claimant for lack of jurisdiction if this requirement is not met.

(Gov. Code section 17558.5(c); Cal. Code Regs., tit.2, sections 1185.1(c) and 1187.5.)

Section 5 – Amount of Incorrect Reduction

Please specify the fiscal year and amount of reduction. More than one fiscal year may be claimed.

FY 2002-03 $4,890
FY 2003-04 $3,952
FY 2004-05 $5,762
FY 2005-06 $6,085
FY 2006-07 $10,860
FY 2007-08 $13,539
FY 2008-09 $13,458
FY 2009-10 $9,753
FY 2010-11 $7,606
FY 2011-12 $10,465
FY 2012-13 $7,272

Section 6 – Written Detailed Narrative

Under the heading "6. Written Detailed Narrative," please describe the alleged incorrect reduction(s). The narrative shall include a comprehensive description of the reduced or disallowed area(s) of cost(s). Pages 1 to 16.

If filing a Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Section 6 – Written Detailed Narrative is not required. (*Cal. Code Regs., tit. 2, § 1185.4*.)

☑ This incorrect reduction claim includes a description of the alleged incorrect reduction(s) and includes a comprehensive description of the reduced or disallowed area(s) of cost(s). (*Cal. Code Regs., tit. 2, § 1185.1(f)(2)*.)

Section 7 – Documentary Evidence and Declarations

If the narrative describing the alleged incorrect reduction(s) involves more than discussion of statutes or regulations or legal argument and utilizes assertions or representations of fact, such assertions or representations shall be supported by testimonial or documentary evidence and shall be submitted with the claim under the heading "7. Documentary Evidence and Declarations." All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant's personal knowledge or information or belief.
Pages 17 to 631.

If filing a Notice of Intent to Join a Consolidated Incorrect Reduction Claim, Section 7 – Documentary Evidence and Declarations is not required. (*Cal. Code Regs., tit. 2, § 1185.4*.)

☑ This incorrect reduction claim's narrative describing the alleged incorrect reduction(s) involves more than discussion of statutes or regulations or legal argument and utilizes assertions or representations of fact that are supported by testimonial or documentary evidence and are included with the incorrect reduction claim. (*Cal. Code Regs., tit. 2, § 1185.1(f)(3)*.)

☑ All documentary evidence must be authenticated by declarations under penalty of perjury signed by persons who are authorized and competent to do so and be based on the declarant's personal knowledge, information, or belief. *Assertions or representations of fact shall be supported by testimonial or documentary evidence. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. (Cal. Code Regs., tit. 2, § 1187.5.)*

Section 8 – Claiming Instructions

Under the heading "8. Claiming Instructions," please include a copy of the Office of the State Controller's claiming instructions that were in effect during the fiscal year(s) of the reimbursement claim(s). Pages 575 **to** 631**.**

☑ The incorrect reduction claim includes a copy of the Office of the State Controller's claiming instructions that were in effect during the fiscal year(s) of the reimbursement claims. (*Cal. Code Regs., tit. 2, § 1185.1(f)(1)*.)

Section 9 – Final State Audit Report or Other Written Notice of Adjustment

Under the heading "9. Final State Audit Report or other Written Notice of Adjustment," please include a copy of the final state audit report, letter, or other written notice of adjustment from the Office of the State Controller that explains the reason(s) for the reduction or disallowance. Pages 632 **to** 651**.**

☐ The incorrect reduction claim includes a copy of any final state audit report, letter, or other written notice of adjustment from the Office of State Controller that explains the claim components adjusted, amounts reduced, and the reasons for the reduction or disallowance. (*Cal. Code Regs., tit. 2, § 1185.1(f)(4)*.)

Section 10 – Reimbursement Claims

Under the heading "10. Reimbursement Claims," please include a copy of the subject reimbursement claims the claimant submitted to the Office of State Controller. Pages 652 **to** 731**.**

☑ The incorrect reduction claims includes a copy of the subject reimbursement claims the claimant submitted to the Office of State Controller. (*Cal. Code Regs., tit. 2, § 1185.1(f)(5)*.)

Section 11 – Notice of Intent to File a Consolidated Incorrect Reduction Claim

This claim is being filed with the intent of acting as lead-claimant to consolidate on behalf of other claimants. (*Cal. Code Regs., tit. 2, § 1185.3*.): Yes ☐ or No ☑

If yes is checked, the claimant certifies the following:

(1) The method, act, or practice that the claimant alleges led to the reduction has led to similar reductions of other parties' claims, and all of the claims involve common questions or law or fact.
(2) The common questions of law or fact among the claims predominate over any matter affecting only an individual claim.
(3) The consolidation of similar claims by individual claimants would result in consistent decision making by the Commission.

(4) The claimant filing the consolidated claim would fairly and adequately protect the interests of the other claimants:

Yes ☐ or No ☐

Section 12 - Notice of Intent to Join a Consolidated Incorrect Reduction Claim (*Cal. Code Regs., tit. 2, § 1185.4*.)

I intend to join a consolidated claim: Yes ☐ or No ☑

If yes is checked, please complete all sections except Section 6 – Written Detailed Narrative and Section 7 – Documentation and Declarations, and complete the following:

Title of Consolidated Incorrect Reduction Claim:

_____

Lead-Claimant Local Government (Local Agency/School District) Name:

_____

Name and Title of Lead-Claimant's Authorized Official pursuant to CCR. tit. 2, § 1185.1(a)(1-5):

_____

Street Address, City, State, and Zip:

_____

Telephone Number Email Address

_____ _____

The claimant certifies that (1) The method, act, or practice that the claimant alleges led to the reduction is similar to that for the reductions of lead-claimant's claim, and involves common questions or law or fact; (2) The common questions of law or fact predominate over any matter affecting only an individual claim; (3) The consolidation of these claims by would result in consistent decision making by the Commission; (4) The lead-claimant in the consolidated claim would fairly and adequately protect the interests of the claimants; and authorizes the lead-claimant in the above-named incorrect reduction claim to act as its sole representative in this consolidated incorrect reduction claim, which is filed pursuant to Government Code section 17558.7:

Yes ☐ or No ☐

Section 13 – INCORRECT REDUCTION CLAIM CERTIFICATION Pursuant to *Government Code section 17553*

☑ The incorrect reduction claim form is signed and dated at the end of the document, under penalty of perjury by the eligible claimant, with the declaration that the incorrect reduction claim is true and complete to the best of the declarant's personal knowledge, information, or belief.

Read, sign, and date this section. Incorrect reduction claims that are not signed by authorized claimant officials pursuant to California Code of Regulations, title 2, section 1185.1(a)(1-5) will be returned as incomplete. In addition, please note that this form also serves to designate a claimant representative for the matter (if desired) and for that reason may only be signed by an authorized local government official as defined in section 1185.1(a)(1-5) of the Commission's regulations, and not by the representative.

This incorrect reduction claim alleges an incorrect reduction of a reimbursement claim filed with the State Controller's Office pursuant to Government Code section 17561. This incorrect reduction claim is filed pursuant to Government Code section 17551, subdivision (d). I hereby declare, under penalty of perjury under the laws of the State of California, that the information in this incorrect reduction claim is true and complete to the best of my own personal knowledge, information, or belief. All representations of fact are supported by documentary or testimonial evidence and are submitted in

accordance with the Commission's regulations. (Cal. Code Regs., tit. 2 sections 1185.1 and 1187.5.)

CASEY BROOKSHER

Name of Authorized Local Government Official
pursuant to Cal. Code Regs., tit. 2 section 1185.1

FINANCE/ADMIN. SERVICES DIRECTOR

Print or Type Title

Casey Brooksher

Signature of Authorized Local Government Official
pursuant to Cal. Code Regs., tit. 2 section 1185.1

Note: Failure to complete the required sections above will result in this incorrect reduction claim being returned as incomplete. (Cal. Code Regs., tit. 2, section 1185.2(a).)

IRC Form Updated 0126

Final Audit Report 2026-03-30

Created:	2026-03-20
By:	CSM Sign (csmsign@csm.ca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAo-bHPAMMUYeT4Zd5GCFM3cALNUmzP7Uk

"IRC Form Updated 0126" History

Document created by CSM Sign (csmsign@csm.ca.gov)
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Email viewed by Annette Chinn (achinncrs@aol.com)
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Form filled by Annette Chinn (achinncrs@aol.com)
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Agreement completed.
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Section 6 –

Written Detailed Narrative

INCORRECT REDUCTION CLAIM NARRATIVE:
City of Hesperia – Identity Theft Program

BACKGROUND

The City of Hesperia (City) has contracted with San Bernardino County Sheriff's Department (SBCSD) since its incorporation in 1988. The City contracts with and pays the County (using general funds) to provide a complete Police Department equivalent to what is provided by a full-service City: legally and functionally. It is estimated that up to 30% of California Cities contract with county Sheriff's Departments for police services. (Source: https://www.ojp.gov/ncjrs/virtual-library/abstracts/municipal-contracting-county-sheriffs-police-services-california)

Hesperia has no in-house Police Department other than the one provided through its contract with SBCSD. The contract provides for the delivery of law enforcement services, including personnel and operational support necessary for service delivery comparable to a city operating its own police department.

The City began submitting claims for State Mandate Reimbursement in 2002 and the law enforcement claim submissions consistently included indirect costs supported by Indirect Cost Rate Proposals (ICRPs), using contract-based costs as the allocation base in accordance with applicable Parameters and Guidelines (Ps&Gs), Claiming Instructions, and federal cost principles.

Until this Desk Review Audit, the State Controller's Office (SCO) has reimbursed the City for similar law enforcement claims, including indirect costs, for over twenty years without identifying any issue with the City's methodology. At no time did the SCO or any governing authority indicate that existing written guidelines did not apply to cities that contract for law enforcement services ("contract cities").

The City does not claim, and has never claimed, the County's internal indirect or overhead costs, nor did it seek to recover Citywide overhead service costs (such as finance or human resources). Instead, the City's ICRP was designed to capture and allocate support and administrative functions associated with law enforcement service delivery that are embedded within and incurred through the contract (e.g., dispatch, supervision, clerical support, and vehicle usage). These functions are necessary to perform the mandated activities and are allocable under applicable cost principles. These costs were not claimed as standalone contract charges, but were identified and allocated through the ICRP as part of a structured cost allocation methodology consistent with Ps&Gs.

The SCO improperly excluded these costs based solely because they were incurred within a contract, while allowing functionally identical costs incurred by full-service cities.

Given that the contract cities have consistently included indirect costs calculated in connection with contract-based service delivery in reimbursement claims and prepared those ICRPs in accordance with writing instructions and guidelines for more than twenty years, with no issue or complaint from the State; the City reasonably relied on those authorities in preparing its claims.

The City responded to the SCO's audit findings which are attached to this IRC and will not be repeated here to eliminate redundancy.

I. ISSUE

Whether the State Controller's Office (SCO) improperly reduced the City of Hesperia's reimbursable costs by rejecting a compliant ICRP methodology and recharacterizing contract service costs as "fully burdened" to eliminate otherwise allowable indirect cost recovery**,** while imposing an alternative methodology (Allowable Administrative Percentage) not contained in the Parameters and Guidelines (Ps&Gs) or applicable federal cost principles.

The SCO denied the City of Hesperia indirect costs computed using the Indirect Cost Rate Proposal (ICRP) because the city contracted with the San Bernardino Sheriff's Department to provide law enforcement services and because "city staff" did not perform the mandated activities.

Because of this, SCO determined that the city was not able to use the existing ICRP methodology to compute overhead costs, nor rely on Federal OMB/CFR and Guidelines to determine which costs were eligible for inclusion in the rate.

As a result, the SCO stated they had to create a new overhead cost methodology they named the "Administrative Percentage" rate, but the new unwritten rate did not comply with existing methodologies, and because the methodology and standards were unwritten, it lacks defined criteria, leaving its application to the SCO's discretion in determining how to compute this rate and what costs were deemed "clearly administrative."

The SCO determined that the new rate allowed the recovery of certain administrative and indirect costs typically incurred outside the contract (e.g., central service costs, insurance, and general government functions), but disallows recovery of comparable administrative functions **performed within the contract**—such as dispatch/communications, supervisory oversight, vehicle usage charges, and clerical support.

II. SUMMARY OF ARGUMENT

The SCO's reduction is based on a series of unsupported assumptions and unauthorized interpretations that are inconsistent with the Parameters and Guidelines (Ps&Gs), Claiming Instructions, and applicable federal cost principles. Specifically, the SCO improperly concluded that indirect costs cannot exist in a contract service model, misapplied the definition of indirect costs by equating organizational structure with cost allowability, and imposed a new "Allowable Administrative Percentage" methodology that is not contained in any governing authority. In doing so, the SCO departed from claiming instructions and accepted practice without notice, applied its new methodology retroactively, and treated identical functions inconsistently based solely on the manner in which services are delivered. Because these actions lack legal support and conflict with established reimbursement principles, the reduction must be reversed.

The SCO's reduction is incorrect because:

1. The City's ICRPs comply with the Ps&Gs, Claiming Instructions, and applicable federal cost principles;
2. The SCO improperly concluded that indirect costs cannot exist in a contract service model;
3. The SCO imposed a new unauthorized "Allowable Administrative Percentage" methodology not authorized by the Ps&Gs;
4. The SCO's position is inconsistent with governing authorities and long-standing accepted practice; and
5. The reduction prevents full reimbursement of mandated costs.

Because no governing authority prohibits the City's methodology, and because the SCO may not impose additional requirements outside adopted standards, the disallowed costs must be reinstated.

III. LEGAL FRAMEWORK

A. Parameters and Guidelines Govern

The Commission's adopted Ps&Gs are the controlling authority for reimbursement. Claimants are entitled to rely on those provisions as written.

B. Federal Cost Principles Inform Allowability

The P&Gs incorporate federal cost principles, including:

- 2 CFR Part 200
- OMB Circular A-87

Under these authorities, costs are allowable if they are:

- Necessary and reasonable
- Allocable to the mandated activity
- Consistently treated
- Supported by a rational allocation methodology

C. Allocation Standard

An allocation base is permissible if it reasonably reflects the relative benefit received. No requirement exists that the base be limited to only direct, in-house employees of the claimant.

Issue 1. The SCO's Distinction Between "External" and "Contract-Embedded" Administrative Costs Is Arbitrary and Unsupported by the Claiming Instructions, Ps&Gs, or applicable cost principles:

Cost Allowability Turns on Function, Not Organizational Form

Under 2 CFR Part 225:

"A cost is allocable… in accordance with relative benefits received" (Appendix A, § C.3)

Nothing in the governing authorities conditions allowability on whether a cost is incurred:

- Inside a contract; or
- Outside a contract

Instead, the controlling question is whether the cost:

- Supports the mandated activity; and
- Can be allocated in proportion to the benefit received

Dispatch operations, supervisory oversight, and clerical support plainly meet this standard. They are necessary components of law enforcement service delivery and directly support the mandated Identity Theft reporting activities.

The SCO's attempt to distinguish these costs based solely on where they are incurred elevates **form over substance** and effectively redefines cost principles to treat identical functions differently based solely on the mechanism of service delivery—an approach not recognized by any governing authority and contrary to governing cost principles.

The SCO's Approach Misclassifies Indirect and Support Functions as Non-Reimbursable

The disallowed functions—communications/dispatch, supervisory staff, and clerical support—are not purely "direct program outputs." They are **support and administrative functions** necessary to carry out the program.

Under federal cost principles, indirect costs are those "incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited" (2 CFR Part 225, Appendix A, § E.1).

Consistent with these principles:

- Costs incurred for **common or joint objectives** are indirect (Appendix A, § E.1)
- Such costs must be allocated to the activities that benefit from them

These functions:

- Support multiple activities simultaneously
- Cannot be traced exclusively to a single incident or report
- Exist to enable and sustain frontline service delivery

They therefore fit squarely within the types of costs that must be **allocated**, not excluded.

The SCO's position effectively treats these support functions as neither direct nor indirect—rendering them unrecoverable—which is not a category recognized by any governing authority.

The Distinction Creates Arbitrary and Inequitable Results

The SCO's approach results in disparate treatment of identical functions:

- A City-paid clerical and supervisory staff supporting the program → **allowed**
- A contract-provided clerical or supervisory function performing the same role → **disallowed**

Similarly:

- Central dispatch or vehicle usage costs operated by the City → **recoverable through ICRP**
- Dispatch & vehicle usage costs provided through a law enforcement contract → **disallowed**

This inconsistency violates the requirement that cost allocation methodologies: "result in an equitable distribution of costs" (2 CFR Part 225, Appendix A, § E.2.b)

Nothing in the Ps&Gs or Claiming Instructions authorizes differential treatment based solely on whether services are delivered internally or through contract.

The SCO's Position Undermines the Authorized ICRP Framework

The Ps&Gs expressly authorize recovery of indirect costs through an ICRP and allow the use of total direct costs as a distribution base.

By excluding major categories of support costs solely because they are embedded in a contract, the SCO:

- Artificially narrows the cost base
- Excludes legitimate support functions from recovery
- Distorts the allocation of indirect costs

This approach is incompatible with the requirement that allocation methods reflect the **full cost of program support** and distribute those costs equitably.

No Provision Authorizes Exclusion of Contract-Embedded Administrative Functions

The SCO identifies no language in the:

- Claiming Instructions
- Ps&Gs
- State Mandated Cost Manual
- 2 CFR Part 225

that excludes administrative or support functions merely because they are provided through a contract.

Absent such authority, the SCO's distinction constitutes an **improper limitation** on reimbursable costs.

Therefore, the SCO's distinction between "external" administrative costs and "contract-embedded" administrative functions is arbitrary, unsupported, and inconsistent with governing cost principles. Cost allowability depends on the nature and function of the cost—not the organizational structure through which it is delivered.

Because dispatch, supervision, and clerical support are necessary, allocable, and program-supporting functions, they are reimbursable regardless of whether they are provided internally or through contract. The SCO's disallowance must therefore be rejected.

The SCO's approach effectively reclassifies necessary program support functions as non-reimbursable based solely on their inclusion within a contract, rather than their function or relationship to the mandated activity.

This reclassification is not supported by any governing authority and results in the systematic exclusion of otherwise allowable costs.

The SCO's conclusion that no indirect costs exist because there is "only one program" and "no departments" misapplies the definition of indirect costs. Under federal cost principles, indirect costs are those incurred for a common or joint purpose and not readily assignable to a single activity—not costs dependent on the number of departments within a governmental structure. Even within a single functional program such as law enforcement services, numerous support functions (including dispatch, supervision, administrative coordination, and contract administration) support multiple activities simultaneously and cannot be directly traced to individual reimbursable tasks. Accordingly, the existence of a single contracted program does not eliminate the presence of allocable indirect costs.

Issue 2. The SCO's Methodology Constitutes an Underground Regulation

The SCO's imposition of an "Allowable Administrative Percentage" methodology constitutes an underground regulation in violation of the California Administrative Procedure Act (APA). The Commission has consistently held that reimbursement must be determined based on adopted Parameters and Guidelines, not post hoc interpretations.

A regulation is any rule of general application that implements, interprets, or makes specific the law enforced by an agency. The SCO's methodology:

- Establishes a new standard for calculating reimbursable indirect costs
- Applies broadly to similarly situated claimants (contract cities)
- Alters existing claiming practices under the Ps&Gs

This methodology was not:

- Adopted through formal rulemaking procedures
- Incorporated into the Ps&Gs
- Published as binding guidance

The SCO's methodology constitutes a "rule of general application" because it establishes a new standard applied to an entire class of claimants—contract cities—thereby meeting the definition of a regulation under the APA.

Accordingly, it is an invalid underground regulation and may not be enforced.

Moreover, the SCO has applied this methodology retroactively to reduce previously allowable costs. Even if the methodology were valid, retroactive application would be improper where claimants reasonably relied on existing guidance and prior practice.

For this reason alone, the reduction must be reversed.

Issue 3. The City's ICRP Complies with Claiming Instructions

The SCO's position is inconsistent and directly contradicts the "Identity Theft" Claiming Instructions, which expressly required that indirect costs, when supported by an ICRP, be applied to the selected distribution base—including total direct costs—without distinguishing between in-house labor and contract costs.

The City prepared its claims in accordance with the Ps&Gs and Claiming Instructions (see Attachment 1):

- Directions in the *Local Agencies Mandated Cost Manual* directed Productive Hourly Rates (PHR) be computed identically regardless of the "wages, salaries & benefits" cost being in-house vs. contract. ((Salaries + Benefits)/1,800 annual productive hours = PHR) The SCO

confirmed in their Audit: "the city used the correct methodology to calculate its salary [emphasis added] costs" thereby affirming that the City properly calculated its direct cost base. No distinction was made between in-house vs contract labor performing equivalent functions.

- "Identity Theft Form 1", "Line (06) and (07)" of the Instructions specified that Indirect Costs were to be computed using the ICRP methodology and those indirect costs were to be applied to Total Direct Costs: EITHER salary and benefit costs (columns (a)+(b)) OR Contract costs (column (d)).

- Instructions explained that Indirect Costs (Line 07): "If an ICRP is submitted, multiply applicable costs used in the **distribution base** for the computation of the indirect cost by the Indirect Cost Rate, line (06)."

- The same guidance applied to other long term and currently reimbursable law enforcement claims to which the "Unit Cost" methodology of computing costs was specified. Those included the *Administrative License Suspension Per Se* and *Domestic Violence Arrest Policies and Standards* program claims. Productive hourly rates were expressly allowed to include Indirect Costs and there was no distinction made between in-house vs. contract salary and benefit costs.

The SCO's conclusion improperly assumes that an ICRP may only be applied to in-house salary costs. However, neither the Parameters and Guidelines nor federal cost principles impose such a limitation. The Ps&Gs expressly allow the use of total direct costs as a distribution base, which includes contract services. Therefore, where services are provided through contract, those contract costs constitute the appropriate direct cost base for allocation of indirect costs.

Issue 4. The City's ICRP Fully Complies with Applicable State and Federal Cost Principles

The Ps&Gs require that indirect costs be claimed in accordance with federal cost principles:

> "Compensation for indirect costs is eligible… utilizing the procedure provided in 2 CFR Part 225 (OMB Circular A-87)."

At the same time, the Parameters and Guidelines, § V.B.1 authorize the use of an Indirect Cost Rate Proposal (ICRP) and define the permissible **distribution base**:

> "The distribution base may be: (1) total direct costs… (2) direct salaries and wages; or (3) another base which results in an equitable distribution."

Nothing in the Claiming Instructions, Ps&Gs, or Manual excludes contract services from the category of direct costs or from the distribution base used to allocate indirect costs.

Accordingly, the governing authorities **permit the use of total direct costs—including contract labor—as the base to which the ICRP is applied**, and do not distinguish between in-house salaries and contract labor.

For a contract city, contract labor costs necessarily constitute both:

- The primary direct labor costs; and
- The appropriate distribution base for allocating indirect costs.

The City's methodology reflects the level of activity generating indirect costs and distributes those costs equitably. The City's methodology follows this structure precisely and satisfies these requirements.

The SCO's assertion that applying an ICRP to contract costs violates "audit principles" is unsupported. Neither the Parameters and Guidelines nor applicable federal cost principles prohibit the application of an indirect cost rate to contract-based direct costs. Federal cost principles require only that costs be necessary, reasonable, allocable, and consistently treated; they do not condition allocability on whether costs are incurred through contract or by in-house personnel. To the extent the SCO suggests a prohibition based on "audit principles," it has identified no governing authority establishing such a rule. General audit concepts—such as avoiding double recovery—do not operate as categorical prohibitions on otherwise allowable methodologies. Absent evidence of duplication, the application of an ICRP to a valid direct cost base, including contract costs, is fully consistent with governing cost principles.

The SCO identifies no provision in the Ps&Gs, Claiming Instructions, or federal cost principles that:

- Prohibits the use of contract labor as a distribution base; or
- Requires exclusion of contract labor from indirect cost recovery

Absent such authority, the SCO's disallowance cannot be sustained. No provision in the Ps&Gs, Claiming Instructions, or federal cost principles defines contract costs as "fully burdened" or authorizes the elimination of otherwise allocable support costs on that basis.

Issue 5. The SCO Imposed an Unauthorized Methodology

The SCO replaced the City's ICRP with an "Allowable Administrative Percentage" approach. This method:

- Is not contained in the Ps&Gs
- Is not derived from federal cost principles
- Was not adopted through any formal process

As such, the SCO has effectively imposed a new rule outside the governing framework.

Administrative agencies may not create or enforce requirements that have not been formally adopted. The SCO's methodology therefore constitutes an unauthorized standard and cannot serve as a basis for reducing reimbursable costs.

The SCO's position is internally inconsistent. On one hand, it asserts that contract costs are "fully burdened" and therefore preclude recovery of indirect costs. On the other hand, it independently extracts and allows selected administrative components from those same contracts using an "administrative percentage" methodology. This demonstrates that contract costs are not, in fact, treated as fully burdened, and that the SCO is selectively redefining which support costs are recoverable without any governing authority.

Issue 6. The Allocation Base the City used was Reasonable and Permissible

The SCO asserts that contract personnel costs cannot be used as an allocation base because they are not "City employees". This position is unsupported by any governing authority.

Federal cost principles require only that the allocation base:

- Be equitable
- Reflect relative benefit

The identity of the employer or method of payment of the cost (via a contract) is not relevant to allocability. What matters is whether the base represents the activity generating indirect costs.

Here, the City contracts for law enforcement services. The mandated activities were performed by those in the contracted law enforcement department. The associated personnel costs therefore:

- Represent the functional workload of the mandate
- Serve as a rational proxy for indirect cost distribution

Accordingly, the City's use of contract-based labor costs as an allocation base is fully consistent with governing standards.

Because the Ps&Gs expressly:

- Allow contract services as direct costs; and
- Permit the use of total direct costs or another equitable base for ICRP allocation;

and do not exclude contract labor from those bases, the SCO's position effectively imposes a limitation that does not exist in the governing authorities.

The SCO's focus on the identity of the employer ("City employee" vs. contractor) is irrelevant under federal cost principles, which do not condition allocability on payroll status but on the relationship between the cost and the benefiting activity.

The SCO has not identified any specific provision prohibiting the City's methodology. Instead, its position reflects an impermissible reinterpretation of the Claiming Instructions.

If accepted, the SCO's interpretation would categorically preclude all contract cities from recovering indirect costs using any labor-based methodology—despite express authorization in the Ps&Gs—an outcome that cannot be reconciled with the governing framework.

Issue 7. The SCO's Interpretation Conflicts with the Ps&Gs and existing Claiming Instructions

The SCO asserts that only "city/in-house" staff may be considered the "unit performing the mandate." This interpretation is inconsistent with the Ps&Gs.

The Ps&Gs allow recovery of costs from departments or units that supply the function performing the mandate. In a contract city structure, the contracted law enforcement provider constitutes the functional unit performing the mandated activity.

Therefore, excluding contract costs improperly narrows the definition of eligible costs and conflicts with the plain language of the Ps&Gs.

Issue 8. The SCO Has Accepted Similar Methodologies in Prior Audits

In prior audits of contract cities, including the City of San Marcos (2017 Crime Statistics Audit Report), the SCO accepted:

- Use of contract-based cost structures
- Labor-driven allocation methodologies
- Comparable indirect cost approaches

This demonstrates that the City's methodology is both reasonable and consistent with established practice.

The SCO's departure from prior acceptance without explanation constitutes inconsistent and arbitrary application of standards.

Issue 9. The SCO Position is Inconsistent with Prior Commission Guidance

In prior proceedings, (2016 City of Palmdale, Interagency Child Abuse and Neglect Reporting IRC), the Commission found:

- Commission staff acknowledged that overhead costs may be associated with contractual law enforcement service delivery
- Commission staff confirmed that "there was an appropriate way to claim overhead… and it was to develop an indirect cost rate proposal with documentation that the Controller could review."
- Commission Staff explained that the Ps&Gs allow **multiple allocation bases** consistent with federal cost principles such as:

    - Direct salaries and wages
    - Total direct costs
    - Other equitable allocation bases

These options are derived from federal cost principles such as OMB Circular A-87 and 2 CFR Part 200

The SCO's Hesperia audit effectively **restricted the allocation base** by rejecting contract salary and benefit costs. The l**egal implication** is that if federal cost principles allow **flexible allocation bases**, then the SCO's rejection of contract-based personnel costs **constitutes an improper restriction on allowable methodologies.**

This demonstrates that the City's methodology complied with Ps&Gs, was reasonable, and was consistent with established practice and Commission guidance.

The SCO's departure constitutes inconsistent and arbitrary application of standards.

Issue 10. The Reduction Prevents Full Cost Recovery

Mandate reimbursement law requires reimbursement of all costs incurred to comply with a state mandate.

The City incurs costs through its contract for law enforcement services. These are real, necessary expenditures directly tied to the mandated activity.

By excluding those costs from the allocation base, the SCO artificially reduces reimbursable indirect costs and prevents full recovery.

This outcome is inconsistent with the fundamental principle that claimants must be made whole.

V. FACTUAL SUPPORT

The City of Hesperia is a contract city that provides law enforcement services through a contractual arrangement. As a result:

- Mandated activities are performed by contracted personnel
- The City incurs costs through payments for those services
- Indirect costs are driven by the scale of those activities

The City's ICRP reflects this structure by using labor-related costs as the allocation base. This approach ensures that indirect costs are distributed in proportion to actual activity levels.

VI. EXAMPLES AND PRIOR PRACTICE

A. City of San Marcos Audit (2017)

In its audit of the City of San Marcos, the SCO accepted a cost structure materially similar to Hesperia's, including:

- Contract-based law enforcement service delivery
- Use of labor-related cost drivers to distribute indirect costs
- Use of Federal CFR/OMB Cost Principles as guidance for determination of eligible indirect costs.

The acceptance of these elements demonstrates that:

- Contract-based service delivery does not preclude use of labor-driven allocation bases
- Indirect cost methodologies need not be limited to direct, in-house employees of the claimant
- Federal CFR/OMB Guidelines are the acceptable guide for determining eligibility of indirect cost items and no new SCO created standards (non-departmental administrative cost items) were needed to determine allowable indirect costs.
- Creation of SCO's allowable "administrative cost" category relied solely upon SCO's discretion and was based on unwritten and undefined criteria for determining what constituted an allowable "administrative cost".

The SCO's rejection of Hesperia's use of existing ICRP methodology therefore represents a departure from its own prior audit determinations and existing claiming methodologies.

B. Consistent Treatment of Contract Cities

Numerous contract cities operate under similar service delivery models in which:

- Core mandated activities are performed by contracted law enforcement agencies
- The city incurs costs through contractual payments rather than direct payroll

Historically, these cities have:

- Prepared ICRPs using labor-related allocation bases
- Recovered indirect costs without the limitations now imposed by the SCO

This longstanding practice confirms that the existing ICRP methodology employed by Hesperia to compute overhead costs is both reasonable and consistent with accepted claiming approaches.

C. Prior Acceptance of Labor-Based Allocation Methodologies

Across multiple mandate programs, the SCO has accepted allocation bases tied to labor activity where such bases reasonably reflect workload and benefit received.

Hesperia's methodology follows this same principle by:

- Using contract-related labor costs as a proxy for activity level
- Allocating indirect costs proportionally to that activity

There is no material distinction, for purposes of allocability, between:

- Salaries paid directly by the City, and
- Costs incurred through contracts for personnel performing identical functions

---

D. Absence of Prior Disallowances

The more than 20 years of law enforcement claims submissions, with ICRPs to support indirect costs, shows the SCO has not historically disallowed Hesperia's (or other contract city's) use of an ICRP on the basis that:

- Contract personnel cannot be included in an allocation base, or
- Only direct City employees may be used to measure activity

The absence of prior disallowances reinforces that:

- The City's methodology was understood to be compliant
- The SCO's current position reflects a change in interpretation rather than enforcement of an existing rule

Such a change cannot be applied retroactively to reduce reimbursable costs.

VII. CONCLUSION

The City is not seeking to recover the County's internal overhead, but rather indirect and support costs embedded within and incurred through the law enforcement contract that are necessary to administer and support the mandated program.

The City's reliance on ICRP methodology was reasonable, compliant, and consistently applied. The City's ICRP was prepared in full compliance with the Claiming Instructions, Ps&Gs, and federal cost principles. Those authorities expressly permit the use of total direct costs—including contract labor—as the distribution base and do not impose any limitation excluding contract-based service delivery.

The SCO's reduction:

- Relies on an unsupported conclusion that indirect costs cannot exist in a contract service model;
- Misapplies the definition of indirect costs by equating organizational structure with cost allowability;
- Imposes a new, unauthorized "Allowable Administrative Percentage" methodology without notice;
- Applies that new, unauthorized methodology retroactively;
- Departs from established Claiming Instructions and long-standing accepted practice without any change in governing authority or prior notice to claimants; and
- Treats identical functions inconsistently based solely on manner in which services are delivered.

The SCO's actions constitute the application of an invalid underground regulation, or, at a minimum, an unauthorized interpretive rule, because they impose new substantive requirements not contained in the Parameters and Guidelines, Claiming Instructions, or applicable federal cost principles, and were adopted and applied without compliance with the Administrative Procedure Act.

As demonstrated in Issue 4, neither the Parameters and Guidelines nor applicable federal cost principles prohibit the use of contract-based direct costs as the distribution base for an ICRP or otherwise impose any limitation on indirect cost recovery based on the method of service delivery.

Accordingly, the SCO's disallowance is not supported by the Parameters and Guidelines, Claiming Instructions, or applicable federal cost principles. The City's methodology was compliant, consistently applied, and based on a reasonable and permissible allocation of costs incurred to perform the mandated program. Because the SCO improperly rejected that methodology and substituted an unauthorized standard, the reduction must be reversed and the disallowed costs reinstated in full.

VIII. REQUEST FOR RELIEF

The City respectfully requests that the Commission grant this Incorrect Reduction Claim and direct the State Controller's Office to restore all disallowed costs associated with the City's ICRPs.

Section 7 –

Documentary Evidence

&

Declarations

Comparison of Hesperia Rates Allowed by SCO to Other Comparable Agencies

	SBCSD Claimed DEPUTY Hourly PHR	SBCSD Charged DEPUTY Hourly PHR billed to City
FY 2011-12	$ 82.81	$ 78.98
FY 2012-13	$ 80.80	$ 82.41

Rates that the County billed the City are almost the same as hourly rates charged by the County in their own State Mandate claims.

Comparison of SCO Allowable DEPUTY SHERIFF Houly Rates:

San Bernardino County vs Hesperia (Contracting City)

ALLOWED BY SCO TO COUNTY

	Hourly PHR	ICRP Rate	Total Hour Rate including benefits and Overhead
FY 2011-12	$ 82.81	42.67%	**$ 118.15**
FY 2012-13	$ 80.80	42.02%	**$ 114.75**

ALLOWED BY SCO TO CITY

	County Contract Billing Rates	SCO New Allowable Administrative Percentage	Total Hour Rate including benefits and Overhead
FY 2011-12	$ 78.98	5.42%	**$ 83.26**
FY 2012-13	$ 82.41	6.14%	**$ 87.47**

Comparison of Positions and Costs Allowed by SCO in Other Audited ICRP Rates

	City of Hesperia	County of San Bernardino	City of Rialto	City of Fresno	City of San Marcos (Contract w/ San Diego Co.)
Captain	0%	100.0%	100.0%	95.0%	allowed under Station Staff
Lieutenant	0%	92.3%	90.0%	90.0%	allowed under Station Staff
Sergeant	0%	14.6%	60.0%	50.0%	Admin Sgt Allowed, other Sgts not allowed
Sheriff Services Specialist	0%	100.0%	80.0%	n/a	allowed under Station Staff
Office Specialist	0%	92.4%	100.0%	100.0%	allowed under Station Staff
Secretary	0%	95.4%	100.0%	100.0%	allowed under Station Staff
Supervising Office Specialist	0%	100.0%	90.0%	100.0%	allowed under Station Staff
Motor Pool Assistant	0%	82.8%	n/a	100.0%	allowed under Station Staff
Crime Analyst	0%	88.1%	85.0%	n/a	allowed under Station Staff
Dispatchers	0%	100.0%	94.0%	100.0%	allowed under ancillary Support
Vehicle Usage & Fuel	0%	allowed	allowed	allowed	allowed

Correspondence with SCO

City of Hesperia

Gateway to the High Desert

February 7, 2023,

Christine Kwong, Auditor
Office of the State Controller Malia M. Cohen
Division of Audits, Compliance Audits Bureau
3301 C Street, Suite 725A
Sacramento, CA 95816
Sent via email to: CKwong@sco.ca.gov and jvenneman@sco.ca.gov

RE: City of Hesperia Response to State Controller's Desk Review (Identity Theft)

Dear Ms. Kwong,

We have a number of questions about your proposed desk audit reductions.

USE OF A NEW METHODOLOGY TO COMPUTE OVERHEAD/ICRP COSTS IS NOT SUPPORTED BY CLAIMING INSTRUCTIONS, PARAMETERS AND GUIDELINES, OR THE CLAIMING MANUAL

You appear to have rejected our Indirect Cost Rate Proposal (ICRP) calculations –rates that was derived using the exact format and guidelines prescribed by the Claiming Manual, Parameters and Guidelines, and in compliance with Federal CRF Guidelines. Instead, you have created and applied a new methodology and format to compute indirect costs, which you have entitled: "The Allowable Administrative Percentage".

Page 3 of your narrative explains that this new methodology is computed by adding, "all the following line items [you identify 9 items from our contract but do not explain how you selected those and excluded many other allowable items] and divided that amount by the total contract cost."

Claiming Instructions pages 4-5 and the Claiming Manual on pates 11-12 states:

A. Indirect Cost Rate Proposal Method

> If a local agency elects not to utilize the 10% fixed rate method but wants to claim indirect costs, it must prepare an ICRP for the program. The proposal **must follow the provisions of the OMB Circular 2 CFR, Chapter I and Chapter II, Part 200 et al.**, formerly OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments. The development of the indirect cost rate proposal requires that the indirect cost pool include only those costs which are incurred for a common or joint purpose that benefit more than one cost objective. The

Brigit Bennington, Mayor
Larry Bird, Mayor Pro Tem
Cameron Gregg, Council Member
Allison Lee, Council Member
Rebekah Swanson, Council Member

Nils Bentsen, City Manager

9700 Seventh Avenue
Hesperia, CA 92345
760-947-1000
TD 760-947-1119

www.cityofhesperia.us

indirect cost pool may include only costs that can be shown to provide benefits to the program. In addition, total allocable indirect costs may include only costs that cannot be directly charged to an identifiable cost center (i.e., program).

A method for preparing a departmental indirect cost rate proposal for programs is presented as Table 6. Only this format is acceptable under the SCO reimbursement requirements. If more than one department is involved in the reimbursement program, each department must have its own indirect cost rate proposal for the program.

We followed these rules and guidelines, and find no language in the Claiming Manual, the Claiming Instructions, Parameters and Guidelines, or Federal CFR Guidelines to support your alternate and newly created method of computing overhead costs for cities that contract for law enforcement services.

There is no reason why the existing instructions and ICRP format presented in Table 6 of the Claiming Manual cannot be used and that would necessitate the creation of an alternate indirect cost rate methodology (as we have demonstrated by preparing and submitted ICRPs in the required format with our claims over the last twenty years, with no issue). Our law enforcement contract with SBCSD (See Schedule A) clearly lists and segregates all direct and indirect costs, in a level of detail which is similar to how a full-service city Actual Expenditure Report is organized and how your example in Table 6 is presented.

In addition, the contract itemized salaries and benefits separately, thus there is no reason why this could not have been used as the base for distributing indirect costs as is instructed by the Claiming Instructions. Use of total costs as a base as you suggest, distorts the ICRP rates by including inappropriate capital charges such as equipment usage and other overhead items such as County Wide Overhead (COWCAP).

This new approach you are proposing is not described in any manual or instructions provided to us at the time of filing of these claims. How is a local agency expected to be able to compute allowable overhead costs correctly and in a consistent, uniform manner if those methods and guidelines are not described or provided in advance in any documents or manuals? Why are their different rules of eligibility for determining indirect costs for contract cities?

Creating a new procedure and methodology, after the fact, without any notice to local agencies or review by the Commission on State Mandates violates Due Process guidelines. In addition, by creating a new methodology just for agencies that contract for Law Enforcement Services and saying they are not entitled to use the same, existing Instructions and Parameters and Guidelines constitutes "Underground Rule Making".

NO INDIRECT COSTS FOR CITIES THAT CONTRACT FOR LAW ENFORCEMENT SERVICES?

Your narrative on page 6 states, "Since the city only incurred contract services costs, there are no related indirect costs."

Please explain how you arrived to this conclusion when our contract clearly shows both direct and indirect charges? If it is your position that cities that contract for law enforcement services with County Sheriff's Offices do not have related indirect costs, then explain how you identified 9 of the 30 contract items as "administrative" or allowable indirect/overhead costs? Your two statements directly contradict one another. Administrative costs are identified as one of the allowable items under the definition of Indirect Costs under Federal 2 CFR Guidelines referred to in the Claiming Instructions.

We agree that these nine items listed in the contract between the City of Hesperia and San Bernardino County Sheriff's Office (SBCSO) are indeed eligible overhead items and we included those charges in our ICRP/overhead rate computations submitted with our claims. Below we have provided the citation from Federal 2 CFR Part 225 Guideline that supports allowability of those nine costs as indirect costs:

Nine Contract Cost Items Include by SCO as allowable Indirect Costs	Federal CFR Citation supporting the allowability of the cost
Administrative Support, Telephone Reporting Unit	**2 CFR Ch. II §200.414 (c)** "The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs."
Office Services and Supplies	**Appendix B to Part 225—Selected Items of Cost** 26. *Materials and supplies costs.* a. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.
Office Automation, Start up costs	**Appendix B to Part 225—Selected Items of Cost** 11. Depreciation and use allowances. a) use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.)
Personnel liability and bonding, Vehicle Insurance	**Appendix B to Part 225—Selected Items of Cost** 22. Insurance and indemnification. a. Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.
County-wide overhead (COWCAP), COWCAP Subsidy	**Claiming Manual,** Overhead costs are distributed to the department in the cost allocation plan, which was prepared in accordance with the OMB Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. Use the same year's cost allocation plan for developing the ICRP as the year for which the ICRP is being prepared.

We agree that these are eligible administrative overhead costs – but why were our department's command / administrative staff omitted from your list of allowable "administrative costs" items?

1) Captain – serves as our department Police Chief. The job description for this position (attached) states under "Distinguishing Characteristics: Sheriff's Captain is characterized by the administrative responsibility for an assigned major division, facility or station."

2) Lieutenant - is also an administrative position, whose job description states, "Positions in this class are characterized by their status as second in command with authority to assume full administrative and supervisory responsibilities during the absence of the commanding officer."

3) Sergeants - "The class of Sheriff's Sergeant represents the first full level of supervision."

Page 6 under section, "Indirect Costs" you stated, "the costs the city incurred for law enforcement services provided by SBCSD did not include costs incurred for a common or joint purpose, benefitting more than one program." Please explain how you arrived to this conclusion and how you believe the positions above do not meet the definitions of an indirect costs. Your statement is erroneous and we would like to provide evidence proving that these costs were incurred for a common or joint purpose and benefit more than one program.

These positions oversee not just one program, but the entire law enforcement department and all staff. This is no different from the function of command staff in a full-service (non-contracting city) which your office has routinely allowed to be included in the computation of their overhead rates.

We have attached the full job descriptions for these positions to support our contention that these are administrative positions that support the entire department (and not just one program) and are necessary administrative support to the entire department. We would like to schedule a meeting with you and county command staff so we could answer any questions you may have about these positions duties so you can feel confident that these positions do indeed perform eligible administrative functions.

OTHER ALLOWABLE AND NECESSARY SUPPORT COSTS PURSUANT TO CFR / OMB

In addition to excluding our command staff from your "administrative percentage", please explain why you omit our clerical and eligible support costs? Without vehicles, radios, and dispatch services our deputies could not receive any calls or communicate with the public or with the department command and support staff; they could not drive to the scene of any call for service; and there would be no clerical support to process, store, and access any of the police reports (including these mandated Identity Theft Reports) and records as required by law. No law enforcement agency could function without these support functions.

You state that we claimed "unallowable indirect costs" but your correspondence and attachments do not explain why the costs you denied were deemed "unallowable" as they comply with Federal CFR/OMB-A87 Guidelines:

2 CFR §200.403 Factors affecting allowability of costs.

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles"

The following items comply with all the definitions of an allowable indirect costs:

Contract Cost Items NOT Included by SCO as allowable Indirect cost	Federal CFR Citation supporting the allowability of the cost
Captain, Lieutenant, Sergeants	**2 CFR Ch. II §200.414 (c)** "The salaries of **administrative** and clerical staff should normally be treated as indirect (F&A) costs." **2 CFR Ch. II Pt. 200, App. IV B. ALLOCATION OF INDIRECT COSTS AND DETERMINATION OF INDIRECT COST RATES** The salaries and wages of administrative and pooled clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate where a major project or activity explicitly requires and budgets for administrative or clerical services and other individuals involved can be identified with the program or activity.
Office Specialists, Secretaries & Dispatch Support	**2 CFR Ch. II §200.414 (c)** "The salaries of administrative and **clerical staff** should normally be treated as indirect (F&A) costs." (See additional narrative above)
Vehicle Usage Charges: Marked units, Unmarked Units, Marked Citizen Patrol Sedan, Pickup Trucks, & Motorcycles	**Appendix B to Part 225—Selected Items of Cost** 11. Depreciation and use allowances. a) use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.) 43. *Travel costs.* a. General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the governmental unit. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred,
Handheld Talkies (HTs), Radar Units, Tasers	**Appendix B to Part 225—Selected Items of Cost** 11. Depreciation and use allowances. a) use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (e.g., buildings, office equipment, computer equipment, etc.)

THERE ARE NO SEPARATE RULES AND GUIDELINES FOR CITIES WHICH PURCHASE THEIR LAW ENFORCEMENT SERVICES THROUGH A CONTRACT TO CLAIM ALLOWABLE OVERHEAD COSTS:

Claiming Instructions and Parameters and Guidelines:

The Claiming Manual states: "Indirect costs are (a) Incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved. **Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities."** It does not say the department must be an in-house function.

The Claiming Instructions state, "If the contract services were also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed." Since the contract services included both direct as well as indirect costs, a pro-rate portion of both types of costs included in the contract must be reimbursed.

The Parameters and Guidelines state that "indirect costs may include (1) the overhead costs of the unit performing the mandate". In this case the UNIT performing the mandate is the law enforcement unit purchased by the City of Hesperia from the San Bernardino County Sheriff's Department (SBCSD) as outlined in detail in their contract showing all cost components charged to the City. The Schedule A shows that in addition to the Direct Salaries and Benefits of Law Enforcement Personnel, salaries of support and administrative staff for positions such as Captain, Lieutenants, Clerical Support positions, as well as other necessary and eligible (compliant with CFR guidelines) overhead costs such as vehicle and equipment usage charges which were billed to the City.

"Indirect costs can originate in the department performing the mandate or in departments that supply the department performing the mandate with goods, services, and facilities."

Your Office has already audited and approved indirect cost rates for the San Bernardino County Sheriff's Office for this same program (Identity Theft) and for the same years. Since you have approved indirect cost rates for this same organization, for activities which were performed by the same class of employees, paid at the same rates, for the same program and for the same years, our allowable overhead rates which are sourced from the same agency should not be less than those approved rates.

San Bernardino County: Identity Theft Audit Report, Release April 2022

Allowable	Direct	Indirect	Approved ICRP Rate:
2002-03	$34,330	$24,543	=$24,543/$34,330= 71.5%
2003-04	$34,123	$20,965	= 61.4%
2004-05	$44,177	$27,142	= 61.4%
2005-06	$44,188	$20,875	= 47.2%
2006-07	$49,011	$21,727	= 46.2%
2007-08	$50,876	$27,743	= 54.5%
2008-09	$43,288	$20,596	= 47.6%
2009-10	$34,516	$15,770	= 45.7%
2010-11	$30,836	$14,215	= 46.1%
2011-12	$38,594	$16,468	= 42.7%
2012-13	$34,115	$14,335	= 42.0%

Allowing us only an average of 6% overhead when your own audit of the San Bernardino County Sheriff's Department that provides us with law enforcement services is about 7 to 10 times that, shows the inequity and erroneous basis of your computations for Hesperia.

In your draft report, you neither allowed us the ICRP rates you allowed for San Bernardino County in their audit of this same program, nor did you allow us our actual overhead/ICRP rates: "a rate in accordance with § 200.414 Indirect (F&A) costs."

CFR guidelines state in Section 200.306 (f) of 2 CFR Part 200:

> (f) When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, **and indirect costs** at either the third-party organization's approved federally negotiated indirect cost rate or, **a rate in accordance with § 200.414 Indirect (F&A) costs, paragraph (d),** provided these services employ the same skill(s) for which the employee is normally paid.

OMB/CFR clearly states that in addition to third-party salaries and benefits (which you properly allowed), **indirect costs,** at either the third-party organizations approved federally negotiated indirect cost rate, or a rate in accordance with 2 CFR Part 200 § 200.414 are eligible. OMB A-87/CFR guidelines do not distinguish or provide alternate indirect cost rate methodologies between first- and third-parties. The same rules would apply.

If you believe Federal CFR/(prior OMB A-87 methodology) does not apply to or allow the recovery of full indirect costs for contract cities, or that some alternate methodology exists for contract cities, please provide your evidence and references to the pertinent sections of Claiming Instructions, Parameters and Guidelines, or OMB/CFR Guidelines that support this. Other than State and Federal CFR guidelines, we are not aware of any alternate rules or guidelines that dictate how indirect costs are to be computed for contract cities. Therefore, we believe the existing rules would be applicable in the computation of our ICRP rates.

Commission on State Mandates prior decisions support the applicability of existing Parameters and Guidelines and existing methodology in computation of Overhead/ICRP rates for contract cities:

Prior Commission on State Mandates (CSM) decisions also provided insight on the topic of overhead for cities contracting for law enforcement services.

In the City of Palmdale's Incorrect Reduction Claim (IRC) of the SCO's 2016 Audit of their Interagency Child Abuse and Neglect Reporting claims (See November, 2018 CSM meeting transcript) the Commission reviewed whether the City of Palmdale, which contracted with Los Angeles county for law enforcement services, was entitled to the 10% default overhead rate they claimed in their requests for reimbursement.

The Commission staff concluded that while it was not appropriate for a contracting agency to use the default 10% ICRP rate when computing overhead costs since this rate was designed specifically for application to only salaries (not salaries and benefits); a contract city would have been eligible for indirect cost reimbursement IF the city prepared their own ICRP rate demonstrating valid indirect costs. The City of Hesperia did prepare and submit their ICRPs showing overhead cost computations.

Commissioner Alex's stated during the meeting (Page 46 of transcript, Lines 5-8 of hearing transcript) that he agreed that **"...there is overhead associated with a contract and I think that's typical."**

Mr. Jones of the Commission staff noted that "...the Parameters and Guidelines say you can – you can prepare an indirect cost rate proposal if the indirect cost rate exceeds 10%." (Page 44 lines 24-25 and page 45, lines 1-2 of hearing transcript)

Commission Member Adams asked, **"And under Parameters – Parameters and Guidelines, would there have been an appropriate way to claim these indirect costs?"** (Page 38 lines 14-21 of hearing transcript)

Mr. Jones of the Commission staff responds, **"Staff's position is that, yes, there was an appropriate way, and it was to develop an indirect cost rate proposal with documentation that the Controller could review."** (Page 38 lines 24-25 and Page 39 lines 1-2)

Ms. Shelton of the Commission noted that, **"...you have to follow the plain language of the Parameters and Guidelines."** (Page 47, lines 21-23 of hearing transcript). The plain language being that indirect costs were eligible for inclusion in the reimbursement claims under the language and rules established in the Parameters and Guidelines.

State Controller's Office prior audit findings are inconsistent with their "new" "Allowable Administrative Percentage" or alternate overhead methodology proposed in this Decision:

In your audit of the City of San Marcos (which contracts with the San Diego Sheriff's Office (SDSO) for law enforcement service, the following indirect cost were allowed (See City of San Marcos 2017 – Crime Statistics Reporting Audit Report on page 23). State Controller's Office auditors recognized there were additional indirect/overhead costs and those costs were allowed as valid overhead charges. Below is an extract from the Audit Report on page 23 that addressed the Contract Indirect Costs:

> "Contract Indirect Costs
>
> We reviewed the contract agreements between the city and the SDSO. For FY 2007-08 through FY 2011-12, the SDSO contract agreements provided schedules and identified supplemental contracted labor costs and contracted overhead costs. We determined that overhead costs identified in the contract were appropriate as they related to the performance of mandated activities. We computed indirect cost rates for contract services for these years by dividing **total contract overhead costs**, station support staff costs, and Sergeant Admin position costs, **by the contracted labor costs** identified in the contract supplemental schedules."

In the allowable **"contract overhead costs",** the audit permitted:

1)proration of support/admin costs including Station level Staff Support including: Captain, Admin Secretary, Lieutenant, Sergeants, Volunteer Coordinator, Senior Clerk, Department Aide, Receptionist, Intermediate Clerk.

2)Law Enforcement Support including Station Detectives, Communication Center (Central Dispatch support), Crime Prevention, Juvenile Intervention, Regional Services

4) Services and Supplies Costs

5) Support Costs including Vehicles, Facilities/Space, County Management Support (Admin, Fiscal, Data Services, Personnel & Other)

6) Liability (charged separately)

The items we included in our ICRP are all similar, if not identical items: Administrative support, such as Captains, Lieutenants, and Sergeants; Clerical support; Vehicles; and Communication Center (Central Dispatch Services, etc.) but in our case they were NOT allowed as indirect costs.

In addition, in the case of San Marcos' Audit, the "normal" ICRP format/computational methodology was employed; using salaries and benefits as the denominator for determining the overhead rate, and not total contract costs which is now being proposed by the SCO in our case with their "Administrative Cost Percentage" and which dilutes our rate unfairly.

If you believe there is a charge that does not comply with the Federal CFR guidelines or require additional support, please let us know. We would like to discuss and have the opportunity to support our position.

State Controller's Office ICRP findings and methodology are inconsistent with audits of full-service (non-contract) cities:

There are numerous examples of other SCO audits where identical indirect costs we claimed (Captains, Lieutenants, Sergeants, Clerical Support, Vehicle and Equipment usage, etc.) were routinely allowed for other full-service city's overhead rates. This list is only a small sample, listing only audits our consultant was directly involved in and has personal information of:

- City of Rialto: Child Abuse and Neglect Reporting Audit
- City of South Lake Tahoe, Child Abuse and Neglect Reporting Audit
- City of Fresno: Administrative License Suspension Audit
- City of Fresno: Domestic Violence Audit
- City of Fresno: Identity Theft Audit
- City of Fresno: Peace Officer Bill of Rights Audits

Please let us know if you'd like us to send you a copy of the audits or ICRPs allowed in your reviews.

Please explain why the same costs were allowed as overhead for other agencies, but not for the City of Hesperia, whose only difference was that they paid for the same costs through a contract.

THE CITY IS ENTITLED TO A LINE-BY-LINE EXPLANATION FOR DENIAL OF ANY COSTS:

Page 2 of Mandated Cost Manual, Section: Audit of Costs, "All claims submitted to the SCO are subject to review to determine if costs are related to the mandate...and are prepared in accordance with SCO's Claiming Instructions." We believe we have complied with the instructions and shown that the items included in the overhead rates are supported by State Instructions and Federal CFR Guidelines.

If you disagree, we request a detailed explanation and justification supported by references from Federal CRF Guidelines and Claiming Instructions those instructions state on page 2 of Mandated Cost Manual, "If any adjustments are made to a claim, the claimant will be notified of ... the reason for the adjustment." We would like a detailed explanation (line by line) for why each of the costs were excluded from our overhead (ICRP) rate computations.

Not allowing reimbursement of indirect or overhead costs would be contrary to Claiming Instructions, Parameters and Guidelines, as well as Federal CFR-200 standards which all specifically allow for the inclusion and reimbursement of both direct AND indirect costs. To simply exclude or not allow legitimate, allowable overhead costs would be contrary to State and Federal rules, and also would be inconsistent with your own offices prior audit determinations.

We look forward to discussing these matters with you in more detail and are happy to schedule a meeting with our command staff to explain the duties and costs in more detail. Please let us know if we can provide you with any other support you feel is necessary to show that the costs we included in our overhead/ICRP rates do indeed comply with State and Federal guidelines and should be deemed allowable costs.

Thank you,

Casey Brooksher
Director of Administrative Services
City of Hesperia

Sheriff's Captain

Class Code: 19465

Bargaining Unit: Exempt

COUNTY OF SAN BERNARDINO
Established Date: Oct 18, 1977
Revision Date: Dec 20, 2008

SALARY RANGE

$60.83 - $96.58 Hourly
$4,866.40 - $7,726.40 Biweekly
$10,543.87 - $16,740.53 Monthly
$126,526.40 - $200,886.40 Annually

DEFINITION:

Under general direction, plans, organizes, and directs the operations and activities of a major division, correctional facility or station of the Sheriff's Department; establishes policies and procedures for assigned command, working within departmental and legal parameters; performs related duties as required.

DISTINGUISHING CHARACTERISTICS:

Sheriff's Captain is characterized by the administrative responsibility for an assigned major division, facility or station.

This class is distinguished from Sheriff's Deputy Chief by the latter's responsibility to direct the activities of a group of operating divisions.

EXAMPLES OF DUTIES:

Duties may include, but are not limited to, the following:

1. Plans, assigns, and supervises the work of personnel of an assigned major division of the Sheriff's Department; formulates and implements policies and procedures of the division using departmental policies and procedures, legislation, and ethical considerations as guidelines.

2. Prepares and submits annual budget requests for the division; evaluates and anticipates future personnel and equipment needs.

3. Coordinates divisional activities and operations with other departments, divisions and law enforcement agencies.

4. Receives citizen complaints and takes appropriate action; performs complex and critical investigations involving actions taken by subordinate personnel; prepares investigative reports; recommends disciplinary action when necessary, subject to review by superiors.

5. Participates with other public safety agencies in preparation of a masterplan for response to civil defense and other emergency situations.

6. Prepares or supervises the preparation of correspondence, records, and reports.

7. Takes charge of emergency situations and major crime scenes until relieved by superiors.

8. Analyzes or supervises the analysis of new and proposed legislation; prepares reports stating implications and recommendations for support or opposition to proposed bills.

9. Represents the Sheriff's Department at various community functions; makes presentations on various subjects related to general law enforcement and specific programs; answers questions concerning various topics; explains policies and procedures of the Department.

10. Conducts training sessions at the Sheriff's Regional Training Facility.

11. Provides vacation and temporary relief as required.

yt/10-18-77
rev.: jkr/07-07-98

REPRESENTATION UNIT:

Exempt

SALARY RANGE:

83C

MINIMUM REQUIREMENTS:

Experience: Applicants must be **currently** employed in a regular full-time position with the San Bernardino County Sheriff's Department as a Sheriff's Lieutenant, and have at least **one (1) year** of experience in said position, as of the filing deadline of **March 19, 2021**.

NOTE: On your application, clearly differentiate between Lieutenant experience and prior experience.

Sheriff's Lieutenant

Class Code: 19515

Bargaining Unit: Safety Management

COUNTY OF SAN BERNARDINO
Established Date: Aug 19, 1977
Revision Date: Jul 3, 2010

SALARY RANGE

$56.91 - $83.01 Hourly
$4,552.80 - $6,640.80 Biweekly
$9,864.40 - $14,388.40 Monthly
$118,372.80 - $172,660.80 Annually

DEFINITION:

Under direction, directs and supervises the operation of a small specialized unit within the Sheriff's Department; or serves as second in command in the operation of a station, correctional facility, or major investigative division within the Sheriff's office; performs related duties as required.

DISTINGUISHING CHARACTERISTICS:

Positions in this class are characterized by their status as second in command with authority to assume full administrative and supervisorial responsibilities during the absence of the commanding officer. Positions in this class may direct the operation of a small specialized unit.

This class is distinguished from the class of Sheriff's Captain by the latter's responsibility to direct a major operation or facility.

EXAMPLES OF DUTIES:

Duties may include, but are not limited to, the following:

1. Supervises and directs investigative personnel in the handling and resolving of criminal cases; assigns and prioritizes cases to subordinate personnel; reviews the status of felony cases and serves as a resource for the more difficult case assignments; reviews all completed case assignments to ascertain thoroughness of investigation and prepare case for prosecution by the District Attorney.

2. Supervises and directs the operation of a small specialized unit within the Sheriff's office; coordinates the efforts of investigative personnel in gathering information as to the activities of

criminal elements within the County.

3. Assists in the operation of a station, correctional facility or operating support division and assumes full administrative and supervisorial responsibilities during the absence of the commanding officer; participates in the preparation of the unit budget, and assists in the development and implementation of new policies and procedures; may review proposed legislation and prepare analysis for commanding officer; schedules shift personnel and makes reassignments as necessary.

4. Conducts statistical surveys and assists in the evaluation and dissemination of information gathered; prepares all necessary reports and correspondence as required.

5. Directs contingency planning and preparations for civil defense emergencies and disasters, including organization of training for public safety personnel and volunteer workers.

6. May represent the Sheriff's Department at community meetings; maintains a favorable rapport between the Sheriff's Department and the surrounding community, and assists in receiving and resolving community complaints.

7. Supervises and participates in the personnel selection process, and advises the Sheriff's administrative staff on all personnel matters.

8. May write or assist in the writing of grant proposals for the Sheriff's Office; may write, coordinate and assume responsibility of the Sheriff's Department operating budget.

9. Testifies in court as required.

10. Provides vacation and temporary relief as required.

drs/08-19-77
revised: jkr/06-08-92

REPRESENTATION UNIT:

Safety Management

SALARY RANGE:

28

MINIMUM REQUIREMENTS:

Experience: Applicants must be **currently** employed in a regular full-time position with the San Bernardino County Sheriff's Department as a Sheriff's Sergeant, **and** have at least **two (2) years of full-time experience** as a San Bernardino County Sheriff's Sergeant as of the filing deadline of **April 17, 2020.**

NOTE: On your application, clearly differentiate between Sergeant experience and prior experience.

Certificates: Indicate any certificates you possess, including certificates for Bomb/Arson and for Aviation; include certificate number and expiration dates. Those who list specialized certificates on the application may be considered for specific positions.

Sheriff's Sergeant - 12 Hour Shift

Class Code: 04199

Bargaining Unit: Safety Management

COUNTY OF SAN BERNARDINO
Established Date: Dec 18, 2001
Revision Date: Sep 1, 2010

SALARY RANGE

$49.34 - $71.93 Hourly
$3,947.20 - $5,754.40 Biweekly
$8,552.27 - $12,467.87 Monthly
$102,627.20 - $149,614.40 Annually

DEFINITION:

Under direction, trains, assigns, directs, and supervises the activities of subordinate safety and general personnel; completes assignments requiring the integration of law enforcement and technical skills, knowledge and abilities; performs difficult investigations; performs related duties as required.

DISTINGUISHING CHARACTERISTICS:

The class of Sheriff's Sergeant represents the first full level of supervision. Also included in this class are positions which perform duties requiring the integration expertise and positions which are responsible for independently performing complex investigations of a sensitive nature.

This class is distinguished from Sheriff's Lieutenant by the latter's responsibility to serve as second in command of a large unit such as a station or to supervise the operation of a small specialized unit.

EXAMPLES OF DUTIES:

Duties may include, but are not limited to, the following:

1. Assigns, trains, and supervises patrol, correctional, and investigative personnel; provides instruction in policies and procedures; establishes priorities for assignments to subordinates; evaluates performance of assigned safety and general personnel; conducts briefings; serves as reference for subordinates.

2. Establishes training programs; schedules various courses; determines appropriate instructors; plans tactical situation; instructs various courses, including advanced officers' course; establishes methods for instructing officers using POST guidelines; advises superiors on existing courses.

3. Coordinates divisional law enforcement activities; conducts studies on criminal activity in various areas; determines appropriate personnel needs and makes employment decisions.

4. Conducts investigations; interviews and interrogates witnesses, victims, and suspects; takes charge of investigations as assigned; prepares detailed reports of findings of investigations and actions taken; takes charge of emergency operations until relieved by superiors.

5. Supervises Civil Defense and emergency planning and preparedness activities, including training of volunteers who would respond in case of disaster.

6. Reviews, analyzes, and evaluates reports and records; discusses reports with subordinates to ensure accuracy and completeness; assists subordinates in writing reports.

7. Coordinates the work of the unit supervised with other Sheriff's Department divisions, County departments, and outside law enforcement agencies.

8. Takes charge of all matters involving explosive substances and devices; issues permits for the use of explosives; inspects storage magazines; conducts investigations of crimes involving stolen, found and threatened use of explosives; locates and dismantles explosive devices.

9. Writes or supervises the writing of procedure manuals; reviews and evaluates procedures and makes recommendations for revisions.

10. Testifies in court; may testify as an expert in explosive substances and devices.

11. Provides vacation and temporary relief as required.

REPRESENTATION UNIT:

Safety Management and Supervisory

SALARY RANGE:

25

Sheriff's Detective/Corporal

Class Code: 04204

Bargaining Unit: Safety

COUNTY OF SAN BERNARDINO
Established Date: May 20, 2002
Revision Date: Jul 3, 2010

SALARY RANGE

$41.79 - $60.70 Hourly
$3,343.20 - $4,856.00 Biweekly
$7,243.60 - $10,521.33 Monthly
$86,923.20 - $126,256.00 Annually

DEFINITION:

Positions in this series perform a variety of sworn law enforcement functions depending upon level and area of assignment. Positions perform related duties as required.

DISTINGUISHING CHARACTERISTICS:

Positions conduct complex criminal and specialized investigations requiring a high level of expertise, and train and evaluate sworn employees. This class is distinguished from Sheriff's Sergeant, which is a full scope, first level supervisor.

EXAMPLES OF DUTIES:

Depending upon area of assignment, duties may include, but are not limited to, the following:

1. Conducts follow-up criminal investigations; interrogates and obtains statements from victims, witnesses, informants, and suspects. Conducts major criminal investigations such as murder, child molestation and undercover narcotic investigations. Supervises the gathering of evidence and the protection of a crime scene.

2. Locates and apprehends subjects wanted for criminal offenses; recovers and returns stolen property to the rightful owner; traces persons suspected of issuing fraudulent checks.

3. May be responsible for the operation of a station, including supervision of staff, on holidays, weekends or in the absence of a sergeant.

4. Serves as Training Officer, monitoring trainees' progress, preparing evaluations, and making recommendations to management staff. Determines training needs, develops lesson plans, keeps current with new laws, procedures and training practices.

5. Conducts background or special investigations as required. Prepares and serves search and arrest warrants. Enforces writs initiated from the courts of justice.

6. Reviews reports prepared by deputies prior to submission to the District Attorney's Office for accuracy, clarity and inclusion of all necessary elements.

7. Prepares and maintains all necessary reports, records and correspondence.

8. Performs special assignments in a training capacity.

9. Maintains equipment.

10. Appeals and testifies in court as required.

11. Provides vacation and temporary relief as required.

crh/5-20-02

REPRESENTATION UNIT:

Safety

SALARY RANGE:

19

SUPPLEMENTAL INFORMATION:

Incumbents must be sworn peace officers at the time of appointment.

MINIMUM REQUIREMENTS:

Experience: Applicants must currently be employed by San Bernardino County Sheriff's Department as a Deputy Sheriff and must meet one of the options below, as of the filing deadline:

Option A: Five (5) years as a San Bernardino County Deputy Sheriff.
Option B: Four (4) years as a San Bernardino County Deputy Sheriff, which includes one (1) year as a patrol officer.
Option C: Three (3) years as a San Bernardino County Deputy Sheriff, which includes two (2) years as a patrol officer.

Option D: Three (3) years as a San Bernardino County Deputy Sheriff, which includes one (1) year as a patrol officer; **AND** three (3) years of patrol experience gained through working as a POST certified peace officer in a patrol function for another CA POST certified law enforcement agency.

Certificates: Indicate any certificates you possess, including certificates for Aviation, Boating Enforcement, and for Bomb/Arson; include certificate number and expiration dates. Those who list specialized certificates on the supplemental questionnaire may be considered for specific positions.

Location: Indicate if you are willing to accept a promotion to the Colorado River or Trona areas on the Supplemental Questionnaire. Trona is a resident-post position, and requires a minimum 2-year commitment. Only those who indicate a willingness to work in the Trona area will be considered for a vacancy in the Trona area.

Supervising Office Specialist

Class Code: 03321

Bargaining Unit: Supervisory

COUNTY OF SAN BERNARDINO
Established Date: Nov 1, 2004
Revision Date: Jan 3, 2009

SALARY RANGE

$22.01 - $30.29 Hourly
$1,760.80 - $2,423.20 Biweekly
$3,815.07 - $5,250.27 Monthly
$45,780.80 - $63,003.20 Annually

DEFINITION:

Under general direction, performs supervisory and administrative support work, planning, organizing, and coordinating the work of clerical, administrative and other support staff. These classes are characterized by their respective responsibility to plan, assign and supervise the work of a unit or group as a primary part of the job. Work requires supervising workflow, assisting with and reviewing work procedures, timelines and quality of work products and resolving questions and issues regarding policies and procedures for subordinates. Incumbents serve as authoritative source on regulations, rules and interpretation of policy and guidelines.

DISTINGUISHING CHARACTERISTICS:

These classes are two separate levels of clerical supervision that are distinguished by the complexity of support work supervised. While the supervisory responsibilities are consistent from department to department, the competencies and skills may be specific to the department served. Positions in this class work under general direction with considerable independence for ensuring accuracy of content.

This class is distinguished from the class of Supervising Office Assistant by the responsibility to plan and supervise the work of an office support unit performing highly varied, complex and specialized functions and/or with subordinate supervisors. Staff supervised typically includes Office Specialists. This class is further distinguished from Supervising Office Assistant by the complexity of the clerical operation.

EXAMPLES OF DUTIES:

1. Supervises the work of assigned staff. Evaluates work performance, prepares and signs performance evaluations. Participates in personnel decisions including hiring and disciplinary

actions and assists in resolving employee grievances; approves leave requests.

2. Plans, organizes, schedules and assigns the day to day clerical support operations of the office; establishes work sequence, priorities, deadlines, and work standards; estimates supply, staff and equipment requirements.

3. Identifies training needs and plans training programs; may develop training curricula and prepare training materials.

4. Reviews work products prepared and processed by unit/section for accuracy and compliance with County policy.

5. Assists in developing, revising and implementing new or revised procedures, forms and office systems; coordinates clerical services with other departmental operations.

6. Maintains records of workload and personnel information; prepares operational, narrative and statistical reports.

7. Researches data, laws, regulations and policies, and explains and interprets same to the public, employees, supervisors and others; handles unusual or difficult problems referred by subordinates.

8. Operates computer and applicable software and a variety of other office machines to enter and retrieve a variety of data and to produce and/or process a variety of materials.

9. Composes correspondence, and compiles information for reports, budget justifications, special projects and studies; prepares manuals on office procedures and instructs clerical staff in their use.

10. Supervises the preparation of narrative, statistical, legal and other reports, forms or correspondence.

11. Sets up and maintains indexing and filing systems, record keeping procedures and systems and office procedures; directs the storing, retrieving and purging of information in automated or manual filing systems.

12. Performs mathematical calculations; computes statistics and receives and issues receipts for cash; prepares purchase orders and requisitions; checks and maintains appropriate records.

13. Reviews the preparation of, or processing of a variety of complex documents, calendars, legal orders, forms, correspondence and other material; functions as an authoritative source of information on regulations, rules, department policy, and guidelines; updates knowledge through reading, training, meetings or briefings.

14. Orders and/or supervises ordering of supplies and supervises tracking of supplies and equipment.

15. Projects budget, equipment and staff needs.

16. Serves as the authoritative source of information on the intent, coverage, and content of instructions, guides, precedents and regulations.

17. Conducts special studies relating to the development and implementation of office clerical operations, policies and procedures.

18. Updates staff of changes in laws and procedures and ensures compliance.

cps 11/04

REPRESENTATION UNIT:

Supervisory

SALARY RANGE:

43

MINIMUM REQUIREMENTS:

Experience: Three (3) years of full-time work experience performing a wide variety of complex, specialized office clerical duties, which are non-routine in nature and require independent decision making, serving as a lead clerical worker, or supervising a clerical unit.

Qualifying experience is typically equivalent to the San Bernardino County Office Assistant III classification and above.

Note: Retail sales and food service experience is not qualifying.

Office Specialist

Class Code: 03320

Bargaining Unit: Clerical

COUNTY OF SAN BERNARDINO
Established Date: Nov 1, 2004
Revision Date: Jan 3, 2009

SALARY RANGE

$18.11 - $24.87 Hourly
$1,448.80 - $1,989.60 Biweekly
$3,139.07 - $4,310.80 Monthly
$37,668.80 - $51,729.60 Annually

DEFINITION:

Under general direction, performs administrative support work involving a variety of complex and/or specialized departmental programs and services, requiring advanced knowledge/skills of the subject matter and office support systems involved. Assignments will vary from unit to unit and will often require knowledge of specific departmental procedures and practices.

Office Specialists are assigned technical and analytical duties in support of administrative support processes. Positions in this class have considerable opportunity for exercising independent judgment in the interpretation of policies and guidelines that only approximately fit particular circumstances and to resolve non-standard situations in a manner consistent with such regulations. Work requires understanding and referencing a variety of documents and resources, understanding, interpreting and communicating information to others in order to complete a process, transaction and/or resolve a technical problem.

DISTINGUISHING CHARACTERISTICS:

This class is characterized by responsibility for exercising independent judgment in interpreting, applying and explaining department policies and procedures that are not routine. An incumbent is required to discern and distinguish nuances from a great variety of sources. While essential functions may include processing assignments as identified in the Office Assistant series, an essential element of the Office Specialist position is research and problem solving. Work is performed under general direction. Office Specialists may also oversee/coordinate office support functions.

EXAMPLES OF DUTIES:

1. Reviews, audits and processes a variety of transactions in accordance with applicable rules and regulations. Corrects or requests re-submittal of transactions in accordance with County

policies.

2. Performs a variety of audit and fiscal functions related to benefits, such as determining actual premiums collected against premiums due; collecting payments; posting transactions; and calculating and recommending claims for payment.

3. Counsels, advises, assists and explains complex policies, procedures, practices and local, state and federal regulations to employees, clients, candidates, voters and the general public.

4. Researches and responds to problems and complaints.

5. Administers disbursement of benefits, services by considering options, consulting alternative sources and determines payments, billings, fees, repayment amounts and processing transactions based on varying conditions; compares, interprets and contrasts options.

6. Monitors and ensures compliance with all applicable laws and regulations.

7. Interviews patients, clients, public, voters, employees and others to determine conditions and eligibility.

8. Contacts, collects and responds to outside sources to obtain and/or verify information which may influence action.

9. Prepares and maintains a wide variety of detailed documents, reports, case histories, financial, medical, legal record.

10. Maintains, examines and reviews complex files, applications, registrations, medical charts or supporting documents for completeness and accuracy and compliance with a variety of rules, policies and regulations. Provides written and oral justification for action selected.

11. Interprets and applies technical and procedural information.

12. Compares, interprets and contrasts options. Acts as advocate in resolving problems. Ascertains the nature of the problem, and reviews the determination to ensure compliance with contracts or documents. Explains outcome of the problem resolution process.

13. Trains and presents to others details on policies and procedures, laws and regulations.

14. Determines and obtains any additional information required. Recommends approval/denial of the qualifying event based on supporting documents.

15. Some positions, as their primary function, may type verbatim testimony and minutes of hearings and meetings.

16. Positions within the Sheriff's Department may be required to perform matron duties.

cps 11/04

REPRESENTATION UNIT:

Clerical

SALARY RANGE:

35

MINIMUM REQUIREMENTS:

Experience: Two (2) years full-time experience performing complex clerical tasks in an office environment. Experience must be comparable to duties performed by a clerical lead worker and/or supervisor, fiscal assistant, or other office work which is non-routine in nature and requires exercising independent decision making.

Experience must be clearly described on the application and must include performing a variety of clerical tasks including public contact and computer usage.

Qualifying experience is typically equivalent to the San Bernardino County Office Assistant III classification and above.

Note: Retail sales and food service experience is not qualifying.

Declarations

DECLARATION OF CASEY BROOKSHER

I, Casey Brooksher, do hereby declare as follows:

1) I have personal knowledge of the facts stated in this Declaration and if called as a witness, I could and would testify to the statements made herein.

2) I am the Administrative Services and Finance Director for the City of Hesperia (City) and am involved in the submission and preparation of the City's State Mandate Reimbursement Claims.

3) The City has contracted with San Bernardino County Sheriff's Department (SBCSD) since the City incorporated in 1988 and has paid for the direct and indirect costs of those contract law enforcement services using City General Funds.

4) City of Hesperia has no in-house Police Department other than the one provided through its contract with SBCSD. The police services provided through our contract with SBCSD provided a full-service police department, legally and functionally.

5) The law enforcement contract with the County includes (detailed in Schedule A) all direct and indirect costs including the salaries and benefits of all station staff including not only the deputies who provide the direct law enforcement duties, but necessary support and administrative personnel. The contract also includes equipment usage charges, vehicle costs including amortized vehicles; MDC (mobile data computer) and radio usage charges; dispatch services, and other necessary costs to operate a police department.

6) It would be impossible for sworn staff paid by the city via the contract to perform the mandated program (or other law enforcement activities) without the support/overhead costs billed within the contract. For example, Deputies would be unable to obtain the calls for service without dispatch support, neither would they be able to respond to calls for service without vehicles and equipment, etc.

7) It is not reasonable to expect Deputies to be able to perform their duties without command/administrative oversight and administrative/clerical support.

8) True and correct copies of our correspondences with the State, copies of claim submissions, and contracts are attached to this IRC document.

9) The City began submitting claims for State Mandate Reimbursement around 2000. These submissions included law enforcement claims, some dating back to Fiscal Year 1996-97, and the claims included /indirect costs billed in the law enforcement contracts.

10) Until this Desk Review Audit, the City has been paid by the State Controller's Office for all other funded law enforcement programs for over the last twenty-five years, including the law enforcement contract overhead costs, and has never been aware that there was a question or issue regarding the validity requesting indirect/overhead costs or that using existing written guidelines to prepare those costs.

11) True and correct copies of our city's February 1, 2023 email responses including attachments to the State Controller's Draft Desk Audit Findings are included in Section 7 of this IRC.

12) I have personal knowledge of the facts stated in the narrative included in this Incorrect Reduction Claim and believe them to be true and correct. If called as a witness, I could and would testify to the statements made herein.

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 February 11, 2026 in Hesperia, California.

Casey Brooksher

Casey Brooksher
Administrative Services/Finance Director
City of Hesperia

Declaration - Casey Brooksher (002)

Final Audit Report 2026-02-12

Created:	2026-02-12
By:	Keith Cheong (kcheong@hesperiaca.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhf5-Q8uDCWcj0UsdAxKtbaEUx5TPey2k

"Declaration - Casey Brooksher (002)" History

Document created by Keith Cheong (kcheong@hesperiaca.gov)
2026-02-12 - 6:06:18 PM GMT

Document emailed to Casey Brooksher (cbrooksher@hesperiaca.gov) for signature
2026-02-12 - 6:06:22 PM GMT

Email viewed by Casey Brooksher (cbrooksher@hesperiaca.gov)
2026-02-12 - 6:07:12 PM GMT

Document e-signed by Casey Brooksher (cbrooksher@hesperiaca.gov)
Signature Date: 2026-02-12 - 6:08:17 PM GMT - Time Source: server

Agreement completed.
2026-02-12 - 6:08:17 PM GMT

DECLARATION OF ANNETTE S. CHINN

I, Annette S. Chinn, do hereby declare as follows:

1) I have personal knowledge of the facts stated in this Declaration and if called as a witness, I could and would testify to the statements made herein.

2) I have been a consultant in the field of State Mandate Reimbursement claim preparation since 1992 and have personal knowledge and experience in the preparation of Indirect Costs Rate Proposals (ICRPs) and have prepared thousands of ICRPs for hundreds of local agencies, including preparation of ICRPs for contract city's law enforcement overhead costs.

3) I am a consultant/President of Cost Recovery Systems, Inc. and representative of the City of Hesperia (City) for this Incorrect Reduction Claim (IRC). I was directly involved in the preparation of the City's State Mandate claims since FY 1999-2000, including the Identity Theft claims subject to this IRC. The law enforcement ICRP rates were prepared in compliance with written State Parameters and Guidelines, Claiming Manuals and Instructions, and Federal OMB/CFR Guidelines.

4) I have also represented and filed claims for other comparable contract cities, including the Town of Apple Valley and the City of Rancho Cucamonga; two other cities that also contract with San Bernardino County Sheriff's Department for law enforcement services, and who also prepared indirect/overhead costs similar to how the City of Hesperia did and which also had their Indirect Cost Rate Proposals (ICRPs) denied and subsequently recalculated (and substantially reduced) by the State Controller's Office utilizing a new, unwritten, alternate methodology created by the SCO at the time of the audit.

5) 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 February 9, 2026 in El Dorado Hills, California.

Annette S. Chinn
President
Cost Recovery Systems, Inc.

ATTACHMENT 1

Claiming Manual Instructions
showing no different treatment
of in-house vs. contract salaries

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A local agency may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

o Paid holidays

o Vacation earned

o Sick leave taken

o Informal time off

o Jury duty

o Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
[(EAS + Benefits) ÷ APH] = PHR	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
[($26,000 + $8,099)] ÷ 1,800 hrs = 18.94	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was $26,000 and $8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be $18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:

Step 1: *Fringe Benefits as a Percent of Salary*		**Step 2:** *Productive Hourly Rate*
Retirement	15.00 %	**Formula:**
Social Security & Medicare	7.65	[(EAS x (1 + FBR)) ÷ APH] = PHR
Health & Dental Insurance	5.25	
Workers Compensation	3.25	[($26,000 x (1.3115)) ÷ 1,800] = $18.94
Total	**31.15 %**	

Description:

EAS = Employee's Annual Salary	APH = Annual Productive Hours
FBR = Fringe Benefit Rate	PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, worker's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at the higher-level position may be claimed if it can be shown

Claiming Instructions

Identity Theft Claim

PROGRAM 321	IDENTITY THEFT CLAIM SUMMARY	FORM 1

(01) Claimant	(02) Fiscal Year 20___/20___
(03) Department	

Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
1. Choose either a) or b)							
a) Taking police report in violation of PC §530.5							
b) Reviewing online ID theft report							
2. Investigation of facts							
(05) Total Direct Costs							

Indirect Costs		
(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)]	

Cost Reduction		
(09) Less: Offsetting Revenues		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) - {line (09) + line (10)}]	

PROGRAM 321	IDENTITY THEFT CLAIM SUMMARY INSTRUCTIONS	FORM 1

(01) Enter the name of the claimant.

(02) Enter the fiscal year of costs.

(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 totals from Form 2, line (05), columns (d) through (i), to Form 1, block (04), columns (a) through (f), in the appropriate row. Total each row.

(05) Total columns (a) through (g).

(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 the Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225). 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)(g), 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.

(11) From 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) for the Reimbursement Claim.

Claiming Instructions

Administrative Liscense Suspension - Per Se Claim

PROGRAM 246	ADMINISTRATIVE LICENSE SUSPENSION – PER SE CLAIM SUMMARY	FORM 1

(01) Claimant	(02) Fiscal Year 20___/20__
(03) Department	

Direct Costs	Object Accounts							
(04) Reimbursable Activities	(a) Number of Cases	(b) Uniform Time Allowance (hours)	(c) Salary Hourly Rate	(d) Benefit Rate	(e) Subtotal Salaries (a) times (b) times (c)	(f) Subtotal Benefits (d) times (e)	(g) Materials and Supplies	(h) Total (e) plus (f) plus (g)
A. Minors Detained but Not Arrested								
1. Admonish Drivers/Screen Tests on Minors (IV. A. 1. and 2.)		0.2667						
2. Seize Licenses and Serve Notices/ Completing Sworn Reports/Submit Reports to Department of Motor Vehicles (DMV) (IV. A. 3. to A. 5.)		0.2500						
B. Arrested Drivers for Violation of DUI Statute								
1. Seize Licenses and Serve Notices/ Completing Sworn Reports/Submitting Reports to DMV (IV. B. 1. to B. 3.)		0.2500						
(05) Total Direct Costs								

Indirect Costs		
(06) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
(07) Total Indirect Costs	[Line (06) times line (05)(e)]	
(08) Total Direct and Indirect Costs	[Line (05)(h) plus line (07)]	

Cost Reduction	
(09) Less: Offsetting Revenues	
(10) Less: Other Reimbursements	
(11) Total Claimed Amount	[Line (08) minus {line (09) plus line (10)}]

PROGRAM 246	ADMINISTRATIVE LICENSE SUSPENSION – PER SE CLAIM SUMMARY INSTRUCTIONS	FORM 1

(01) Enter the name of the claimant.

(02) Enter the fiscal year of costs.

(03) If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 must be completed for each department.

(04) For each reimbursable activity, enter the sum of columns (e), (f), and (g) in column (h). The cost of postage and envelopes to be included under Materials and Supplies is reimbursable only for activities IV. A. 5. and B. 3 of the Ps & Gs on block (04)(A), line (2.)(g) and (04)(B), line (1.)(g). Do not enter any amount in the shaded areas. Please refer to the Mandated Cost Manual for Local Agencies for information on the computation of hourly rates and indirect costs.

(05) Total columns (e) through (h).

(06) Indirect costs may be computed through a flat rate in accordance with the Office of Management and Budget Circular, Code of Federal Regulations, title 2, section 200.414(f) without preparing an Indirect Cost Rate Proposal (ICRP). For submission of claims for fiscal year 2024-25, cost incurred from July 1, 2024 through September 30, 2024, a 10% flat rate should be applied to direct labor costs, excluding fringe benefits. Effective October 1, 2024, a 15% flat rate should be applied to direct labor costs, excluding fringe benefits. If using a flat rate for fiscal year 2024-25 costs, a separate Form 1 must be submitted to detail when the cost was incurred and which flat rate was applied.

(07) If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(e), by the flat rate, excluding fringe benefits. 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)(h), 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.

(11) From 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.

Claiming Instructions

Domestic Violence Arrest Policies and Standards Claim

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS CLAIM SUMMARY	FORM 1

(01) Claimant	(02) Fiscal Year 20___/ 20___
(03) Department	
(04) Claim Statistics	
(a) Number of reported responses to incidents in the fiscal year of claim	
(b) Average productive hourly rate including applicable indirect costs ***(Submit the supporting documentation for the productive hourly rate.)***	
(c) Standard time allowed – 29 minutes (0.48 of an hour)	0.48 hour
Unit Cost Method – *Reimbursable Activity D*	
(05) Ongoing Activity	
D. Implement New Policies [Line (04)(a) times (04)(b) times (04)(c)]	
(06) Total Direct and Indirect Costs for Activity D [Carry forward from line (05)(D)]	

Actual Cost Method – *Reimbursable Activity C*

Direct Costs	**Object Accounts**						
(07) One-Time Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel and Training	(g) Total
A. Develop Written Policies N/A							
B. Adopt Written Policies N/A							
C. Train Officers on New Policies							
(08) Total Direct Costs							

Indirect Costs		
(09) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
(10) Total Indirect Costs	[Refer to Claim Summary Instructions]	
(11) Total Direct and Indirect Costs	[Line (06) plus line (08)(g) plus line (10)]	
Cost Reduction		
(12) Less: Offsetting Revenues		
(13) Less: Other Reimbursements		
(14) Total Claimed Amount	[Line (11) minus {line (12) plus line (13)}]	

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS CLAIM SUMMARY INSTRUCTIONS	FORM 1

(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 must be completed for each department.

(04) (a) Enter the number of reported responses to domestic violence incidents in the fiscal year of claim.

(b) Enter the average productive hourly rate (PHR) including applicable indirect costs. Local agencies have the option of using the flat rate of direct labor costs or using a department's Indirect Cost Rate Proposal (ICRP) in accordance with Office of Management and Budget Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. Submit a copy of the approved ICRP.

(c) The standard time allowed is 29 minutes which equates to 0.48 hour.

(05) Calculate costs by using the product of the number of reported responses by the average PHR by the standard time allowed [(04)(a) times (04)(b) times (04)(c)].

(06) Total Direct and Indirect Costs for Implement New Policies (Activity D). Enter the total from the line above, (05)(D).

(07) For each reimbursable activity, enter the totals from Form 2, line (05), columns (d) through (i), to Form 1, block (07), columns (a) through (f), in the appropriate row. Total each row.

(08) Total Direct Costs of Activity C. Total columns (a) through (g).

(09) Indirect costs may be computed through a flat rate in accordance with the Office of Management and Budget Circular, Code of Federal Regulations, title 2, section 200.414(f) without preparing an Indirect Cost Rate Proposal (ICRP). For submission of claims for fiscal year 2024-25, cost incurred from July 1, 2024 through September 30, 2024, a 10% flat rate should be applied to direct labor costs, excluding fringe benefits. Effective October 1, 2024, a 15% flat rate should be applied to direct labor costs, excluding fringe benefits. If using a flat rate for fiscal year 2024-25 costs, a separate Form 1 must be submitted to detail when the cost was incurred and which flat rate was applied.

(10) If the flat rate is used for indirect costs, multiply Total Salaries, line (08)(a), by the flat rate, excluding fringe benefits. 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 (09). If more than one department is reporting costs, each must have its own ICRP for the program.

(11) Enter the sum of Total Direct and Indirect Costs for Activity D, line (09), Total Direct Costs (08)(g), and Total Indirect Costs, line (10).

(12) 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.

(13) 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.

(14) From Total Direct and Indirect Costs, line (11), subtract the sum of Offsetting Revenues, line (12), and Other Reimbursements, line (13). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

Complete Administrative Suspension Per Se and DV Arrest Policy and Standards Claiming Instructions

(see Section 8 for full Identity Theft Claiming Instructions)

Office of the State Controller
State-Mandated Costs Claiming Instructions No. 2004-01
Administrative License Suspension – Per Se – Program No. 246
February 6, 2004
Revised October 1, 2025

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 Administrative License Suspension program. SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the program's Parameters and Guidelines (Ps & Gs). The Ps & Gs are included as an integral part of the claiming instructions and are located on CSM's website.

On August 29, 2002, CSM adopted a Statement of Decision finding that the test claim legislation imposed 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.

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 city or county, as defined in GC sections 17511 and 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.

Record Retention

All documentation to support actual costs claimed must be retained during the period subject to audit and made available to the SCO upon request. The period subject to audit is at a minimum, three years after the date that the actual reimbursement claim is filed or last amended, whichever is later, or, 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, three years after the date of initial payment of the claim. If an audit has been initiated by the 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 the SCO on request.

Claim Submission

Electronic submissions of the signed Form FAM-27, all other forms, and supporting documentation are accepted through an online file transfer protocol called the **Data Exchange Portal (DEP).** All information regarding **DEP** is available on the SCO's website.

For more information, contact the Local Reimbursements Section by email.

ADMINISTRATIVE LICENSE SUSPENSION – PER SE CLAIM FOR PAYMENT FORM	For State Controller's Office Use Only (19) Program Number 00246 (20) Date Filed (21) LRS Input	**PROGRAM 246**

(01) Claimant Identification Number		Reimbursement Claim Data			
(02) Claimant Name		(22)	FORM 1, (04) A. 1. (h)		
County of Location		(23)	FORM 1, (04) A. 2. (h)		
Street Address or P.O. Box and Suite		(24)	FORM 1, (04) B. 1. (h)		
City, State, and Zip Code		(25)	FORM 1, (06)		
(03)	Type of Claim	(26)	FORM 1, (07)		
(04)	(09) Reimbursement ☐	(27)	FORM 1, (09)		
(05)	(10) Combined ☐	(28)	FORM 1, (10)		
(06)	(11) Amended ☐	(29)			
(07)	(12) Fiscal Year of Cost	(30)			
(08)	(13) Total Claimed Amount	(31)			
(14) Less: 10% Late Penalty		(32)			
(15) Less: Prior Claim Payment Received		(33)			
(16) Net Claimed Amount		(34)			
(17) Due from State		(35)			
(18) Due to State		(36)			

(37) CERTIFICATION OF CLAIM

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.

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.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer	Date Signed	
	Telephone Number	
Type or Print Name and Title of Authorized Signatory	Email Address	

(38) Name of Agency Contact Person for Claim	Telephone Number	
	Email Address	
Name of Consulting Firm/Claim Preparer	Telephone Number	
	Email Address	

PROGRAM 246	ADMINISTRATIVE LICENSE SUSPENSION – PER SE CLAIM FOR PAYMENT INSTRUCTIONS	FORM FAM-27

(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) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.

(11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.

(12) Enter the fiscal year in 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 as specified in the claiming instructions following the fiscal year in which costs were incurred. Claims filed after the specified date must be reduced by a late penalty. Enter zero if the claim was filed on time. Otherwise, enter the result from the following penalty calculation formula:

- 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.

PROGRAM 246	ADMINISTRATIVE LICENSE SUSPENSION – PER SE CLAIM FOR PAYMENT INSTRUCTIONS (CONTINUED)	FORM FAM-27

(22) to (28) Bring forward the cost information as specified in the left-hand column of lines (22) through (28) for the reimbursement claim, e.g., Form 1, (04) A. 1. (h), means the information is located on Form 1, block (04), line A. 1., column (h). 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.

(29) 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, and include their typed or printed name, 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 or electronic signature. If submitting by U.S. Postal Service or by other delivery service, attach a copy of the FAM-27 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, claim preparer, telephone number, and email address.

Electronic submissions of the signed Form FAM-27, all other forms, and supporting documentation are accepted through an online file transfer protocol called the Data Exchange Portal (DEP). All information regarding DEP is available on the SCO's website.

For more information, contact the Local Reimbursements Section by email.

PROGRAM 246	ADMINISTRATIVE LICENSE SUSPENSION – PER SE CLAIM SUMMARY	FORM 1

(01) Claimant	(02) Fiscal Year 20___/20__
(03) Department	

Direct Costs	**Object Accounts**							
(04) Reimbursable Activities	(a) Number of Cases	(b) Uniform Time Allowance (hours)	(c) Salary Hourly Rate	(d) Benefit Rate	(e) Subtotal Salaries (a) times (b) times (c)	(f) Subtotal Benefits (d) times (e)	(g) Materials and Supplies	(h) Total (e) plus (f) plus (g)
A. Minors Detained but Not Arrested								
1. Admonish Drivers/Screen Tests on Minors (IV. A. 1. and 2.)		0.2667						
2. Seize Licenses and Serve Notices/ Completing Sworn Reports/Submit Reports to Department of Motor Vehicles (DMV) (IV. A. 3. to A. 5.)		0.2500						
B. Arrested Drivers for Violation of DUI Statute								
1. Seize Licenses and Serve Notices/ Completing Sworn Reports/Submitting Reports to DMV (IV. B. 1. to B. 3.)		0.2500						
(05) Total Direct Costs								

Indirect Costs		
(06) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
(07) Total Indirect Costs	[Line (06) times line (05)(e)]	
(08) Total Direct and Indirect Costs	[Line (05)(h) plus line (07)]	
Cost Reduction		
(09) Less: Offsetting Revenues		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) minus {line (09) plus line (10)}]	

PROGRAM 246	ADMINISTRATIVE LICENSE SUSPENSION – PER SE CLAIM SUMMARY INSTRUCTIONS	FORM 1

(01) Enter the name of the claimant.

(02) Enter the fiscal year of costs.

(03) If more than one department has incurred costs for this mandate, give the name of each department. A separate Form 1 must be completed for each department.

(04) For each reimbursable activity, enter the sum of columns (e), (f), and (g) in column (h). The cost of postage and envelopes to be included under Materials and Supplies is reimbursable only for activities IV. A. 5. and B. 3 of the Ps & Gs on block (04)(A), line (2.)(g) and (04)(B), line (1.)(g). Do not enter any amount in the shaded areas. Please refer to the Mandated Cost Manual for Local Agencies for information on the computation of hourly rates and indirect costs.

(05) Total columns (e) through (h).

(06) Indirect costs may be computed through a flat rate in accordance with the Office of Management and Budget Circular, Code of Federal Regulations, title 2, section 200.414(f) without preparing an Indirect Cost Rate Proposal (ICRP). For submission of claims for fiscal year 2024-25, cost incurred from July 1, 2024 through September 30, 2024, a 10% flat rate should be applied to direct labor costs, excluding fringe benefits. Effective October 1, 2024, a 15% flat rate should be applied to direct labor costs, excluding fringe benefits. If using a flat rate for fiscal year 2024-25 costs, a separate Form 1 must be submitted to detail when the cost was incurred and which flat rate was applied.

(07) If the flat rate is used for indirect costs, multiply Total Salaries, line (05)(e), by the flat rate, excluding fringe benefits. 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)(h), 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.

(11) From 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.

Office of the State Controller
State-Mandated Costs Claiming Instructions No. 2012-33
Domestic Violence Arrest Policies and Standards – Program No. 167
Revised October 1, 2025

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 Domestic Violence Arrest Policies and Standards program. SCO issues these claiming instructions subsequent to the Commission on State Mandates (CSM) adopting the program's Parameters and Guidelines (Ps & Gs). The Ps & Gs are an integral part of the claiming instructions and are located on CSM's website.

On September 25, 1997, CSM (formerly the State Board of Control) adopted a Statement of Decision finding that the test claim legislation imposed 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 amendments to the Ps & Gs to clarify source documentation requirements and record retention language, as requested by 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 city or county, as defined in GC sections 17511 and 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.

Record Retention

All documentation to support actual costs claimed must be retained during the period subject to audit and made available to the SCO upon request. The period subject to audit is at a minimum, three years after the date that the actual reimbursement claim is filed or last amended, whichever is later, or, 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, three years after the date of initial payment of the claim. If an audit has been initiated by the 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 the SCO on request.

Claim Submission

Electronic submissions of the signed Form FAM-27, all other forms, and supporting documentation are accepted through an online file transfer protocol called the **Data Exchange Portal (DEP).** All information regarding **DEP** is available on the SCO's website.

For more information, contact the Local Reimbursements Section by email.

DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS CLAIM FOR PAYMENT FORM	For State Controller's Office Use Only (19) Program Number 00167 (20) Date Filed (21) LRS Input	**PROGRAM 167**

(01) Claimant Identification Number		Reimbursement Claim Data		
(02) Claimant Name		(22)	FORM 1, (04) (a)	
County of Location		(23)	FORM 1, (04) (b)	
Street Address or P.O. Box and Suite		(24)	FORM 1, (06)	
City, State, and Zip Code		(25)	FORM 1, (07) A. (g)	
(03)	Type of Claim	(26)	FORM 1, (07) B. (g)	
(04)	(09) Reimbursement ☐	(27)	FORM 1, (07) C. (g)	
(05)	(10) Combined ☐	(28)	FORM 1, (09)	
(06)	(11) Amended ☐	(29)	FORM 1, (10)	
(07)	(12) Fiscal Year of Cost	(30)	FORM 1, (12)	
(08)	(13) Total Claimed Amount	(31)	FORM 1, (13)	
(14) Less: 10% Late Penalty		(32)		
(15) Less: Prior Claim Payment Received		(33)		
(16) Net Claimed Amount		(34)		
(17) Due from State		(35)		
(18) Due to State		(36)		

(37) CERTIFICATION OF CLAIM

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.

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.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer	Date Signed	
	Telephone Number	
Type or Print Name and Title of Authorized Signatory	Email Address	

(38) Name of Agency Contact Person for Claim	Telephone Number	
	Email Address	
Name of Consulting Firm/Claim Preparer	Telephone Number	
	Email Address	

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS CLAIM FOR PAYMENT INSTRUCTIONS	FORM FAM-27

(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 in 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 (14). 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 as specified in the claiming instructions following the fiscal year in which costs were incurred. Claims filed after the specified date must be reduced by a late penalty. Enter zero if the claim was filed on time. Otherwise, enter the result from the following penalty calculation formula:

- 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.

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS CLAIM FOR PAYMENT INSTRUCTIONS (CONTINUED)	FORM FAM-27

(22) to (31) Bring forward the cost information as specified in the left-hand column of lines (22) through (31) for the reimbursement claim, e.g., Form 1, (07) A. (g), means the information is located on Form 1, block (07), line A., column (g). 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.

(32) 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, and include their typed or printed name, 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 or electronic signature. If submitting by U.S. Postal Service or by other delivery service, attach a copy of the FAM-27 to the top of the claim.

(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, claim preparer, telephone number, and email address.

Electronic submissions of the signed Form FAM-27, all other forms, and supporting documentation are accepted through an online file transfer protocol called the Data Exchange Portal (DEP). All information regarding DEP is available on the SCO's website.

For more information, contact the Local Reimbursements Section by email.

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS CLAIM SUMMARY	FORM 1

(01) Claimant	(02) Fiscal Year 20___/ 20___
(03) Department	

(04) Claim Statistics	
(a) Number of reported responses to incidents in the fiscal year of claim	
(b) Average productive hourly rate including applicable indirect costs ***(Submit the supporting documentation for the productive hourly rate.)***	
(c) Standard time allowed – 29 minutes (0.48 of an hour)	0.48 hour

Unit Cost Method – *Reimbursable Activity D*

(05) Ongoing Activity		
D. Implement New Policies	[Line (04)(a) times (04)(b) times (04)(c)]	
(06) Total Direct and Indirect Costs for Activity D	[Carry forward from line (05)(D)]	

Actual Cost Method – *Reimbursable Activity C*

Direct Costs	**Object Accounts**						
(07) One-Time Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel and Training	(g) Total
A. Develop Written Policies N/A							
B. Adopt Written Policies N/A							
C. Train Officers on New Policies							
(08) Total Direct Costs							

Indirect Costs

(09) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
(10) Total Indirect Costs	[Refer to Claim Summary Instructions]	
(11) Total Direct and Indirect Costs	[Line (06) plus line (08)(g) plus line (10)]	

Cost Reduction

(12) Less: Offsetting Revenues	
(13) Less: Other Reimbursements	
(14) Total Claimed Amount	[Line (11) minus {line (12) plus line (13)}]

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS CLAIM SUMMARY INSTRUCTIONS	FORM 1

(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 must be completed for each department.

(04) (a) Enter the number of reported responses to domestic violence incidents in the fiscal year of claim.

(b) Enter the average productive hourly rate (PHR) including applicable indirect costs. Local agencies have the option of using the flat rate of direct labor costs or using a department's Indirect Cost Rate Proposal (ICRP) in accordance with Office of Management and Budget Circular 2 CFR, Chapter I and Chapter II, Part 200 et al. Submit a copy of the approved ICRP.

(c) The standard time allowed is 29 minutes which equates to 0.48 hour.

(05) Calculate costs by using the product of the number of reported responses by the average PHR by the standard time allowed [(04)(a) times (04)(b) times (04)(c)].

(06) Total Direct and Indirect Costs for Implement New Policies (Activity D). Enter the total from the line above, (05)(D).

(07) For each reimbursable activity, enter the totals from Form 2, line (05), columns (d) through (i), to Form 1, block (07), columns (a) through (f), in the appropriate row. Total each row.

(08) Total Direct Costs of Activity C. Total columns (a) through (g).

(09) Indirect costs may be computed through a flat rate in accordance with the Office of Management and Budget Circular, Code of Federal Regulations, title 2, section 200.414(f) without preparing an Indirect Cost Rate Proposal (ICRP). For submission of claims for fiscal year 2024-25, cost incurred from July 1, 2024 through September 30, 2024, a 10% flat rate should be applied to direct labor costs, excluding fringe benefits. Effective October 1, 2024, a 15% flat rate should be applied to direct labor costs, excluding fringe benefits. If using a flat rate for fiscal year 2024-25 costs, a separate Form 1 must be submitted to detail when the cost was incurred and which flat rate was applied.

(10) If the flat rate is used for indirect costs, multiply Total Salaries, line (08)(a), by the flat rate, excluding fringe benefits. 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 (09). If more than one department is reporting costs, each must have its own ICRP for the program.

(11) Enter the sum of Total Direct and Indirect Costs for Activity D, line (09), Total Direct Costs (08)(g), and Total Indirect Costs, line (10).

(12) 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.

(13) 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.

(14) From Total Direct and Indirect Costs, line (11), subtract the sum of Offsetting Revenues, line (12), and Other Reimbursements, line (13). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) of the Reimbursement Claim.

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS ACTIVITY COST DETAIL	FORM 2

(01) Claimant

(02) Fiscal Year 20___ / 20___

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

One-Time Activities

A. Develop Written Policies N/A

☐ C. Train Officers on New Policies

B. Adopt Written Policies N/A

(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) Fixed Assets	(i) Travel And Training
(05) Total ☐ Subtotal ☐ Page: ____ of ____								

PROGRAM 167	DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2

(01) Enter the name of the claimant.

(02) Enter the fiscal year of costs.

(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 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)	(i)	
Salaries	Employee Name and Job Classification	Hourly Rate	Hours Worked	Salaries equal Hourly Rate times Hours Worked						Copy of Timesheets
Benefits	Activities Performed	Benefit Rate			Benefits equal Benefit Rate times Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used			Costs equal Unit Cost times Quantity Used				Copy of Invoices
Contract Services	Name of Contractor and Specific Tasks Performed	Hourly Rate	Hours Worked and Inclusive Dates of Service				Costs equal Hourly Rate times Hours Worked or Total Contract Cost			Copy of Contract and/or Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost times Quantity	Usage					Costs equal Total Cost times Usage		Copy of Contract and/or Invoices
Travel	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 Costs equal Rate times Days or Miles	Rate(s) Verification and/or Invoices
Training	Employee Name and Title and Name of Class Attended		Dates Attended						Registration Fee	Copy of Registration, Certificate, or Invoice

(05) Total line (04), columns (d) through (i), 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 activity costs, number each page. Enter totals from line (05), columns (d) through (i) to Form 1, block (07), columns (a) through (f) in the appropriate row.

ATTACHMENT 2

Review of Commission Hearing Decision on **City of Palmdale IRC** re. use of 10% Default ICRP Rate

The record suggests that overhead/ICRP costs *could have been allowable* — if the rate had been claimed and structured as a formal Indirect Cost Rate Proposal (ICRP) rather than using the 10% default rate tied to salaries.

The key issue the Commission focused on was **not whether overhead existed**, but **whether it was claimed in a way allowed by the Parameters and Guidelines (P&Gs)** adopted by the California Commission on State Mandates.

Below is a breakdown of what the testimony and discussion imply.

---

1. The Commission Acknowledged That Overhead Probably Existed

Multiple commissioners essentially conceded that **cities incur overhead even when services are contracted**.

Commissioner Alex stated:

"I mean, I'm sympathetic to the City because I do think… there is overhead associated with a contract, and I think it's typical."

So the dispute was **not about whether overhead costs existed**.

The dispute was about **whether they were claimed according to the Ps&Gs**.

---

2. The Real Legal Issue in the was the 10% "Default Rate"

The State Controller's Office argued the **10% rate only applies to direct salary costs**.

From the testimony:

"The 10 percent rate… is only allowable to be claimed on top of direct salary costs, which, in this instance, were not incurred."

Because the city used **contract law enforcement hourly rates, those contract rates already included some overhead**, **and direct employee salaries were not expressed in the claim** therefore the SCO and staff concluded:

The 10% default rate was not available.

---

3. However — The Commission Staff Explicitly Said Another Method Was Available

The most important exchange occurs when Commissioner Adams asked:

"Under the parameters and guidelines, would there have been an appropriate way to claim these indirect costs?"

Staff attorney Matt Jones answered:

"Yes… the appropriate way was to develop an indirect cost rate proposal with documentation that the Controller could review."

That statement is critical.

It confirms:

ICRP overhead was potentially allowable.

But the Commission believed it **was not properly claimed or supported in the record**.

---

4. The P&Gs Actually Allow Three Allocation Bases

Commission staff acknowledged that the Parameters and Guidelines include the same options as federal cost rules (derived from **OMB Circular A-87 / later **2 CFR Part 200):

Indirect costs may be allocated using:

1. Direct salaries and wages
2. Total direct costs
3. Another equitable allocation base

Staff confirmed this:

“The three distribution bases the Claimant described **are in the Parameters and Guidelines**, but they apply when preparing an indirect cost rate proposal.”

This means the legal framework **DID allow non-salary allocation bases**.

---

5. Why the Commission Denied the Claim

The Commission's reasoning was procedural rather than substantive.

They concluded:

• The city **claimed the 10% default rate**, not a formal ICRP
• The audit record focused on **justifying the 10%**, not establishing a full ICRP
• The **deadline to amend the claim had expired**

Therefore the Commission applied a **very narrow review standard**:

They could only decide if the SCO acted **arbitrarily or capriciously**.

They concluded it did not.

ATTACHMENT 3

No provision in the federal cost principles (OMB Circular A-87 / 2 CFR Part 225) states that the *manner in which a cost is paid* changes whether the cost is allowable or whether it can be used as an allocation base for an indirect cost rate proposal (ICRP).
The federal rules focus on **whether the cost is incurred, allowable, allocable, reasonable, and consistently treated**, not on **how it was paid** (cash vs. interfund transfer, reimbursement vs. direct payment, etc.).

Below are the **exact governing sections** of the federal cost principles and related guidance.

---

1. Federal Cost Principles — 2 CFR Part 225 (OMB Circular A-87)

The relevant rules appear primarily in **Attachment A (General Principles)** and **Attachment E (Indirect Cost Rate Proposals).**

A. Factors Affecting Allowability of Costs

2 CFR Part 225 – Appendix A (formerly Attachment A), Section C.1

This section defines what determines whether a cost is allowable:

- The cost must be **necessary and reasonable** for program performance.
- The cost must be **allocable** to the program.
- The cost must be **authorized or not prohibited by law**.
- The cost must be **consistently treated** as either direct or indirect.

Notably, **the rule does not mention the method of payment as a factor in allowability**.

B. Allocable Costs

2 CFR Part 225 – Appendix A, Section C.3

A cost is allocable if it:

1. Is incurred **specifically for the federal award**, or
2. **Benefits both the federal award and other work**, and can be distributed proportionally, or
3. Is necessary to overall operations and assignable to the award.

Again, the rule concerns **benefit to the program**, not the **mechanism used to pay the cost**.

C. Reasonable Costs

2 CFR Part 225 – Appendix A, Section C.2

A cost is reasonable if it:

- Reflects what a **prudent person** would pay under the circumstances.

No language ties reasonableness to **payment method**.

---

2. Indirect Cost Rate Proposals (ICRP) — Allocation Base Rules

The rules governing **allocation bases** appear in **Attachment E**.

Allocation Base Selection

2 CFR Part 225 – Appendix E, Section C.3

This section states that:

- Indirect costs should be allocated using **a base that best measures the relative benefit to programs**.
- Possible bases include:
    - direct salaries and wages
    - total direct costs
    - staff hours
    - square footage
    - workload metrics (documents processed, population served, etc.).

Key point:

Any cost element or related factor may be used as an allocation base **if it best measures the relative benefits provided**.

Nothing in this section suggests that the **payment mechanism for the underlying cost affects its eligibility as an allocation base**.

---

3. Selected Items of Cost (Appendix B)

Appendix B of 2 CFR 225 lists specific cost categories (equipment, compensation, travel, etc.). Each item defines whether the cost is allowable or unallowable.

None of these provisions say that **the method of payment changes allowability**.

---

4. Uniform Guidance (successor rule)

The modern successor to A-87 is **2 CFR Part 200 (Uniform Guidance)**.
It retains the same principles:

- **2 CFR §200.403 — Factors affecting allowability**
- **2 CFR §200.405 — Allocable costs**

These also focus on:

- reasonableness
- allocability
- consistency
- documentation

—not **payment method**.

---

5. California State-Mandated Cost Claiming Rules

Under California's state mandate reimbursement system:

- The **Commission on State Mandates** adopts **Parameters and Guidelines (Ps & Gs)**.
- The **State Controller's Office (SCO)** issues **Claiming Instructions** based on those Ps & Gs.

Typical Ps & Gs provisions require:

- costs must be **actual costs**
- costs must be **supported by documentation**
- costs must be **incurred in performing the mandated activity**

Example audit language from SCO guidance:

- claimed costs must be **actual costs and properly supported**.

Again, this concerns **actual incurred costs**, not **how they were paid**.

---

6. What "Cost Principles" the Controller Is Likely Referring To

When the Controller's Office references "cost principles," they are almost always referring to:

1. **OMB Circular A-87 / 2 CFR Part 225**
2. **2 CFR Part 200 (Uniform Guidance)** (modern equivalent)
3. The **four core cost principles**:
    - Allowable
    - Reasonable
    - Allocable
    - Consistently treated

Those principles **do not include payment method as a criterion**.

---

7. Key Conclusion

Based on the actual regulatory text:

- **No section of 2 CFR Part 225 / OMB A-87 states that the manner in which a cost is paid affects its allowability or its eligibility as an ICRP allocation base.**
- The governing criteria are:
    - **incurrence of cost**
    - **reasonableness**
    - **allocability**
    - **consistent accounting treatment**
    - **documentation**

Therefore, if the Controller's Office claims that **payment method determines allowability or allocation base eligibility**, they would need to cite **a specific Ps & Gs provision or program-specific rule**, because **it does not appear in the federal cost principles themselves**.

Commission on State Mandates
November 2018 Meeting
Minutes

Minutes

COMMISSION ON STATE MANDATES

Location of Meeting: Room 447
State Capitol, Sacramento, California
November 30, 2018

Present: Member Mark Hariri, Vice Chairperson
Representative of the State Treasurer
Member Lee Adams
County Supervisor
Member Ken Alex
Director of the Office of Planning and Research
Member Yvette Stowers
Representative of the State Controller

Absent: Member Sarah Olsen
Public Member
Member Carmen Ramirez
City Council Member
Member Jacqueline Wong-Hernandez, Chairperson
Representative of the Director of the Department of Finance

NOTE: The transcript for this hearing is attached. These minutes are designed to be read in conjunction with the transcript.

CALL TO ORDER AND ROLL CALL

Vice Chairperson Hariri called the meeting to order at 10:04 a.m. Executive Director Heather Halsey stated that Ms. Olsen, Ms. Ramirez, and Ms. Wong-Hernandez would not be able to attend the hearing, noted that the existing membership of the Commission is seven and with four members present, a majority, there was a quorum, and called the roll.

APPROVAL OF MINUTES

Member Adams made a motion to adopt the minutes. With a second by Member Stowers, the September 28, 2018 hearing minutes were adopted by a vote of 4-0 with Members Olsen, Ramirez, and Wong-Hernandez absent.

PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA

The Vice Chairperson asked if there was any public comment. There was no response.

HEARINGS AND DECISIONS PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, CHAPTER 2.5, ARTICLE 7 (GOV. CODE, § 17551, 17557, 17559, and 17570) (action)

Executive Director Halsey swore in the parties and witnesses participating in the Article 7 portion of the hearing.

APPEAL OF EXECUTIVE DIRECTOR DECISIONS PURSUANT TO CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 1181.1(c) (info/action)

Item 2 Appeal of Executive Director Decisions

Executive Director Halsey stated that there were no appeals to consider for this hearing.

INCORRECT REDUCTION CLAIM

Item 3 *Enrollment Fee Collection and Waivers,* 15-9913-I-02

Education Code Section 76300; California Code of Regulations, Title 5, Sections 58501-58503, 58611-58613, 58620, and 58630
Fiscal Years: 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011

North Orange County Community College District, Claimant

Executive Director Halsey stated that the claimant notified Commission staff that they would not be sending a representative to the hearing. Senior Commission Counsel Eric Feller presented this item, and recommended that the Commission deny this Incorrect Reduction Claim.

Parties were represented as follows: Jim Venneman appeared on behalf of the State Controller's Office.

Following discussion among the Commission members, staff, and Mr. Venneman, Member Adams made a motion to adopt the staff recommendation. With a second by Member Stowers, the motion to deny this Incorrect Reduction Claim was adopted by a vote of 4-0 with Members Olsen, Ramirez, and Wong-Hernandez absent.

INCORRECT REDUCTION CLAIM

Item 4 *Interagency Child Abuse and Neglect Investigation Reports (ICAN)*, 17-0022-I-01

Penal Code Sections 11165.9, 11166, 11166.2, 11166.9[1], 11168 (formerly 11161.7), 11169, 11170, and 11174.34 (formerly 11166.9) as added or amended by Statutes 1977, Chapter 958; Statutes 1980, Chapter 1071; Statutes 1981, Chapter 435; Statutes 1982, Chapters 162 and 905; Statutes 1984, Chapters 1423 and 1613; Statutes 1985, Chapter 1598; Statutes 1986, Chapters 1289 and 1496; Statutes 1987, Chapters 82, 531, and 1459; Statutes 1988, Chapters 269, 1497, and 1580; Statutes 1989, Chapter 153; Statutes 1990, Chapters 650, 1330, 1363, 1603; Statutes 1992, Chapters 163, 459, and 1338; Statutes 1993, Chapters 219 and 510; Statutes 1996, Chapters 1080 and 1081; Statutes 1997, Chapters 842, 843, and 844; Statutes 1999, Chapters 475 and 1012; and Statutes 2000, Chapter 916; California Code of Regulations, Title 11, Section 903 (Register 98, Number 29); "Child Abuse Investigation Report" Form SS 8583 (Rev. 3/91)

Fiscal Years: 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, and 2012-2013

[1] Renumbered as Penal Code section 11174.34 (Stats. 2004, ch. 842 (SB 1313)).

City of Palmdale, Claimant

Senior Commission Counsel Matt Jones presented this item and recommended that the Commission deny this Incorrect Reduction Claim.

Parties were represented as follows: Annette Chinn, appeared on behalf of the claimant. Masha Vorobyova, appeared on behalf of the State Controller's Office.

Following discussion among the Commission members, staff, and parties, Member Alex made a motion to adopt the staff recommendation. With a second by Member Stowers, the motion to deny this Incorrect Reduction Claim was adopted by a vote of 4-0 with Members Olsen, Ramirez, and Wong-Hernandez absent.

HEARINGS ON COUNTY APPLICATIONS FOR FINDINGS OF SIGNIFICANT FINANCIAL DISTRESS PURSUANT TO WELFARE AND INSTITUTIONS CODE SECTION 17000.6 AND CALIFORNIA CODE OF REGULATIONS, TITLE 2, ARTICLE 6.5 (info/action)

Item 5 Assignment of County Application to Commission, a Hearing Panel of One or More Members of the Commission, or to a Hearing Officer

No applications were filed.

STAFF REPORTS

Item 6 Legislative Update (info)

Executive Director Heather Halsey stated that there is nothing new to report.

Item 7 Chief Legal Counsel: New Filings, Recent Decisions, Litigation Calendar (info)

Chief Legal Counsel Camille Shelton presented this item.

Item 8 Executive Director: Litigation and Personnel Subcommittee Appointments, Workload Update, and Tentative Agenda Items for the January and March 2019 Meetings (info/action)

Executive Director Heather Halsey presented this item, first describing the action item for the Commission's Litigation and Personnel Subcommittee appointments, to replace Member Chivaro. Executive Director Halsey explained that subcommittees serve in an advisory capacity to the Commission but do not take actions, any member may volunteer to serve, recommended that members nominate themselves and serve upon approval of the Commission, and nominated the Director of Finance or the Director's designee (in their absence) to serve on the Personnel Subcommittee.

Vice Chairperson Hariri inquired if the Commission needed to vote on this item and Executive Director Halsey asked that it be opened up for discussion among the members, and requested that if anyone wanted to volunteer for either position and then the members could vote on that upon making the motion. Member Adams stated that he would accept the Executive Director's recommendation for the Personnel Subcommittee and suggested that there are a few attorneys who may be most appropriate for the Litigation Subcommittee.

Member Alex stated that the November 2018 meeting would be his last meeting. Executive Director Halsey noted that Member Ramirez was not present and that a replacement for Member

Alex would also be needed. Member Alex suggested that the nominations be split and suggested dealing with the Litigation subcommittee nominations at the next meeting.

Member Adams made a motion to adopt staff's recommendation for the Personnel Subcommittee. With a second by Member Stowers, the motion to approve the Director of the Department of Finance or the Director's designee to serve on the Commission's Personnel Subcommittee was adopted by a vote of 4-0 with Members Olsen, Ramirez, and Wong-Hernandez absent. Executive Director Halsey then presented the workload and administrative workload updates.

CLOSED EXECUTIVE SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 11126 AND 11126.2 (info/action)

A. PENDING LITIGATION

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matters pursuant to Government Code section 11126(e)(1):

Trial Courts:

1. ***On Remand from the Third District Court of Appeal, Case No. C070357***
   State of California Department of Finance, State Water Resources Control Board, and California Regional Water Quality Board, San Diego Region v. Commission on State Mandates and County of San Diego, et al. (petition and cross-petition)
   Sacramento County Superior Court Case No. 34-2010-80000604
   [*Discharge of Stormwater Runoff*, Order No. R9-207-000 (07-TC-09), California Regional Water Control Board, San Diego Region Order No. R9-2007-001, NPDES No. CAS0108758, Parts D.1.d.(7)-(8), D.1.g., D.3.a.(3), D.3.a.(5), D.5, E.2.f, E.2.g,F.1, F.2, F.3, I.1, I.2, I.5, J.3.a.(3)(c) iv-vii & x-xv, and L]
2. *Fresno Unified School Dist. v. Commission on State Mandates*
   Sacramento County Superior Court, Case No. 34-2017-80002768
   [*Certificated School Employees – Parental Leave*, 16-TC-01]

Courts of Appeal:

1. *Coast Community College District, et al. v. Commission on State Mandates*,
   Third District Court of Appeal, Case No. C080349
   Sacramento County Superior Court, Case No. 34-2014-80001842
   [*Minimum Conditions for State Aid*, 02-TC-25/02-TC-31
   (Education Code Sections 66721, 66721.5, 66722, 66722.5, 66731, 66732, 66736, 66737, 66738, 66740, 66741, 66742, 66743, 70901, 70901.5, 70902, 71027, 78015, 78016, 78211.5, 78212, 78213, 78214, 78215, 78216, 87482.6, and 87482.7; Statutes 1975, Chapter 802; Statutes 1976, Chapters 275, 783, 1010, and 1176; Statutes 1977, Chapters 36 and 967; Statutes 1979, Chapters 797 and 977; Statutes 1980, Chapter 910; Statutes 1981, Chapters 470 and 891; Statutes 1982, Chapters 1117 and 1329; Statutes 1983, Chapters 143 and 537; Statutes 1984, Chapter 1371; Statutes 1986, Chapter 1467; Statutes 1988, Chapters 973 and 1514; Statutes 1990, Chapters 1372 and 1667; Statutes 1991, Chapters 1038, 1188, and 1198; Statutes 1995, Chapters 493 and 758; Statutes 1998, Chapter 365, 914, and 1023; Statutes 1999, Chapter 587; Statutes 2000, Chapter 187; and Statutes 2002, Chapter 1169; California Code of Regulations, Title 5, Sections

51000, 51002, 51004, 51006, 51008, 51012, 51014, 51016, 51018, 51020, 51021, 51022, 51023, 51023.5, 51023.7, 51024, 51025, 51027, 51100, 51102, 53200, 53202, 53203, 53204, 53207, 53300, 53301, 53302, 53308, 53309, 53310, 53311, 53312, 53314, 54626, 54805, 55000, 55000.5, 55001, 55002, 55002.5, 55004, 55005, 55006, 55100, 55130, 55150, 55160, 55170, 55182, 55200, 55201, 55202, 55205, 55207, 55209, 55211, 55213, 55215, 55217, 55219, 55300, 55316, 55316.5, 55320, 55321, 55322, 55340, 55350, 55401, 55402, 55403, 55404, 55500, 55502, 55510, 55512, 55514, 55516, 55518, 55520, 55521, 55522, 55523, 55524, 55525, 55526, 55530, 55532, 55534, 55600, 55601, 55602, 55602.5, 55603, 55605, 55607, 55620, 55630, 55750, 55751, 55752, 55753, 55753.5, 55753.7, 55754, 55755, 55756, 55756.5, 55757, 55758, 55758.5, 55759, 55760, 55761, 55762, 55763, 55764, 55765, 55800, 55800.5, 55801, 55805, 55805.5, 55806, 55807, 55808, 55809, 55825, 55827, 55828, 55829, 55830, 55831, 58102, 58104, 58106, 58107, 58108, 59404, and 59410; Handbook of Accreditation and Policy Manual, Accrediting Commission for Community and Junior Colleges (Summer 2002); and "Program and Course Approval Handbook" Chancellor's Office California Community Colleges (September 2001).]

2. *Paradise Irrigation District, et al. v. Commission on State Mandates, Department of Finance, and Department of Water Resources*
   Third District Court of Appeal, Case No. C081929
   Sacramento County Superior Court, Case No. 34-2015-80002016
   [*Water Conservation* (10-TC-12/12-TC-01, adopted December 5, 2014), Water Code Division 6, Part 2.55 [sections 10608-10608.64] and Part 2.8 [sections 10800-10853] as added by Statutes 2009-2010, 7th Extraordinary Session, Chapter 4California Code of Regulations, Title 23, Division 2, Chapter 5.1, Article 2, Sections 597-597.4; Register 2012, No. 28.]

3. ***On Remand from California Supreme Court, Case No. S214855,*** *State of California Department of Finance, State Water Resources Control Board, and California Regional Water Quality Control Board, Los Angeles Region v. Commission on State Mandates and County of Los Angeles, et al* (petition and cross-petition)
   Second District Court of Appeal Case No. B292446
   [Los Angeles County Superior Court, Case No. BS130730, Related Appeal from Second District Court of Appeal, Case No. B237153 [*Municipal Storm Water and Urban Runoff Discharges*, 03-TC-04, 03-TC-19, 03-TC-20, and 03-TC-21, Los Angeles Regional Quality Control Board Order No. 01-182, Permit CAS004001, Parts 4C2a., 4C2b, 4E & 4Fc3]

<u>California Supreme Court:</u>

1. *Counties of San Diego, Los Angeles, San Bernardino, Orange, and Sacramento v. Commission on State Mandates, et al*.
   California Supreme Court, Case No. S239907
   Fourth District Court of Appeal, Division One, Case No. D068657
   San Diego County Superior Court, Case No. 37-2014-00005050-CU-WM-CTL
   [Mandate Redetermination, *Sexually Violent Predators*, (12-MR-01, CSM-4509); Welfare and Institutions Code Sections 6601, 6602, 6603, 6604, 6605, and 6608; Statutes 1995, Chapter 762 (SB 1143); Statutes 1995, Chapter 763 (AB 888); Statutes 1996,

Chapter 4 (AB 1496) As modified by Proposition 83, General Election, November 7, 2006]

2. *California School Board Association (CSBA) v. State of California* et al.
   California Supreme Court, Case No S247266
   First District Court of Appeal, Case No. A148606
   Alameda County Superior Court, Case No. RG11554698
   [2010-2011 Budget Trailer Bills; Education Code sections 42238.24 and 56523]

To confer with and receive advice from legal counsel, for consideration and action, as necessary and appropriate, upon the following matter pursuant to Government Code section 11126(e)(2):

Based on existing facts and circumstances, there is a specific matter which presents a significant exposure to litigation against the Commission on State Mandates, its members or staff.

B. PERSONNEL

To confer on personnel matters pursuant to Government Code section 11126(a).

The Commission adjourned into closed executive session at 11:05 a.m., pursuant to Government Code section 11126(e), to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the published notice and agenda; and to confer with and receive advice from legal counsel regarding potential litigation; and to confer on personnel matters pursuant to Government Code section 11126(a)(1).

RECOVENE IN PUBLIC SESSION

REPORT FROM CLOSED EXECUTIVE SESSION

At 11:26 a.m., the Commission reconvened in open session, and Vice Chairperson Hariri reported that the Commission met in closed executive session pursuant to Government Code section 11126(e)(2) to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the public notice and agenda, and to confer with and receive advice from legal counsel regarding potential litigation, and, pursuant to Government Code section 11126(a)(1) to confer on personnel matters.

ADJOURNMENT

Hearing no further business, Vice Chairperson Hariri adjourned the meeting by a unanimous voice vote of the Commission at 11:27 a.m.

Heather Halsey
Executive Director

STATE OF CALIFORNIA

COMMISSION ON STATE MANDATES

RECEIVED

DEC 27 2018

COMMISSION ON STATE MANDATES

PUBLIC MEETING

FRIDAY, NOVEMBER 30, 2018

10:04 A.M.

STATE CAPITOL BUILDING

ROOM 447

SACRAMENTO, CALIFORNIA

REPORTER'S TRANSCRIPT OF PROCEEDINGS

ORIGINAL

REPORTED BY:
KATHRYN S. SWANK
Certified Shorthand Reporter No. 13061
Registered Professional Reporter

KATHRYN S. SWANK, CSR
303 Paddock Court
Roseville, California 95661
Telephone (916) 390-7731
KathrynSwankCSR@sbcglobal.net

A P P E A R A N C E S

COMMISSIONERS

MARK HARIRI
Representative for JOHN CHIANG, Director
State Treasurer
(Vice Chair of the Commission)

KEN ALEX, Director
Office of Planning & Research

LEE ADAMS III
Sierra County Supervisor
Local Agency Member

YVETTE STOWERS
Representative for BETTY T. YEE
State Controller

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COMMISSION STAFF

HEATHER A. HALSEY
Executive Director

HEIDI PALCHIK
Assistant Executive Director

MATTHEW B. JONES
Senior Commission Counsel

ERIC FELLER
Senior Commission Counsel

CAMILLE N. SHELTON
Chief Legal Counsel

---o0o---

A P P E A R A N C E S C O N T I N U E D

PUBLIC PARTICIPANTS

Annette Chinn
Cost Recovery Systems
for Claimant City of Palmdale

Jim Venneman, Audit Manager
State Controller's Office, Division of Audits

Masha Vorobyova, Audit Manager
State Controller's Office, Division of Audits

---o0o---

E R R A T A S H E E T

Page	Line	Correction
2	4	Representative for JOHN CHIANG, ~~Director~~
21	24	not excessive or <u>un</u>reasonable
42	18	distribution ~~basis~~ <u>bases</u>

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SACRAMENTO, CALIFORNIA

FRIDAY, NOVEMBER 30, 2018, 10:04 A.M.

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VICE CHAIRPERSON HARIRI: Good morning, everyone. The meeting of the Commission on State Mandates will come to order.

Ms. Halsey, will you please call the roll.

MS. HALSEY: Sure.

Ms. Ramirez, Ms. Olsen, and Ms. Wong-Hernandez contacted me to let me know they will be unable to attend today's hearing.

The existing membership of the Commission is seven; so with four members present today, a majority, we have a quorum.

Mr. Adams.

MEMBER ADAMS: Here.

MS. HALSEY: Mr. Alex.

MEMBER ALEX: Here.

MS. HALSEY: Mr. Hariri.

VICE CHAIRPERSON HARIRI: Here.

MS. HALSEY: Ms. Stowers.

MEMBER STOWERS: Here.

MS. HALSEY: Thank you.

VICE CHAIRPERSON HARIRI: Okay. The first item on the agenda is the minutes of the last September 28th,

2018, meeting.

Are there any objections or corrections to the minutes from the September meeting?

MEMBER ADAMS: I would move approval.

MEMBER STOWERS: Second.

VICE CHAIRPERSON HARIRI: Is there a second?

We have a motion and a second for adoption of the September 28, 2018, minutes.

All those in favor, please signify "aye."

(Ayes)

VICE CHAIRPERSON HARIRI: Any opposition?

(No response)

VICE CHAIRPERSON HARIRI: Any abstention?

(No response)

VICE CHAIRPERSON HARIRI: Okay. The minutes are adopted.

MS. HALSEY: Now we will --

VICE CHAIRPERSON HARIRI: Is there any public comment?

Oh, sorry.

MS. HALSEY: We will take up public comment now for items not on the agenda. Please note that the Commission cannot take action on items not on the agenda. However, it can schedule issues raised by the public for consideration at future meetings.

VICE CHAIRPERSON HARIRI: Okay. Is there any public comment?

(No response)

VICE CHAIRPERSON HARIRI: Hearing no public comments, we will move on to the next item, please.

MS. HALSEY: Since there are no proposed items for consent this morning, let's move to the Article 7 portion of the hearing.

Will the parties and witnesses for Items 3 and 4 please rise.

(Parties/witnesses stood to be sworn or affirmed.)

MS. HALSEY: Do you solemnly swear or affirm that the testimony which you are about to give is true and correct, based on your personal knowledge, information, or belief?

(Affirmative responses were heard.)

MS. HALSEY: Thank you.

Item 2 is reserved for appeals of Executive Director decisions. There are no appeals to consider for this hearing.

Senior Commission Counsel Eric Feller will present Item 3, an incorrect reduction claim on enrollment fee collection and waivers.

The Claimant notified Commission staff that

they would not be sending a representative to today's hearing.

MR. FELLER: Good morning. This incorrect reduction claim challenges the Controller's reduction of costs claimed for salaries and benefits for enrollment fee collection and waiver activities and the adjustments to offsetting revenues for Fiscal Years 98/99 through 10/11.

Staff finds the IRC is timely filed and the Controller's reductions are correct as a matter of law and not arbitrary, capricious, or entirely lacking in evidentiary support.

The Controller agrees with the proposed decision, but the Claimant does not.

Accordingly, staff recommends the Commission adopt the proposed decision to deny the IRC and authorize staff to make any technical, nonsubstantive changes to the proposed decision following the hearing.

Will the parties and witnesses please state your full name for the record, please.

MR. VENNEMAN: Jim Venneman, State Controller's Office.

Controller's Office supports staff's conclusion and recommendation.

VICE CHAIRPERSON HARIRI: Are there any public

comments on this item?

(No response)

VICE CHAIRPERSON HARIRI: Are there any questions from the members?

(No response)

MEMBER ADAMS: Mr. Chairman, I would just make the comment that I'm sorry the Claimant is not here. Because what jumped out at me is there are estimates of almost ten times over what was reality, and I would have liked to have asked why such a discrepancy. If something is a little off, that's fine, but ten times off, some explanation would have been nice to hear.

VICE CHAIRPERSON HARIRI: So how do we deal with issues like that? Just hold off to the question?

MS. HALSEY: The Claimant is not here to answer that so...

MR. FELLER: According to the record, the employees -- they took surveys of their employers [sic], and based on those employee surveys, they estimated the time that it took to perform the mandated activities. So that's -- that's -- I believe that's where they received that data.

MEMBER STOWERS: Chair? A question on that. With respect to the surveys, can you elaborate how the surveys -- do you know how they did the surveys? Is it

just interviewing the employees? Documenting their time?

MR. FELLER: The -- each employee filled out a form that had the columns and rows; and the rows for each reimbursable activity were listed; and then they listed the estimated number of minutes it took them to perform that activity; and then the -- they -- the employee signed the bottom of the form, certified under penalty of perjury, that that was -- that was correct, and they signed that.

But again, it differed with the Controller's time study.

MEMBER STOWERS: But this particular office was -- actually watched them perform the task and came up with a different time frame?

MR. FELLER: According to the record. Yeah, the Controller probably would be better qualified to answer that one, however.

MR. VENNEMAN: Yes. We actually went to the district and went to the various offices where the activities were performed, and we observed the employees performing the reimbursable activities and recorded the average times it took them to do those. We asked the district to comment on our observations about the time it took, and they didn't respond one way or the other.

We felt that our -- the time estimate -- the time, actual time, increments that we observed were representative of the actual time it took to perform the reimbursable activities.

MEMBER STOWERS: Thank you.

VICE CHAIRPERSON HARIRI: Okay. Is there any further discussion?

(No response)

VICE CHAIRPERSON HARIRI: With no further discussion, is there a motion?

MEMBER ADAMS: Mr. Chairman, I would make a motion to approve the staff recommendation.

VICE CHAIRPERSON HARIRI: Is there a second?

MEMBER STOWERS: Second.

VICE CHAIRPERSON HARIRI: Okay. It has been moved by Mr. Alex and -- sorry, by Mr. Adams; and seconded by Ms. Stowers.

If there are no other questions, would you please call the roll?

MS. HALSEY: Mr. Adams.

MEMBER ADAMS: Aye.

MS. HALSEY: Mr. Alex.

MEMBER ALEX: Aye.

MS. HALSEY: Mr. Hariri.

VICE CHAIRPERSON HARIRI: Aye.

MS. HALSEY: Ms. Stowers.

MEMBER STOWERS: Aye.

VICE CHAIRPERSON HARIRI: Okay. Motion carries.

We'll go on to the next item.

MS. HALSEY: Senior Commission Counsel Matt Jones will present Item 4, an incorrect reduction claim on interagency child abuse and neglect investigation reports, or ICAN.

MR. JONES: Good morning.

This IRC challenges reductions made by the Controller to reimbursement claims filed by the City of Palmdale for costs incurred during fiscal years 1999/2000 through 2012/2013 for the interagency child abuse and neglect investigation reports mandate, or ICAN.

The reductions at issue turn on adjustments made to the Claimant's time study and indirect costs as claimed. Staff recommends that the Commission deny this IRC based on the following findings:

The Controller's adjustments to the time study are correct as a matter of law and are not arbitrary, capricious, or entirely lacking in evidentiary support; and the Controller's disallowance of indirect costs as claimed was correct as a matter of law and not

arbitrary, capricious, or entirely lacking in evidentiary support.

Staff further recommends that the Commission authorize staff to make any technical, nonsubstantive changes following the hearing.

Will the parties and witnesses please state your names for the record.

MS. CHINN: Annette Chinn, Cost Recovery Systems, representative for the City of Palmdale.

MS. VOROBYOVA: Masha Vorobyova representing State Controller's Office.

VICE CHAIRPERSON HARIRI: Okay. Would you please explain your findings.

MS. CHINN: I have never done an incorrect reduction claim before, so I apologize in advance.

First, I would like to thank staff and the Commission for their time and consideration of our issue. I have over 30 years of experience in working in the field of government finance and as a consultant for filing these claims for state reimbursement, but zero experience with presenting IRCs.

One of the issues we wish to bring up today for your consideration is the area where the State Controller reduced our overhead costs, or ICRP rates, to zero. We believe that we were denied overhead costs

that we were eligible for under the state laws, which require reimbursement of both direct and indirect costs, and the denial of these indirect costs resulted in loss of revenue of approximately half a million dollars.

The City of Palmdale, like many cities in the state of California, contract for their law enforcement services. Palmdale's contract is with Los Angeles County Sheriff Department; and within their contract, there is a preset charge for the patrol deputies established by the county. Within this billable hourly rate, certain city -- or countywide overhead costs are included, such as the benefits of the employee; base supervisory support; countywide support, such as providing dispatch evidence records; and other specialized services, such as access to SWAT teams and homicide units when needed. However, it does not include all overhead costs.

We showed through our record that there were supplemental charges both within the contract, such as charges for additional clerical support, administrative support. In the case of Palmdale, usually they had additional administrative sergeants and clerks that they had contracted with to be dedicated staff for just their station. And then there were other outside costs, such as the contract -- I'm sorry -- countywide -- let me

back up.

Sorry. There were citywide support costs that were supported in the Cost Allocation Plan. In the Cost Allocation Plan, cities are able to bill for the cost of citywide services, such as of the City Attorney's Office, City Manager's Office, support for review of the contract, Finance Department's costs; and those are all approved and eligible under the federal OMB guidelines.

We believe that Commission staff agrees with us in the facts that we presented, that we did show that our costs were indeed above zero percent, and they, in theory, should be actual for state reimbursement.

I've worked for the City of Palmdale since 2000, and I have prepared their claims for state reimbursement. As a part of my services, I annually compute departmental overhead rates, or ICRPs, for all the programs that have direct costs. This also includes preparing overhead costs for the sheriff's contract as well. The rates I computed range between 6 and 13 percent without taking account the citywide overhead, which I mentioned was through the cost allocation plan.

We claimed 10 percent as an average because, one, when you request a rate of 10 percent or less per the claiming instructions, submission of backup to support that rate is not required; and, two, because we

felt that in the case of audit, we would be able to support or justify the rate that we submitted.

This was a fair rate, and not having to present documentation was advantageous since we were on a tight time frame. We were required to submit 14 years' worth of claims in the three-month period. And usually, when we do our annual claims, we have the same three-month time allotment, so doing 14 years' worth of claims in one 3-month chunk is a difficult task.

We presented our computations to the auditor during our audit and provided the support to prove that the rates that we claimed were supported and justified.

In addition to the overhead charges with the L.A. County contract, as I said, the City also included overhead contracts outside the contract to support the law enforcement service program, and I have kind of explained those. So when we factored in those county -- or the Cost Allocation Plan costs, our rates averaged between 12 and 15 percent, so we felt that our request for 10 was justified and reasonable.

According to the federal OMB and CFR guidelines, these costs are eligible for inclusion in the ICRP. And I will just read a quote to you. It says, "Indirect costs may include both, one, overhead costs of the unit performing the mandate; and, two, the

costs of central government services distributed by other departments, based on a systematic and rational basis through a Cost Allocation Plan." And that's exactly what we did in preparation of our rates.

The State Controller auditor refused to consider or allow any additional overhead costs, and our ICRP was reduced to zero.

Our auditor explained -- and, again, I quote -- "I have reviewed the City's indirect cost support and our position has not changed. The program's parameters and guidelines allow a 10 percent indirect cost against direct salaries claimed."

Because our salaries -- and that's the end of the quote.

Because our salaries were technically contract salaries, which included some base overhead, the State Controller denied to add any additional overhead even though we demonstrated that that overhead did exist.

We believe that the Controller's rationale is not correct nor is it supported by federal OMB or statutory guidelines. The rates we prepared were appropriate, were actual, and were computed in compliance with, again, federal and -- guidelines. Appendix E of the federal guidelines on page 180 states that the distribution base of indirect costs do not just

have to be based on salaries, but are allowed to be computed based on, one, total direct costs, excluding capital or other distorting items; two, direct salaries and wages; or, three, another base which results in an equitable distribution.

So again, the State Controller's stance that just because our rates were not based on direct salaries and wages invalidated them is not correct, because, again, based on the federal guidelines, which instructions say our mandates are supposed to comply with, we can also compute those rates based on, again, total direct costs or another base, which results in equitable distribution, and we did exactly that.

It should be noted that nowhere in the claiming instructions are there directions on how a local agency is supposed to address or show claims for overhead costs that are incurred under a contract-type scenario, as in this situation. And we should not be penalized for this deficiency in the instructions because we are simply doing our best to claim what our actual costs were.

We understand that the State Controller has broad authority and discretion over modifying the claiming instructions. And I guess my question is, if they feel that the presentation of overhead in a certain way has to be presented in a certain format, I would

request that they make those rules clear to claimants, because there are many cities in the state of California that do contract for law enforcement services, and there's no readily available means to include overhead that we can do, other than what was done in the claim. So I don't think it should just be not -- be denied for that technicality.

Government Code section 17561(a) states, "The state shall reimburse each local agency and school district for all costs mandated by the state."

The instructions, again, say that both direct and indirect costs are eligible costs for including in our claim.

Government Code section 17561(d)(i) states that the Controller shall "audit the records of any local agencies or school district to verify the actual amount of the mandated cost."

All that we requested during our audit was that they give our ICRP, or our overhead rate, adequate consideration and verify that those amounts were actually -- are actual costs.

The Government Code and regulations state that the auditor is to verify costs to determine if they are not excessive or reasonable. We believe that the costs of 10 percent were not excessive or unreasonable.

Denial of eligible costs due to a formatting dispute, we believe, is arbitrary and capricious, which denied us of costs close to half a million dollars. This denial of costs represents a -- you know, a hardship to the City, and we ask that the Commission respectfully consider this issue and ask the State Controller's Office to rereview our overhead rates and reinstate them to actual.

VICE CHAIRPERSON HARIRI: Thank you, Ms. Chinn.

MS. CHINN: I have another issue, but I don't know what the protocol is. Do we talk about this one first or go on to the next one?

MS. HALSEY: That's really up to the members.

VICE CHAIRPERSON HARIRI: Okay. That's fine. Go ahead. Go ahead.

MS. CHINN: Do you want issue 2 now too?

VICE CHAIRPERSON HARIRI: Please.

MS. CHINN: Okay. All right.

So our second issue or contention, that we believe there was a inappropriate disallowance made to our claims for state reimbursement, pertain to the application of time for report writing.

In the parameters of this program, the main eligible activities involve the time for the officer to conduct the preliminary investigation in order to

prepare a report and determine if the case was founded, unfounded, or inconclusive. When we prepared our claims for state reimbursement, we started early, because I knew that doing 14 years' worth of claims in three months was going to be pretty much an impossible task.

So when I began contacting my clients, I asked them for information based on what I thought was going to be approved for state reimbursement. When I did those analyses, you know, I reviewed all the documentations; Statements of Decision; I attended the prehearing conversations. It was pretty clear that the scope was going to be primarily that investigative component and then the report writing component.

However, I had interpreted a little bit more conservatively than what was finally granted. I thought that the time that was spent by the officer to prepare the report was only going to be eligible for substantiated cases.

So when I met with my clients, I explained to them, you know -- you know, asked for time for these different activities; have your time study track these four major components. And when the City did so, the first time when they prepared their time study, it wasn't a true time study in the definition of what the State Controller was looking for.

What the City had done was, they went back to their computer-aided dispatch records, and they were able to -- for those types of instances and investigations, they were able to determine the time that the officer arrived on scene, and then the time that the officer departed from that call for service. So they determined that that was the initial preliminary investigation time, and we thought that that was reasonable.

When I came back to the City the following year, I reviewed their time study results. Oh, also, just to back up.

During that time study, they also had done a time study for report preparation, and it's not really clear how they came up with their times. It averaged to be about 1.28 hours of report writing time for those investigations. And I know that cities have also similar programs where they can record when an officer logs in, types a report, and logs out. So I suspect that that was the method in which they derived that 1.28 hours per case.

So technically, while it's not a time study in the way the state, you know, wants you to sit there and track minute by minute, we felt that those times were reflective of actual costs.

So when I came to the City the next year, instructions had still not been released, so we still had more time, so I said, it's probably a good idea if we do another time study that would comply with the State Controller's rules. So I explained to them, you know, here's a new form; here are the activities; track them contemporaneously, so that when the deputy who does those investigations goes out on those calls for service, they would be tracking minute by minute what that cost was.

So the following year when I returned and I reviewed their reports again, while they had done that, they had lumped together all the activities under one line entry. And on that entry, they would enter Item 1, review of the SCAR form; Item 2, conduct investigation; Item 3, prepare the report; and Item 4, review and approve of the report.

So what my intention had been was that there would be Item 1 takes this amount of time; Item 2 takes this. But they had lumped it all together. And at this point in time, it was already too late to do another time study, so we had to prepare based on the information that we had.

So we knew in our time study, it was flawed because, again, I told you in the beginning, that my

instructions to my clients were that we only thought that the time to prepare substantiated reports would be included, but not for the unfounded cases.

So accordingly, the deputy who did those time studies, in her logs, did not note report writing time for about 80 percent of the cases in that time study. And that's pretty much reflective of what actual statistics are. When law enforcements go out and conduct these investigations, typically 80 percent are unfounded. Maybe 10 to 20 percent are actual founded and substantiated cases of child abuse. So the time study reflected, in general, what actually occurs as a whole, from what we observed.

So during the audit, we noticed that the state had reduced our request by approximately an hour, and I was trying to determine, well, where did that one-hour reduction come from, and, at first, it wasn't clear to me how -- how that reduction was made. And then it, you know, became clear that the reduction is because, in our time study, which the State took verbatim, they didn't factor in that 80 percent of our cases had not included report writing time. So we requested that they include time for report writing, but the State Controller denied that request.

So our stance is that that is not a fair

outcome. We asked for the opportunity to conduct another time study, at which time -- you know, the original time study was over a month period. We could have done -- during a two-year audit, it would have been a simple matter to do another time study that would capture the time that it takes to prepare unfounded or inconclusive reports, but we were denied that opportunity.

So, therefore, I'm here before you today, asking for an opportunity to do that, which wasn't granted to us during our original audit.

VICE CHAIRPERSON HARIRI: Thank you, Ms. Chinn.

Can we hear from Ms. Vorobyova this morning.

MS. VOROBYOVA: Good morning.

Well, first of all, I would like to start with saying that the State Controller's Office agrees with the staff-proposed decision, and to quickly comment on the two issues of indirect costs and the report writing time.

The -- as Ms. Chinn indicated, the City did not incur any direct costs because they don't have the agency to perform the reimbursable activity. They contract with Los Angeles County Sheriff's Department to perform the reimbursable activities, and, therefore, the costs that were claimed are the contract services costs.

The billable rates that the City paid to Los Angeles Sheriff's Department do include some overhead items built into the rates, and we have showed that in our record. So some overhead costs are reimbursable through the contract service rate.

The City did not claim indirect costs in accordance with parameters and guidelines. The 10 percent rate that Ms. Chinn is referring to is only allowable to be claimed on top of direct salary costs, which, in this instance, were not incurred.

And on the subject matter of report writing time, I would like to be clear that the time increment that is allowable for the specific claim does include report writing time within the average time increment.

As Ms. Chinn indicated, the time increment was all encompassing without segregating the time increment into each specific activity. So to validate those four reimbursable activities, our staff performed interviews with the deputies who actually performed these investigations, and we asked about the report -- report writing time in those interviews and validated that the report writing time was, in fact, included in the average time increment.

The reduction of the average time increment actually would not reduce any report writing time. It

had to do with the -- eliminating from the time study population one case that was ineligible to be claimed, because that one case included activities that went beyond the scope of the mandate and included activities that happened after the case is found to be substantiated and further investigation continues.

So I want to be clear that the change in the time increment has nothing to do with report time -- report writing time. And I believe report writing time is an additional increase that the Claimant is requesting.

VICE CHAIRPERSON HARIRI: Thank you.

Are there any public comments on this item?

MS. CHINN: Can I -- rebuttal?

Okay. So the first point of the 10 percent not being applicable and that cities are not incurring direct costs is -- it's rather naive. I mean, the City is incurring direct costs. They are just contract costs. When a city hires an attorney, those rates -- if they are doing the valid activities -- those are eligible for reimbursement, as we were reimbursed for that.

Masha, Ms. Vorobyova, mentioned that some overhead was included in the rates that we requested, and that's true. They did give us a 4 percent liability

rate that was a part of the contract. However, it did not include any of the administrative staff, the support staff, the clericals. Did not include cost allocation, planned costs. Again, all of those costs are eligible for reimbursement under federal guidelines. The way in which we prepared the overhead rates are in compliance in federal rules and federal guidelines. So the 10 percent is supported and is properly applied to the contracted hourly rate. So that is not a valid point.

MEMBER ALEX: Maybe I can try to cut through this.

It seems to me, there are two separate questions here. One is, is it -- is it reasonable for Palmdale to have overhead in addition to that in the contract? That's one question.

It rolls into the next question, which is whether those -- I think it's very likely -- I mean, the State obviously charges overhead when it does contracting and gets reimbursed. So I -- I think that's pretty clear that you could.

So the real question, for me, is, does it -- is it covered by the -- by the reimbursement requirements here? And maybe you can speak to that. Because I think it's pretty clear, there are -- there are indirect costs incurred by the City. And the question is, is it

reimbursable in this context?

MS. CHINN: Maybe the legal staff can comment, but based on legal descriptions in the California constitution, it says local agencies are entitled --

MEMBER ALEX: Don't -- don't -- the constitution and federal requirements, they are not relevant to this --

MS. CHINN: Okay. So I am trying to answer the question.

MEMBER ALEX: I -- I am asking the Controller --

MS. CHINN: I believe the OMB guidelines do.

MEMBER ALEX: I am asking the Controller.

MS. CHINN: Okay. I'm sorry.

MEMBER ALEX: Okay. Thank you.

MS. VOROBYOVA: I believe determining reasonableness applies a bit of subjectivity. When we do our audits, we audit to the parameters and guidelines. And parameters and guidelines are very clear in how to claim where 10 percent applied and where it does not. And, therefore, our reduction is in accordance with parameters and guidelines, which is a judgment criteria for the mandated cost claims.

MS. CHINN: So in other audits where we have a -- and I know you guys don't like to go into other

audits but --

MEMBER ALEX: Hang on. Hang on a second.

MS. CHINN: Okay.

MEMBER ALEX: Maybe I can ask staff as well, if you have an opinion on that.

Because, to me, the question is, the parameters and guidelines control unless there's something that overrules this. And so I just want to know your view of the -- of the City's ability --

MR. JONES: Yes, sir. That's staff's recommendation too: The parameters and guidelines only allow 10 percent to be applied to direct costs, direct salaries, and benefit costs. So when your salaries are incurred through a contract, as this City's are, maybe there's -- you know, maybe that's a flaw in the parameters and guidelines, but it's -- there's just not -- there's not a provision for that. It suggests that -- the parameters and guidelines, in plain language, says that if your direct -- your indirect cost rate exceeds 10 percent, then you can prepare an indirect cost rate.

And there is some documentation in the record here that that was -- there was an attempt to do that. But it's not clear -- when I look at the documentation, I don't see anything supporting what the direct cost

basis is versus the indirect costs that are allocated. I don't see anything -- and, again, the Commission staff shouldn't be in the position of reweighing the evidence that the Controller was looking at either.

So the finding here, that we're recommending that you adopt, is that rejecting the -- or that disallowing the 10 percent as claimed was correct as a matter of law, and that, essentially, there was not enough -- there's nothing here that would compel the Commission to find that the Controller was arbitrary in what came after that.

MEMBER ALEX: Right.

So you -- so you have a pretty high burden here. I mean, it has to be on the record, and it has to be in -- relevant to the parameters and guidelines.

MS. CHINN: So what if the parameters and guidelines don't cover something like this adequately, that the parameters and guidelines should allow for overhead costs to be charged regardless of how it -- what the basis is, if it's salaries or if it's total direct costs.

I think that there's an issue here with the parameters and guidelines, in that it doesn't comply with federal OMB guidelines. So to say that a local agency is denied their overhead costs simply because the

way that the instructions are written, that it applies only to salaries, is incorrect.

In cost accounting practice, that basis can be salaries, benefits, and, as I read to you, can be total costs. It can be another allocable basis that is a fair representation of costs.

And, again, you know, I understand that the Commission staff, they are not cost accountants, and, perhaps, it would be wise for them to have some cost accountants to give them some advice in matters such as these. Because when parameters and guidelines -- I would imagine, when they don't comply with federal guidelines, then the federal guidelines should trump instructions that are perhaps not adequately written to allow for the provision of overhead costs that are clearly reimbursable under constitution and the parameters -- of the basic parameters that say direct and indirect costs are eligible.

So deny it just, again, a "gotcha," like, oh, sorry, you didn't exactly meet these requirements not based on salaries; it's based on salaries and total costs of that contracted position's hourly rate, it just seems like it's overlooking the intent of the law for the minuscule description of that law, which is written by the State Controller's Office. And if that's not

correct and doesn't match federal guidelines, again, I would think federal guidelines should trump State Controller instructions.

MEMBER ALEX: Not in a state proceeding.

But -- but anyway, Camille, maybe talk to the --

MS. SHELTON: Let me just comment a little bit.

MEMBER ALEX: Yeah.

MS. SHELTON: So the plain language of the parameters and guidelines does allow the 10 percent for employee costs, but does have that catch-all provision, which is consistent with federal OMB. It allows you to prepare an indirect cost rate proposal in those situations. And that opportunity was provided, at least based on the record, that you could have prepared an indirect cost rate proposal, which was reviewed by the Controller's Office, and we don't see any evidence that they didn't review your proposal. So it's there.

Number 2, the Ps and Gs are binding. They went through the process; all parties had an opportunity to comment. If there's something lacking or you wanted more clarity in the indirect cost rate language, that needs to come up through comments and discussion when the Ps and Gs are being adopted, or a request to amend the parameters and guidelines is also available for

those reasons.

So these do comply with federal law because of that catch-all proposal that allows you to prepare an indirect cost rate proposal.

MS. CHINN: So which is it? If we can prepare one, but they won't allow it?

MS. SHELTON: That is within the Controller's discretion under the law.

MS. CHINN: How is that not arbitrary and capricious, that we prepare a rate, it's in compliance with federal law guidelines, but the State won't allow or consider it?

I guess I am not understanding the transition of the logical flow here.

MS. VOROBYOVA: We did consider it. And the evidence in the record does show that we reviewed those proposals, and it also shows some of the issues we found with those proposals.

MS. CHINN: There were no discussions in -- in earnest.

We only had two responses from the State Controller's auditor, and, basically, he said, (as read), "I have reviewed the indirect cost support and the program's parameters allow a 10 percent indirect cost rate against direct salaries claimed. Therefore,

no allowance of indirect costs were allowed."

There was no back and forth. There was no discussion of -- "So why are you including this sergeant? Why are you including this secretary? What is proof of your departmental countywide overhead costs?" None of that was ever addressed.

The only answer we got -- we presented and presented and presented. And all we got back from the State Controller's Office was a basic, flat-out, "no"; it doesn't comply with this. It's not a salary in the sense of a salary; even though it is a salary, it's just a contract salary. So, again, based on technicality, the State is able to rob us of half a million dollars, and that is not a just outcome.

They should be required to -- again, it says in their guidelines, they are supposed to review based on actual. So they are supposed to come to your claimed city and reconcile to actual. Zero overhead is not actual. So, clearly, a complete disallowance of costs is not a fair outcome.

All we're asking for is that they come back and review our actual rates, as they should have in the beginning.

MEMBER ADAMS: Good morning.

A few different questions. Just on the comment

you just said of zero overhead, there actually is some overhead that's reimbursed because of what is in the contract with Los Angeles County, correct?

MS. VOROBYOVA: Thank you.

MS. CHINN: There was only 4 percent.

MEMBER ADAMS: Okay.

MS. VOROBYOVA: Yes. There's -- it's not only liability and we included the sheet from the L.A. County Sheriff's Office, which identifies what's included on -- in billable rates. There's also administrative positions that are included. There's some overhead built into the rates.

MS. CHINN: There is.

MEMBER ADAMS: With that -- with that said, I don't want this to be a "gotcha" moment. I heard that word.

And under the parameters -- parameters and guidelines, would there have been an appropriate way to claim these indirect costs? And did they miss that opportunity? Or under the P and Gs, there's just no way?

MR. JONES: May I speak to that, Mr. Adams?

MEMBER ADAMS: Please.

MR. JONES: Staff's position is that, yes, there was an appropriate way, and it was to develop an

indirect cost rate proposal with documentation that the Controller could review. And there's some evidence that at least in the latter half of the audit prepared, there is some documentation in the record.

But the way I read the record, and all the correspondence between the auditor's staff and the Claimant representative and the Claimant's finance director, finance manager of the City, all -- the way I read the record, the entire time up until this very last comment that we have in our record, Exhibit E, the Claimant has only ever sought the 10 percent and sought to use that documentation to justify why the 10 percent is a reasonable figure.

But it's not -- staff's position is that it's -- it shouldn't be the Commission's place to tell the Controller to do what's reasonable. The Commission should only be determining whether the Controller did something that was arbitrary or capricious.

And since the 10 percent -- by the plain language, the 10 percent rate is clearly not available to this Claimant, based on the Ps and Gs, that documentation being used to justify the 10 percent or, you know, to -- to support a rate that was reasonable is just -- that's not really within the Commission's purview, in our opinion.

MEMBER ADAMS: Understand.

MS. CHINN: So --

MEMBER ADAMS: Just -- just one other comment, if I can. And that is, I'm finding interesting the real property that is somehow part of this. I'm not quite getting that nexus of how throwing in a piece of real property becomes an indirect cost.

MS. CHINN: Oh. Oh, purchase of a facility for the sheriff's office?

So that was one of the items -- I am assuming that you were reading through in the record -- where the City and the County partnered to construct a new facility for -- for the sheriff's office. And as a part of that partnership, there were certain infrastructure improvements, land donation, which the State Controller said that land donations technically do not comply under OMB, which is true. But there were a lot of other infrastructure improvements that were provided by the City that we presented to the State, that show that there were other valid costs.

We -- when we -- when I originally prepared my claim, as I said, my first rates were 6 to 13 percent. The question that the Commission staff mentioned was, why did we wait until the last minute? Well, that was because at the last minute, we were told that we were

going to be denied our 10 percent. All through the audit process, we were focused on time, activities, documentation, and then, at the last minute, we were told, oh, and by the way, you are not going to get any reimbursement for your overhead costs.

At that point, we scrambled and said, hey, we have documentation, plenty of it. As I said, I've been working with the City since 2000, and every year I've been preparing these rates. I wouldn't have submitted those requests for 10 percent if I did not believe that we couldn't justify those rates and that those rates wouldn't be reviewed in case of an audit.

So when the auditor said, we're not going to give you your 10 percent, I said, wait, hold on, here's -- I have tons of documentation, and I, you know, kept sending more and more. Here's -- you know, here are my rates that I prepared at the time, contemporaneously. Here are additional costs that we didn't even include or build into those 6 to 13 percent rates.

So I feel like we -- as a City side, we did our due diligence of requesting for costs that we felt were supported and were actual.

And -- and those parameters and guidelines, if it says direct salaries and benefits, well, then, it

should read to match the federal OMB guidelines which lists those three components under which indirect costs may be included.

Overhead costs may be based on -- sorry, too many papers -- salaries and benefits and total direct costs or another basis that results in a just and reasonable allocation of costs.

So those parameters should match, you know, I guess the State's parameters just took salaries and benefits. In most cases that's what's going to happen. But in contract cities, they are salaries and benefits, but they are through a contract.

So, again, I don't know what the answer is. It is a "gotcha" moment. But we -- you know, we just feel that we've been treated unfairly and would like some restoration of costs based upon our actual costs.

MR. JONES: Just to clarify, for the members, the three direct costs or distribution basis that the Claimant is describing are, in fact, in the parameters and guidelines, but it's under the section that requires you to actually prepare an indirect cost rate proposal.

MS. CHINN: Which we did.

MR. JONES: It's not -- the 10 percent does not apply to those three options. The 10 percent only applies to direct salaries and benefits placed -- based

on the plain language.

And as Camille said, if Claimants have an issue with that language, then it needs to be brought up when the parameters and guidelines are being adopted. They are, in fact, binding --

MS. CHINN: Well, if it's --

MR. JONES: -- in this context.

MS. CHINN: -- there, then what do we have to fix? You just said that they're in the parameters and guidelines. So what is there to fix?

MR. JONES: Yes. But you've always been claiming your -- excuse me. I don't mean to -- I will address the members.

MS. CHINN: That's fine.

MR. JONES: The Claimant has been claiming their indirect costs based on the 10 percent default rate, in attempting to justify that 10 percent default rate throughout the audit process. And essentially what they are asking the members to do now is to rewrite their claim and request that the Controller revisit this audit many years past the deadline for amended claims.

MS. CHINN: Again, the --

MR. JONES: So that's -- staff's position is that it's just not appropriate to do it at this time.

MS. CHINN: The instructions do not require us

to prepare or present --

MEMBER ALEX: Can I ask you to have the Chair recognize you before you speak --

MS. CHINN: Yes.

MEMBER ALEX: -- so that we can have a proceeding.

MS. CHINN: I'm sorry.

MEMBER ALEX: Thank you.

VICE CHAIRPERSON HARIRI: All right. Please go ahead.

Are you done, first? Excuse me. Are you finished?

Go ahead.

MS. CHINN: I just wanted to say that in the claiming instructions, it says specifically, you do not have to attach your overhead rate computations if your rates are below 10 percent.

So we feel that we followed the instructions. It said, you do not have to include -- do you want me to show you where that is, Mr. Jones?

MR. JONES: No, thank you.

That -- you are actually misrepresenting the parameters and guidelines at this point.

If I may, for the members, the parameters and guidelines say that you can -- you can prepare an

indirect cost rate proposal if the indirect cost rate claimed exceeds 10 percent, not if it's less than 10 percent.

MS. CHINN: It did not exceed 10 percent. Okay? So our -- our amount we requested was 10 percent under that amount.

Under the instructions, we weren't required to submit those forms. We didn't submit them, but we had them as back-up in case of audit. We understood that the purpose of the audit was reconciled to actual. We had actual ready. We had prepared them contemporaneously. We had proof of actual costs. The actual costs are not zero, yet the State reduced everything. And I guess that there's not much more.

VICE CHAIRPERSON HARIRI: Thank you again for your testimony. I think we have had enough information.

More questions?

MEMBER ALEX: Camille, I think you've wanted to say something for a minute.

MS. SHELTON: Only to remind the members that the standard -- the legal standard of review for these audit issues, that the Commission may not reweigh the evidence or substitute its judgment for that of the Controller. The Commission's review is limited to ensuring that the Controller has adequately considered

all relevant factors and has demonstrated a rational connection between those factors and the choices made.

VICE CHAIRPERSON HARIRI: Thank you.

MEMBER ALEX: I -- I have a comment.

I mean, I -- I'm sympathetic to the City because I do think their -- you know, my experience is that there is overhead associated with a contract, and I think it's typical.

But I have to say that there -- there is a process to have -- if it was a parameters and guidelines problem, that should have been raised in an -- in an appropriate way. And then once that wasn't the case, that it -- it does seem that the requirements, in terms of the review and what's on the record, is not supporting the City's position.

And so it's really hard for this Commission to, as Camille just said, given the standard of review, to go outside of that process.

MEMBER ADAMS: Mr. Chairman, if I could add just some comments.

VICE CHAIRPERSON HARIRI: Sure. Go ahead.

MEMBER ADAMS: I, too, am sympathetic, but it appears, to me, that there may be an issue with the parameters and guidelines not fitting what you folks are necessarily wanting to do. And that is -- my

understanding is, you get those administrative costs on direct costs, not contract costs, but direct costs. And for any other costs, if it's less than 10 percent, you don't have to itemize. If it's over 10 percent, you have to itemize.

But in this instance, yours were less than 10 percent, but they weren't based on direct costs, and there lies your problem.

MS. CHINN: No. They were based on direct costs.

MS. SHELTON: He means direct employee costs.

MEMBER ADAMS: Right. Yeah.

MS. CHINN: Oh.

MEMBER ADAMS: Yeah. As opposed to contract costs.

MS. CHINN: They are direct costs. They are just through a contract.

MEMBER ADAMS: Right.

So, again, I am sympathetic, but I'm not sure we have many options here.

MS. SHELTON: The parameters and guidelines are binding. You can't -- you have to follow the plain language of the parameters and guidelines. You don't have any authority to go beyond that.

MEMBER STOWERS: Mr. Chair?

VICE CHAIRPERSON HARIRI: Yes.

MEMBER STOWERS: Just a simple question for me, to staff. You talked about the time period has expired for them to have amended their claim. Can you, for the record, share what that time period was.

MR. JONES: I don't know the exact date that claiming instructions were issued in this case. Perhaps the Controller's representative can speak to that.

But I do know that the claims, the original claims, were filed sometime around June or July of 2014, and then amended claims have already been filed in this case in July of 2015, and the amended claims were timely by maybe a week or a few days. So the time period for filing the amended claims would have run out mid July 2015.

MEMBER STOWERS: State Controller's Office?

MS. VOROBYOVA: That is correct.

And like Mr. Jones indicated, the original claims were filed. And subsequent to that, about a year later, claims were amended for a higher amount, and we evaluated the amended claims clearly.

And I also would like to make a quick comment that we always try to avoid a "gotcha" moment -- moment to the State Controller's office. As we provided evidence here and documentation to show that even though

we may have disagreed with some of the documentation that was provided early on in the process, we worked with the City, at length, to justify the time study that was not performed contemporaneously. And if we wanted to audit to a technicality, we would have disallowed the entire time study, but we did not. And we take pride in the fact that we did work with the City. We always work with our claimants.

If there's evidence that activities did take place -- which, in this case, of course they did -- we work with the claimants as much as possible, trying to provide for reimbursable costs.

And in this instance, even though we may disagree with some of the findings, however, we believe we did everything possible to review the proposed indirect cost proposals, and they were always presented to justify the 10 percent rate.

MEMBER STOWERS: Okay. Thank you.

VICE CHAIRPERSON HARIRI: Thank you.

Thank you. Thank you both.

MS. CHINN: Can I comment? Am I allowed to?

VICE CHAIRPERSON HARIRI: Okay. Go ahead.

MS. CHINN: That all sounds great. But there are some issues with what Ms. Vorobyova said.

She said that we did not have a contemporaneous

time study, and that's incorrect. We had two. As I mentioned, we had the first one that was done with the CAD Report, and then we had a second one that was contemporaneous, and the State found that it was contemporaneous. So questioning our documentation is not -- that was just not a correct comment.

And then the fact that they are saying that they worked so hard with us, the evidence in the record shows that that's not the case. If you look at the -- the span from when we were notified that we were not going to get overhead rates included to the exit conference, it was, like, a two-week time frame.

So their representation that, oh, we've done everything that we can to review their rates is not true. I mean, if that was true, there would be more evidence in the record where they would say, well, prove to us that your sergeants are administrative; prove to us that these clerks are providing direct benefits to the departmental costs.

None of that is in the record because none of that took place. There was no back and forth. It was a pretty clear definition and a decision by the State Controller's Office that they were just going to deny all indirect costs. There was no opportunity for back and forth.

I was sending these attachments at the last minute because that's all we had to do. We had two weeks before we were notified we were not get getting our indirect costs to, our exit conference is going to be in two weeks from now. So, you know, if -- if that was the case, then there wouldn't be incorrect reduction claims. The Claimants would feel that they were treated fairly by the State Controller's Office, but that's not the case, as can be attested by the length and the number of incorrect reduction claims that are out there.

And I think that there should be something like a Claimant Bill of Rights that says, when you are being audited, here are your rights: You have the right to ask for a time study if something is not included, and the State is just denying outright. What are the rights that a city has to protect their reimbursements; there's nothing like that.

So we're all forced to come here before you, and then we're told by the legal staff that you can't do anything to help us. So we're put in a catch-22 position of, we're playing by some set of rules, that we're not aware of, what we have to do in order to be able to substantiate and keep our money.

And the ball is always in the State Controller's Court, where they can, like, bully you

around and do whatever they want, and you don't have a chance --

VICE CHAIRPERSON HARIRI: Thank you. Thank you very much.

I think we have taken enough time on this issue.

MS. CHINN: Okay. I --

VICE CHAIRPERSON HARIRI: I would like to ask, is there any public comments?

(No response)

VICE CHAIRPERSON HARIRI: Okay. Any further questions from the members?

(No response)

VICE CHAIRPERSON HARIRI: Any further discussion?

(No response)

VICE CHAIRPERSON HARIRI: Thank you.

I understand your further comment and we sympathize with you as well.

I would like -- is there a motion?

MEMBER ALEX: I will move the staff report.

MEMBER STOWERS: Second.

VICE CHAIRPERSON HARIRI: Okay. Is there a second?

Second.

Okay. There has been a motion moved by Mr. Lee [sic] and a second by Ms. Stowers to adopt and approve staff's recommendation.

Would you please take a roll call.

MS. HALSEY: Mr. Adams.

MEMBER ADAMS: Aye.

MS. HALSEY: Mr. Alex.

MEMBER ALEX: Aye.

MS. HALSEY: Mr. Hariri.

VICE CHAIRPERSON HARIRI: Aye.

MS. HALSEY: Ms. Stowers.

MEMBER STOWERS: Aye.

MS. HALSEY: Thank you.

VICE CHAIRPERSON HARIRI: Motion is carried.

MS. CHINN: Thank you.

MS. VOROBYOVA: Thank you.

VICE CHAIRPERSON HARIRI: Thank you both.

MS. HALSEY: Item 5 is reserved for County applications for a finding of significant financial distress, or SB 1033 applications.

No SB 1033 applications have been filed.

Item 6 is the legislative update, and there is nothing new to report on that.

Chief Legal Counsel Camille Shelton will present Item 7, the Chief Legal Counsel's Report.

MS. SHELTON: Good morning.

There have been no new filings since the last Commission meeting, but there have been some recent court decisions:

On November 19th, the California Supreme Court did issue its decision in the County of San Diego versus Commission on State Mandates decision on the sexually violent predator mandate redetermination case.

The Court found that the Commission erred when it treated Proposition 83 as a basis for terminating the state's obligation to reimburse counties, simply because certain provisions of the Sexually Violent Predator Act had been restated without substantive change in Proposition 83. The Court remands the matter to the Commission to determine whether the expanded definition of a "sexually violent predator" in Proposition 83 transformed the test claim statutes as a whole into a voter-imposed mandate or, alternatively, did so to the extent the expanded definition incrementally imposed new additional duties on counties.

A second decision has been issued by the Sacramento County Superior Court in Fresno Unified School District versus Commission on State Mandates, which challenged the test claim on certificated school employees parental leave. There, the Court found that

the statute imposed a new program or higher level of service, but agreed with the Commission's finding that the test claim statute did not result in increased actual costs mandated by the State.

We are still waiting for the Court's decision in Paradise Irrigation District versus Commission on State Mandates. And we have one hearing on the calendar set for February 8th, 2019, on the remand for the discharge of stormwater runoff.

And that's all I have.

VICE CHAIRPERSON HARIRI: Okay.

MS. HALSEY: Item 8 is the Executive Director's Report.

I first have an action item, and that is for our Litigation and Personnel Subcommittee appointments.

On -- the September 2018 meeting was the last Commission hearing for Member Chivaro, who was an active member of the Litigation Subcommittee and Personnel Subcommittee for many years. As such, the Commission needs to seek a replacement for him in these capacities.

Subcommittees serve in an advisory capacity to the Commission, but do not take actions. Any member may volunteer to serve and, upon vote of the Commission, may serve on a subcommittee of the Commission. Commission staff recommends allowing members to nominate themselves

and upon -- and serve upon approval of the Commission.

And on behalf of Finance, I would like to nominate the director or the director's designee to serve on the Personnel Subcommittee.

VICE CHAIRPERSON HARIRI: Do we need to vote on this?

MS. HALSEY: I would first open it up for discussion among the members, and if anyone wants to volunteer for either of those positions, and then the members could vote on that or make a motion.

MEMBER ADAMS: Mr. Chairman, I certainly would accept the Executive Director's recommendation for the Personnel Committee.

And as far as the Litigation Subcommittee, I was going to suggest that I think there's a few attorneys on the Commission. Whether or not that would be most appropriate, to have somebody with a legal background on that committee.

MS. HALSEY: That's -- that's true. And Carmen is not here today --

MEMBER ADAMS: Yeah. I hate to push her under the bus --

MS. HALSEY: Should we nominate her in her absence?

MEMBER ADAMS: -- while she's not here.

MEMBER ALEX: And I should note, this is my last Commission meeting.

MS. HALSEY: We'll be revisiting this again next hearing to -- to replace Ken.

MEMBER ALEX: If it's appropriate, do you want to split these? And I would make a motion to support your recommendation for the Personnel Committee. And if you want to deal with the next one at the next meeting, so that we're not shoving Carmen under the bus while she's not looking.

MS. HALSEY: If you like, we could do that.

MEMBER ADAMS: So that would be my motion.

MEMBER STOWERS: Second.

MS. HALSEY: Okay. Thank you.

So then Department of Finance will serve on the Personnel Subcommittee.

And we're going to leave the Litigation Subcommittee open until next hearing.

Thank you.

Oh, do we have a motion?

VICE CHAIRPERSON HARIRI: Make a motion on this one?

MS. HALSEY: Yes, please.

MEMBER ALEX: A motion and a second.

VICE CHAIRPERSON HARIRI: Okay. Do I have a

motion?

MEMBER ADAMS: Yes.

VICE CHAIRPERSON HARIRI: Motion adopted.

MEMBER STOWERS: Second.

MEMBER ADAMS: Do we have to vote?

MS. HALSEY: Motion to appoint the Director of Finance to Personnel Subcommittee.

VICE CHAIRPERSON HARIRI: Please do a roll call.

MS. HALSEY: Okay.

MEMBER STOWERS: Do you want to restate the motion?

VICE CHAIRPERSON HARIRI: Need some practice on this one.

MS. HALSEY: Mr. Adams.

MEMBER ADAMS: Aye.

MS. HALSEY: Mr. Alex.

VICE CHAIRPERSON HARIRI: First time I'm doing it.

MEMBER ALEX: Aye.

MS. HALSEY: Mr. Hariri.

VICE CHAIRPERSON HARIRI: Aye.

MS. HALSEY: Ms. Stowers.

MEMBER STOWERS: Aye.

MS. HALSEY: I think -- I think we could have

done that with a voice vote too.

VICE CHAIRPERSON HARIRI: Oh, okay.

MS. HALSEY: Thank you.

Also, we have a workload update. After this hearing, there are 43 pending test claims. We have 22 notices of complete test claim filing that have issued since we last met. And four of those issued after the binder was issued for this hearing. Forty of these test claims are regarding Stormwater NPDES Permits. Two parameters and guidelines, including one regarding Stormwater NPDES permits, and three statewide cost estimates, including one regarding NPDES permits, are pending. And the NPDES matters are on inactive status pending the outcome of litigation regarding the test claim decisions underlying those two matters.

In addition, there is one parameters and guidelines amendment on inactive status pending the outcome of litigation in the CSBA case, which is currently pending before the California Supreme Court.

Finally, we have five incorrect reduction claims pending. As of today, the Commission staff expects to hear all currently pending test claims and IRCs by approximately the March 2024 Commission meeting, although that may be earlier if some of these test claims are consolidated, which they may be.

And that is all I have.

If you have -- oh, sorry. No, it's not all I have.

With regard to administrative workload, in addition to preparing and presenting hearing matters before the Commission, Commission staff are responsible for all administrative duties of an agency. In that respect, Commission staff is in the process of implementing compliance measures and preparing a report of compliance in response to the State Personnel Board compliance audit process for human resources issues.

In addition, Commission staff are deeply into the CalHR workforce planning process and are creating a plan for the Commission's future workforce, which will -- we will present to the Commission at a meeting in the near future.

And then for tentative agenda items, please see my report if an item that you are on, or are interested in, is pending in the next couple of hearings. You can also use your pending case load documents on the Commission's website to find the status. Those are updated at least bimonthly, and you can get an idea of when something is tentatively expected to be heard.

And please expect to receive draft proposed decisions on test claims and IRC matters at least eight

weeks prior to the hearing date; and a proposed decision, approximately two weeks before the hearing.

And that is all I have. If there's any questions...

VICE CHAIRPERSON HARIRI: Move to closed session now? We move to the next item?

MS. HALSEY: Yes. Closed session.

VICE CHAIRPERSON HARIRI: Okay. The Commission will meet in closed executive session, pursuant to Government Code section 11126(e), to confer with and receive advice from legal counsel for consideration and action, as necessary and appropriate, upon the pending litigation listed on the published notice and agenda; and to confer with and receive advice from legal counsel regarding potential litigation. The Commission will also confer on personnel matters pursuant to Government Code section 11126(a)(1). We will reconvene in open session in approximately 15 minutes.

Thank you.

(Closed session was held from 11:05 a.m. to 11:26 a.m.)

VICE CHAIRPERSON HARIRI: The Commission met in closed executive session pursuant to Government Code section 11126(e), to confer with and receive advice from legal counsel for consideration and action, as necessary

and appropriate, upon the pending litigation listed on the published notice and agenda; and to confer with and receive advice from legal counsel regarding potential litigation -- litigations and pursuant to Government Code section 11126(a)(1) to confer on personnel matters.

With no further business to discuss, I will entertain a motion to adjourn.

All those in favor to adjourn, say "aye."

(Ayes)

VICE CHAIRPERSON HARIRI: Any opposed?

(No response)

MEMBER ALEX: Thank you.

VICE CHAIRPERSON HARIRI: All right. Thanks.

(Proceedings concluded at 11:27 a.m.)

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CERTIFICATE OF REPORTER

I, KATHRYN S. SWANK, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing proceedings was reported in shorthand by me, Kathryn S. Swank, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said proceedings nor in any way interested in the outcome of said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of December 2018.

KATHRYN S. SWANK, CSR
Certified Shorthand Reporter
License No. 13061

San Bernardino County Identity Audit

and

Identity Theft Claim

SAN BERNARDINO COUNTY

Reissued Audit Report

IDENTITY THEFT PROGRAM

Chapter 956, Statutes of 2000

July 1, 2002, through June 30, 2013

BETTY T. YEE
California State Controller

June 2022

BETTY T. YEE
California State Controller

June 22, 2022

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Ensen Mason, CPA, CFA, Auditor-Controller/Treasurer/Tax Collector
San Bernardino County
268 West Hospitality Lane, 4th Floor
San Bernardino, CA 92415

Dear Mr. Mason:

The State Controller's Office (SCO) audited the costs claimed by San Bernardino County for the legislatively mandated Identity Theft Program for the period of July 1, 2002, through June 30, 2013.

This report is a reissue of the April 20, 2022 final audit report. Subsequent to issuance of that report, we discovered that the "Allowable per Audit" amounts identified in the Schedule were incorrect for FY 2002-03 through FY 2010-11. We are re-issuing the final audit report to correct those amounts. Total allowable and unallowable amounts for the audit period were not affected, nor were the amounts identified within the Finding.

The county claimed $4,615,429 for costs of the mandated program. Our audit found that $606,540 is allowable ($662,432 less a $55,892 penalty for filing late claims) and $4,008,889 is unallowable, primarily because the county overstated the number of identity theft reports and the time increments required to perform the reimbursable activities, and misstated the job classifications for the county employees who performed the reimbursable activities. The State made no payments to the county. The State will pay $606,540, contingent upon available appropriations.

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.

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/ls

cc: Sakura Younger, Manager
Management Services Section
San Bernardino County Auditor-Controller/Treasurer/Tax Collector's Office
Jai Prasad, CPA, SB 90 Coordinator
Management Services Section
San Bernardino County Auditor-Controller/Treasurer/Tax Collector's Office
Sarkis Ohannessian, Deputy Chief
Information Services Division
San Bernardino County Sheriff's Department
Vicki Dela Cruz, Financial Manager
Bureau of Administration
San Bernardino County Sheriff's Department
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 Government Programs and Services Division
State Controller's Office
Everett Luc, Supervisor
Local Government Programs and Services Division
State Controller's Office

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Reissued Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by San Bernardino County for the legislatively mandated Identity Theft Program for the period of July 1, 2002, through June 30, 2013.

The county claimed $4,615,429 for costs of the mandated program. Our audit found that $606,540 is allowable ($662,432 less a $55,892 penalty for filing late claims) and $4,008,889 is unallowable, primarily because the county overstated the number of identity theft reports and the time increments required to perform the reimbursable activities, and misstated the job classifications for the county employees who performed the reimbursable activities. The State made no payments to the county. The State will pay $606,540, contingent upon available appropriations.

Background

Penal Code (PC) section 530.6, subdivision (a), as added by the Statutes of 2000, Chapter 956, requires local law enforcement agencies to take a police report and begin an investigation when a complainant residing within their jurisdiction reports suspected identity theft.

On March 27, 2009, the Commission on State Mandates (Commission) found that this legislation mandates a new program or higher level of service for local law enforcement agencies within the meaning of Article XIII B, section 6 of the California Constitution, and imposes costs mandated by the State pursuant to Government Code (GC) section 17514.

The Commission determined that each claimant is allowed to claim and be reimbursed for the following ongoing activities identified in the parameters and guidelines (Section IV., "Reimbursable Activities"):

1. Either a) or b) below:
   a) Take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report; or
   b) Reviewing the identity theft report completed online by the identity theft victim.
2. Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose. The purpose of the investigation is to assist the victims in clearing their names. Reimbursement is not required to complete the investigation for purposes of criminal prosecution.

The Commission also determined that providing a copy of the report to the complainant and referring the matter to the law enforcement agency where the suspected crime was committed for further investigation of the facts are not reimbursable activities.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program 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 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 Identity Theft 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.[1]

The audit period was July 1, 2002, through June 30, 2013.

To achieve our objective, we performed the following procedures:

- 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, benefits, 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 members to determine what information was obtained, who obtained it, and how it was used.

- We obtained system-generated lists of identity theft cases from the county's Tiburon computer-aided dispatch (CAD) system to verify the existence, completeness, and accuracy of unduplicated case counts for each fiscal year in the audit period. We found that the county claimed cases for both contract cities and unincorporated areas of the county. The county did not report on its mandated cost claims offsetting reimbursements for the contract city cases. We determined that the contract city cases are ineligible for reimbursement; each of the contract cities must file its own mandated cost claim in order to receive reimbursement for its contract costs related to the Identity Theft Program. We recalculated the costs based on the allowable number of cases for each of the reimbursable activities and found that the county overstated the claimed costs that were funded by other sources (see the Finding).

[1] Unreasonable and/or excessive costs include ineligible costs that are not identified in the programs parameters and guidelines as reimbursable costs.

- To determine the number of allowable identity theft cases, we obtained copies of the county's contracts for law enforcement services. We excluded cases originating within contract jurisdictions (cities, towns, and a casino, as indicated by jurisdiction codes), as the county was reimbursed a set fee for providing these services.

- We designed a statistical sampling plan to test approximately 25–50% of claimed costs, based on a moderate level of detection (audit) risk. We judgmentally selected the county's filed claims for fiscal year (FY) 2010-11 through FY 2012-13 for testing; these fiscal years comprised claimed costs totaling $1,174,700 (or 25.5%) of the total costs claimed ($4,615,249). The sampling plan is described in the Finding and Recommendation section.

- We used a random number table to select 436 out of 946 identity theft reports from the three fiscal years sampled. We tested the identity theft reports as follows:

  - We determined whether a contemporaneously prepared and approved police report supported that a violation of PC section 530.5 occurred;

  - We obtained employee numbers, names, and classifications from sampled police reports documenting who performed the reimbursable activities. Compared the employee classifications obtained from the police reports to those claimed by the county;

  - We obtained system-generated time stamps from the county's CAD system for the "Time On Scene" and "Time Close" associated with each report to determine the time spent to begin an investigation. For reports with unreasonable and excessive time spent, we reviewed the detailed history of time stamps from the CAD system for the incident number related to the sampled police report, and adjusted for ineligible time spent on arrests and other incident numbers.

- We interviewed sworn and non-sworn county employees who performed the mandated activities documented in the sampled police reports about their time spent performing reimbursable activities not captured by the CAD system.

- We projected the audit results of the three fiscal years tested by multiplying the allowable case counts by the audited average time increments needed to perform the reimbursable activities, and multiplying the product by the productive hourly rates (PHRs) of employees who performed them. We applied the weighted three-year average error rate of identity theft cases from the results of testing our samples to the remaining eight years of the audit period due to the homogeneity of the population.

- We reviewed the county's Single Audit Reports to identify potential sources of offsetting savings or reimbursements from federal or pass-through programs applicable to the Identity Theft Program. The county certified in its claims that it did not receive such offsetting revenues applicable to this mandated program.

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 found that the county claimed overstated and ineligible costs and overstated the claimed costs that were funded by other sources; as quantified in the Schedule and described in the Finding and Recommendation section of this audit report.

For the audit period, San Bernardino County claimed $4,615,429 for costs of the legislatively mandated Identity Theft Program. Our audit found that $606,540 is allowable ($662,432 less a $55,892 penalty for filing late claims) and $4,008,889 is unallowable. The State made no payments to the county. The State will pay $606,540, contingent upon available appropriations.

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

We have not previously conducted an audit of the county's legislatively mandated Identity Theft Program.

Views of Responsible Officials

This report is a reissue of the April 20, 2022 final audit report. We informed Jai Prasad, SB 90 Coordinator, of the revisions to this audit report via email on April 22, 2022. Mr. Prasad responded by email on April 22, 2022, acknowledging the changes to the audit report.

Reason for Reissuance

Subsequent to issuance of the final audit report on April 20, 2022, we discovered errors in the calculation of "Allowable per Audit" amounts for FY 2002-03 through FY 2010-11 in the Schedule. We are re-issuing the final audit report to correct those amounts. Total allowable and unallowable amounts for the audit period were not affected, nor were the amounts identified within the Finding.

Restricted Use

This audit report is solely for the information and use of San Bernardino 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.

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

June 22, 2022

Revised Schedule—
Summary of Program Costs
July 1, 2002, through June 30, 2013

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment[1]
July 1, 2002, through June 30, 2003			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 115,450	$ 19,345	$ (96,105)
Beginning an investigation of the facts	101,539	14,985	(86,554)
Total direct costs	216,989	34,330	(182,659)
Indirect costs	155,125	24,543	(130,582)
Total direct and indirect costs	372,114	58,873	(313,241)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	372,114	58,873	(313,241)
Less late filing penalty[4]	-	(5,887)	(5,887)
Total program costs	$ 372,114	52,986	$ (319,128)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 52,986	
July 1, 2003, through June 30, 2004			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 121,132	$ 19,170	$ (101,962)
Beginning an investigation of the facts	105,932	14,953	(90,979)
Total direct costs	227,064	34,123	(192,941)
Indirect costs	139,508	20,965	(118,543)
Total direct and indirect costs	366,572	55,088	(311,484)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	366,572	55,088	(311,484)
Less late filing penalty[4]	-	(5,509)	(5,509)
Total program costs	$ 366,572	49,579	$ (316,993)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 49,579	

Revised Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment[1]
July 1, 2004, through June 30, 2005			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 156,111	$ 24,671	$ (131,440)
Beginning an investigation of the facts	136,874	19,506	(117,368)
Total direct costs	292,985	44,177	(248,808)
Indirect costs	180,010	27,142	(152,868)
Total direct and indirect costs	472,995	71,319	(401,676)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	472,995	71,319	(401,676)
Less late filing penalty[4]	-	(7,132)	(7,132)
Total program costs	$ 472,995	64,187	$ (408,808)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 64,187	
July 1, 2005, through June 30, 2006			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 166,499	$ 24,878	$ (141,621)
Beginning an investigation of the facts	147,192	19,310	(127,882)
Total direct costs	313,691	44,188	(269,503)
Indirect costs	148,187	20,874	(127,313)
Total direct and indirect costs	461,878	65,062	(396,816)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	461,878	65,062	(396,816)
Less late filing penalty[4]	-	(6,506)	(6,506)
Total program costs	$ 461,878	58,556	$ (403,322)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 58,556	

Revised Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment[1]
July 1, 2006, through June 30, 2007			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 180,759	$ 27,697	$ (153,062)
Beginning an investigation of the facts	162,080	21,314	(140,766)
Total direct costs	342,839	49,011	(293,828)
Indirect costs	151,980	21,727	(130,253)
Total direct and indirect costs	494,819	70,738	(424,081)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	494,819	70,738	(424,081)
Less late filing penalty[4]	-	(7,074)	(7,074)
Total program costs	$ 494,819	63,664	$ (431,155)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 63,664	
July 1, 2007, through June 30, 2008			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 162,871	$ 28,740	$ (134,131)
Beginning an investigation of the facts	147,781	22,136	(125,645)
Total direct costs	310,652	50,876	(259,776)
Indirect costs	169,398	27,743	(141,655)
Total direct and indirect costs	480,050	78,619	(401,431)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	480,050	78,619	(401,431)
Less late filing penalty[4]	-	(7,862)	(7,862)
Total program costs	$ 480,050	70,757	$ (409,293)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 70,757	

Revised Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment[1]
July 1, 2008, through June 30, 2009			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 152,340	$ 24,470	$ (127,870)
Beginning an investigation of the facts	137,563	18,818	(118,745)
Total direct costs	289,903	43,288	(246,615)
Indirect costs	137,936	20,596	(117,340)
Total direct and indirect costs	427,839	63,884	(363,955)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	427,839	63,884	(363,955)
Less late filing penalty[4]	-	(6,388)	(6,388)
Total program costs	$ 427,839	57,496	$ (370,343)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 57,496	
July 1, 2009, through June 30, 2010			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 132,442	$ 19,475	$ (112,967)
Beginning an investigation of the facts	117,967	15,041	(102,926)
Total direct costs	250,409	34,516	(215,893)
Indirect costs	114,412	15,770	(98,642)
Total direct and indirect costs	364,821	50,286	(314,535)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	364,821	50,286	(314,535)
Less late filing penalty[4]	-	(5,029)	(5,029)
Total program costs	$ 364,821	45,257	$ (319,564)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 45,257	

Revised Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment[1]
July 1, 2008, through June 30, 2009			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 152,340	$ 24,470	$ (127,870)
Beginning an investigation of the facts	137,563	18,818	(118,745)
Total direct costs	289,903	43,288	(246,615)
Indirect costs	137,936	20,596	(117,340)
Total direct and indirect costs	427,839	63,884	(363,955)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	427,839	63,884	(363,955)
Less late filing penalty[4]	-	(6,388)	(6,388)
Total program costs	$ 427,839	57,496	$ (370,343)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 57,496	
July 1, 2009, through June 30, 2010			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 132,442	$ 19,475	$ (112,967)
Beginning an investigation of the facts	117,967	15,041	(102,926)
Total direct costs	250,409	34,516	(215,893)
Indirect costs	114,412	15,770	(98,642)
Total direct and indirect costs	364,821	50,286	(314,535)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	364,821	50,286	(314,535)
Less late filing penalty[4]	-	(5,029)	(5,029)
Total program costs	$ 364,821	45,257	$ (319,564)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 45,257	

Revised Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment[1]
July 1, 2010, through June 30, 2011			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 126,907	$ 17,379	$ (109,528)
Beginning an investigation of the facts	110,246	13,457	(96,789)
Total direct costs	237,153	30,836	(206,317)
Indirect costs	109,328	14,215	(95,113)
Total direct and indirect costs	346,481	45,051	(301,430)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	346,481	45,051	(301,430)
Less late filing penalty[4]	-	(4,505)	(4,505)
Total program costs	$ 346,481	40,546	$ (305,935)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 40,546	
July 1, 2011, through June 30, 2012			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 153,413	$ 21,590	$ (131,823)
Beginning an investigation of the facts	132,182	17,004	(115,178)
Total direct costs	285,595	38,594	(247,001)
Indirect costs	121,863	16,468	(105,395)
Total direct and indirect costs	407,458	55,062	(352,396)
Less offsetting revenues and reimbursements[3]	-	-	-
Total program costs	$ 407,458	55,062	$ (352,396)
Less amount paid by the State[4]		-	
Allowable costs claimed in excess of amount paid		$ 55,062	

Revised Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment[1]
July 1, 2012, through June 30, 2013			
Direct costs:			
Salaries and benefits[2]			
Taking a police report on a violation of PC §530.5	$ 159,499	$ 19,070	$ (140,429)
Beginning an investigation of the facts	136,516	15,045	(121,471)
Total direct costs	296,015	34,115	(261,900)
Indirect costs	124,386	14,335	(110,051)
Total direct and indirect costs	420,401	48,450	(371,951)
Less offsetting revenues and reimbursements[3]	-	-	-
Total program costs	$ 420,401	48,450	$ (371,951)
Less amount paid by the State[4]		-	
Allowable costs claimed in excess of amount paid		$ 48,450	
Summary: July 1, 2002, through June 30, 2013			
Direct costs	$ 3,063,295	$ 438,054	$ (2,625,241)
Indirect costs	1,552,134	224,378	(1,327,756)
Total direct and indirect costs	4,615,429	662,432	(3,952,997)
Less offsetting revenues and reimbursements[3]	-	-	-
Subtotal	4,615,429	662,432	(3,952,997)
Less late filing penalty[4]	-	(55,892)	(55,892)
Total program costs	$ 4,615,429	606,540	$ (4,008,889)
Less amount paid by the State[5]		-	
Allowable costs claimed in excess of amount paid		$ 606,540	

[1] See the Finding and Recommendation section.

[2] The county claimed salaries based on PHRs that included salaries and benefits.

[3] The offsets relating to the contract city cases have been accounted for in the direct and indirect cost audit adjustments.

[4] The SCO assesses late penalties on allowable costs for claims filed after the filing deadline specified in GC section 17568, equal to 10% of claimed costs, not to exceed $10,000.

[5] Payment amount current as of June 9, 2022.

Finding and Recommendation

FINDING — Overstated Identity Theft Program costs

The county claimed $4,615,429 ($3,063,295 in salaries and benefits and $1,552,134 in related indirect costs) for the Identity Theft Program. We found that $662,432 in direct and indirect costs is allowable and $3,952,997 is unallowable.[2]

Salary and benefit costs are determined by multiplying the number of identity theft police reports by the time increments required to perform the reimbursable activities, and then multiplying the product by the weighted average PHRs for the employee classifications that performed the reimbursable activities.

The costs are unallowable because the county misinterpreted the program's parameters and guidelines. As a result, the county overstated the number of identity theft reports, overstated the time increments required to perform the reimbursable activities, and misstated the job classifications and PHRs for the county employees who performed the reimbursable activities.

The following table summarizes the claimed and allowable amounts, and the audit adjustments by fiscal year:

Fiscal Year	Salaries and Benefits			Related Indirect Cost Adjustment	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2002-03	$ 216,989	$ 34,330	$ (182,659)	$ (130,582)	$ (313,241)
2003-04	227,064	34,123	(192,941)	(118,543)	(311,484)
2004-05	292,985	44,177	(248,808)	(152,868)	(401,676)
2005-06	313,691	44,188	(269,503)	(127,313)	(396,816)
2006-07	342,839	49,011	(293,828)	(130,253)	(424,081)
2007-08	310,652	50,876	(259,776)	(141,655)	(401,431)
2008-09	289,903	43,288	(246,615)	(117,340)	(363,955)
2009-10	250,409	34,516	(215,893)	(98,642)	(314,535)
2010-11	237,153	30,836	(206,317)	(95,113)	(301,430)
2011-12	285,595	38,594	(247,001)	(105,395)	(352,396)
2012-13	296,015	34,115	(261,900)	(110,051)	(371,951)
Total	$ 3,063,295	$ 438,054	$ (2,625,241)	$ (1,327,756)	$ (3,952,997)

Overstated counts of identity theft police reports

Claimed and Allowable Case Counts

The county claimed costs incurred for taking police reports related to 18,572 identity theft cases during the audit period. During fieldwork, the county provided us with an internally generated summary report of claimed counts, actual counts, and estimated time increments by

[2] Our audit found that $662,432 in direct and indirect cots is allowable and $3,952,997 is unallowable. However, the county filed its FY 2002-03 through FY 2010-11 claims after the filing deadline specified in the SCO's claiming instructions and those late claims are subject to late filing penalties pursuant to GC section 17568, which is equal to 10% of allowable costs, not to exceed $10,000 per fiscal year.

Therefore, allowable costs for the audit period totals $606,540 ($662,432 less $55,892 in late filing penalties).

reimbursable activity per case for each fiscal year of the audit period. County representatives stated that this report was the county's basis for the costs claimed. However, the county did not have support from its CAD system for this report. The report disclosed that the county claimed 19,444 total cases and understated its case count by 872 cases for the audit period.

A Crime Analysis Supervisor within the Sheriff's Department provided us with an unduplicated list from the county's CAD system of initial police reports that supported violations of PC section 530.5. The county's CAD system showed that the county completed 18,968 police reports during the audit period.

This list of police reports identified the county jurisdiction code, the year of the report, and the report number. The county also provided a Jurisdiction Reference Chart, which disclosed county jurisdiction codes and jurisdiction codes for the cities that contracted with the county for law enforcement services. After examining the county's list of police reports, we found that 14,104 reports (74%) were from contract city jurisdictions and 4,864 reports (26%) were from county jurisdictions.

The county provided copies of its contracts for law enforcement services; during our analysis of the contracts, we noted that the county provided such services for a set fee to the following 13 cities, two towns, and one casino located in San Bernardino County:

- City of Adelanto;
- City of Big Bear Lake;
- City of Chino Hills;
- City of Colton;
- City of Grand Terrace;
- City of Hesperia;
- City of Highland;
- City of Loma Linda;
- City of Needles;
- City of Rancho Cucamonga;
- City of Twenty-Nine Palms;
- City of Victorville;
- City of Yucaipa;
- Town of Apple Valley;
- Town of Yucca Valley; and
- Yaamava' Resort and Casino at San Manuel (formerly San Manuel Casino).

As the county received reimbursement from its contract cities for preparing their police reports, the 14,104 reports originating from these locations are unallowable for reimbursement. For this audit, the relevant population is the 4,864 reports with county jurisdiction codes completed during the audit period.

Testing Police Reports

We determined the accuracy of the unduplicated counts of police reports by determining whether:

- Each identity theft case was supported by a contemporaneously prepared and approved police report; and
- The police report supported a violation of PC section 530.5.

We developed a statistical sampling plan to test at least 25% of total claimed costs. We generated statistical samples of identity theft cases for these two procedures so that we could project our sample results to the population of identity theft cases. We selected our statistical samples of identity theft cases originating from the county based on a 95% confidence level, a sampling error of ±8%, and an expected (true) error rate of 50%. We judgmentally selected FY 2010-11, FY 2011-12, and FY 2012-13 for testing because the county claimed costs totaling $1,174,340—which constitutes 25.5% of the total claimed during the audit period ($4,615,429)—for these three fiscal years.

We discovered that San Bernardino County Sheriff's Department (SBCSD) staff took police reports from citizens at the front counter of the department's patrol stations as well as in the field. Therefore, we stratified our testing to differentiate between non-counter (field) reports and those taken at patrol stations (counter reports).

Our testing disclosed the following:

Counter Reports

- For FY 2010-11, we selected for testing 52 reports from the population of 80 counter reports. We found that two cases were unallowable (a 3.85% exception rate) because they did not support a violation of PC section 530.5.
- For FY 2011-12, we selected for testing 63 reports from the population of 108 counter reports. We found that five cases were unallowable (a 7.94% exception rate). Two cases did not support a violation of PC section 530.5, two cases were supplemental reports, and the complainant in the other case was a resident of Henderson, Nevada.
- For FY 2012-13, we selected for testing 49 reports from the population of 72 counter reports. We found that three cases were unallowable (a 6.12% exception rate) because the cases did not support a violation of PC section 530.5.

Field Reports

- For FY 2010-11, we selected for testing 90 reports from the population of 228 field reports. We found that 14 cases were unallowable (a 15.56% exception rate). Six cases did not support a violation of PC section 530.5, and eight cases were follow-up reports written by Detectives (of which six were based on courtesy reports received from other police or sheriff departments, and two were follow-up requests from SBCSD patrol stations).

- For FY 2011-12, we selected for testing 92 reports from the population of 236 field reports. We found that 10 cases were unallowable (a 10.87% exception rate). Five cases did not support a violation of PC section 530.5, one case was a courtesy report, and four cases were follow-up reports written by Detectives.

- For FY 2012-13, we selected for testing 90 reports from the population of 222 field reports. We found that four cases were unallowable (a 4.44% exception rate) because one case did not support a violation of PC section 530.5 and three cases were follow-up reports written by Detectives based on courtesy reports received from other police or sheriff departments.

We extrapolated and projected the results of our substantive tests of statistical samples to determine the number of allowable and unallowable identity theft reports for the entire 11-year audit period. We found that 4,413 police reports are allowable. For the three years that we tested (FY 2010-11, FY 2011-12, and FY 2012-13), we calculated a 5.97% average error rate for the counter reports and a 10.29% average error rate for the field reports. We applied these average error rates to the other eight years of the audit period (FY 2002-03 through FY 2009-10).

The following table summarizes the counts of claimed, supported, and allowable identity theft cases, and the difference by fiscal year:

					Allowable			
Fiscal Year	Claimed	Supported	Contracting Entities	County Reports	Counter Reports	Field Reports	Total	Difference
2002-03	1,694	1,822	(1,332)	490	97	347	444	(1,250)
2003-04	1,702	1,830	(1,363)	467	91	332	423	(1,279)
2004-05	1,939	2,042	(1,509)	533	107	376	483	(1,456)
2005-06	2,010	2,010	(1,497)	513	86	379	465	(1,545)
2006-07	2,090	2,090	(1,545)	545	120	374	494	(1,596)
2007-08	1,824	1,824	(1,278)	546	130	366	496	(1,328)
2008-09	1,678	1,676	(1,219)	457	115	301	416	(1,262)
2009-10	1,458	1,456	(1,090)	366	99	234	333	(1,125)
2010-11	1,271	1,325	(1,016)	309	77	193	270	(1,001)
2011-12	1,405	1,397	(1,053)	344	99	210	309	(1,096)
2012-13	1,501	1,496	(1,202)	294	68	212	280	(1,221)
Total	18,572	18,968	(14,104)	4,864	1,089	3,324	4,413	(14,159)

Overstated time increments

Claimed Time Increments

The county claimed time increments spent by various employee classifications within SBCSD to perform the following reimbursable activities:

- Drafting, reviewing, and editing identity theft police reports taken by Officers, and reviewing identity theft police reports taken at the police station counter (Activity 1a – Take a police report supporting a violation of PC section 530.5); and

- Determining where the crime occurred and what pieces of personal identifying information were used for unlawful purposes (Activity 2 – Begin an investigation of the facts).

For Activity 1a, the county tracked the time spent by Sergeants to review police reports separately from the time spent by other staff members to draft, review, and edit police reports. This time spent by Sergeants on the reimbursable activity is identified as "Activity 1a.1 – Sergeant review."

The county claimed the following time increments to perform the reimbursable activities:

- 60 minutes for Deputy Sheriffs to perform Activity 1a;
- 15 minutes for employees in the Station Clerk and Office Assistant III classifications to assist with Activity 1a;
- 10 minutes for Sergeants to perform Activity 1a.1 – Sergeant review; and
- 60 minutes for Sheriff Detectives to perform Activity 2.

The county did not provide support for the claimed time increments. Section IV., "Reimbursable Activities," of the program's parameters and guidelines state that "Actual costs must be traceable to and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities." As the county did not provide support that complies with this requirement, we determined that the claimed time increments are estimated and unsupported.

Allowable Time Increments

Taking a police report

The county's CAD system did not record time spent drafting, reviewing, and editing identity theft police reports (Activities 1a and 1a.1 – Sergeant review). We interviewed various SBCSD employees, who provided testimonial evidence of the approximate time spent on reimbursable activities not recorded by the CAD system. We found that this information provided a reasonable representation of the time needed to perform these reimbursable activities.

For Activity 1a, we interviewed three Deputy Sheriffs, three Service Specialists, and one Sergeant about drafting, reviewing, and editing identity theft police reports taken by Officers. Based on these interviews, we determined that SBCSD staff spent an average of 35 minutes drafting, reviewing, and editing identity theft police reports taken by Officers.

For Activity 1a.1 – Sergeant review, we interviewed four Detectives and three Sergeants about reviewing identity theft police reports taken at the police station counter. Based on these interviews, we determined that SBCSD staff spent an average of 13 minutes reviewing police reports taken at the police station counter.

The county did not have an online system during the audit period and did not claim any costs for reviewing identity theft reports that were completed online (Activity 1b).

Beginning an investigation

During audit fieldwork, the SBCSD provided system-generated contemporaneous records from its CAD system. These records showed the time, in minutes, from when SBCSD staff arrived at a victim's residence or business located in the county, or began taking information from a resident at the counter of a patrol station (Time On Scene) to the time that the initial call for service was completed (Time Complete). The time elapsed represents the time that county employees spent on determining where the crime occurred and what pieces of personal information were used for unlawful purposes (Activity 2).

We tested the time increments reported for the 154 allowable counter cases and the 244 allowable field cases from our sample selection. We reviewed the CAD system reports to determine the average time spent performing Activity 2. During testing, we noted that certain cases showed unreasonable time increments, as follows:

- 14 counter cases and 11 field cases with reported time increments of 0 to 9 minutes, and
- 19 counter cases and 52 field cases with reported time increments of greater than 60 minutes.

For these reports, the county provided detailed CAD history information. We found that time increments were understated because SBCSD staff members failed to record the time that the employee began preparing the counter report or when the officer arrived on scene for field reports. We found that time increments were overstated because SBCSD staff members recorded time spent on other incident numbers for other major crimes and arrests. We excluded all time recorded for follow-up investigation, search, pursuit, arrest, and changing location or transporting the suspect to jail for booking until the suspect is in custody and incarcerated. Based on our testing, we found that SBCSD staff members spent an average of 41 minutes performing Activity 2.

The following table summarizes the time claimed and allowable for the reimbursable activities by fiscal year:

	Claimed Minutes				Allowable Minutes		
	1a – Take a Police Report*		1a.1 – Review Reports†	2 – Begin an Investigation ‡			
Fiscal Year	Deputies	Clerks/ Assistants	Sergeants	Detectives	1a – Take a Police Report	1a.1 – Review Reports	2 – Begin an Investigation
2002-03	60	15	10	60	35	13	41
2003-04	60	15	10	60	35	13	41
2004-05	60	15	10	60	35	13	41
2005-06	60	15	10	60	35	13	41
2006-07	60	15	10	60	35	13	41
2007-08	60	15	10	60	35	13	41
2008-09	60	15	10	60	35	13	41
2009-10	60	15	10	60	35	13	41
2010-11	60	15	10	60	35	13	41
2011-12	60	15	10	60	35	13	41
2012-13	60	15	10	60	35	13	41

*The county claimed that the Deputy Sheriff classification took police reports, and the Station Clerk and Office Assistant III classifications assisted with taking police reports.

† The county claimed that Sergeants reviewed police reports taken at the station counter.

‡ The county claimed that Detectives began investigations.

Misstated job classifications and PHRs

Claimed Job Classifications

As noted previously, the county claimed that Deputy Sheriffs and Office Assistant IIIs prepared police reports (Activity 1a), and that Sergeants reviewed the reports taken at the police station counter (Activity 1a.1 – Sergeant review). The county also claimed that Sheriff Detectives began investigations (Activity 2).

Staff Allowable

In order to clarify which SBCSD staff members performed the mandated activities, we:

1. Prepared a schedule of employee numbers and names from the sampled police reports;
2. Requested information from the county supporting the actual job classifications for the employees identified;
3. Calculated the extent (percentage of involvement) that various employees performed the mandated activities for the county's sampled identity theft cases; and
4. Verified with the county the results of the above steps to confirm the actual job classifications that performed the reimbursable activities of drafting and editing a police report, reviewing police reports, and beginning an investigation.

The following table summarizes the actual job classifications of the employees who performed the reimbursable activities during FY 2010-11, FY 2011-12, and FY 2012-13, and the average percentage of their involvement in the reimbursable activities for the three fiscal years.

Classification	Average Involvement Percentage
Prepare a report/Begin an investigation[1]	
Deputy Sheriffs	91.0%
Sheriff Sergeants	0.5%
Sheriff Detectives	0.5%
Captains	1.0%
Service Specialists	7.0%
	100%
Review a police report	
Sheriff Sergeants	92.0%
Sheriff Detectives	7.0%
Captains	1.0%
	100%

[1] The same staff members performed the activities of Prepare a Report (Activity 1a) and Begin an Investigation (Activity 2).

The county provided schedules of the actual hourly rates for the employee classifications that performed the reimbursable activities during the audit period. To calculate allowable costs, we used claimed PHRs for Deputy Sheriffs, Sheriff Detectives, and Sergeants. We used rates provided by the county for the employee classifications not claimed (Captains and Service Specialists).

The following table summarizes the auditor-recalculated weighted PHRs for each fiscal year in the audit period by reimbursable activities performed:

Fiscal Year	Prepare a Report	Review a Report	Begin an Investigation
2002-03	$ 49.39	$ 68.12	$ 49.39
2003-04	51.73	69.90	51.73
2004-05	59.10	76.64	59.10
2005-06	60.77	83.32	60.77
2006-07	63.14	88.78	63.14
2007-08	65.31	91.60	65.31
2008-09	66.20	93.25	66.20
2009-10	66.10	91.96	66.10
2010-11	72.94	100.70	72.94
2011-12	80.53	105.66	80.53
2012-13	78.63	102.65	78.63

Using this salary rate information, the corrected number of case counts, the corrected time increments, and the employee classifications that performed the reimbursable activities during the audit period, we determined allowable salaries for each fiscal year.

For example, the following table shows the calculation of allowable salary and benefit costs for FY 2011-12:

Employee Classification	PHR [a]	Number of cases [b]	Minutes [c]	Hours [d=(b*g)/60]	Activity % [e]	Allowable costs [f=a*i*k]
Prepare a report:						
Deputy Sheriff	$ 82.81	309	35	180.25	91.0%	13,583
Sergeant	106.12	309	35	180.25	0.5%	96
Detective	94.08	309	35	180.25	0.5%	85
Captain	144.32	309	35	180.25	1.0%	260
Service Specialist	38.96	309	35	180.25	7.0%	492
Total, prepare a report						$ 14,516
Review a report:						
Sergeant	106.12	309	13	66.95	92.0%	6,536
Detective	94.08	309	13	66.95	7.0%	441
Captain	144.32	309	13	66.95	1.0%	97
Total, review a report						$ 7,074
Begin an investigation:						
Deputy Sheriff	$ 82.81	309	41	211.15	91.0%	15,912
Sergeant	106.12	309	41	211.15	0.5%	112
Detective	94.08	309	41	211.15	0.5%	99
Captain	144.32	309	41	211.15	1.0%	305
Service Specialist	38.96	309	41	211.15	7.0%	576
Total, begin an investigation						$ 17,004
Total allowable salary and benefit costs						$ 38,594

We performed similar calculations for each fiscal year of the audit period.

Allowable related indirect costs

The county claimed $1,552,134 in related indirect costs. We found that $224,378 is allowable and $1,327,756 is unallowable. The county used the indirect cost rates from the Indirect Cost Rate Proposals it prepared for each year of the audit period to claim indirect costs. Unallowable indirect costs are directly related to the previously identified unallowable salaries and benefits for each year of the audit period.

The following table summarizes the claimed and allowable amounts of indirect costs, and the audit adjustment by fiscal year:

Fiscal Year	Related indirect costs		
	Claimed	Allowable	Adjustment
2002-03	$ 155,125	$ 24,543	$ (130,582)
2003-04	139,508	20,965	(118,543)
2004-05	180,010	27,142	(152,868)
2005-06	148,187	20,874	(127,313)
2006-07	151,980	21,727	(130,253)
2007-08	169,398	27,743	(141,655)
2008-09	137,936	20,596	(117,340)
2009-10	114,412	15,770	(98,642)
2010-11	109,328	14,215	(95,113)
2011-12	121,863	16,468	(105,395)
2012-13	124,386	14,335	(110,051)
	$ 1,552,134	$ 224,378	$ (1,327,756)

Criteria

Item 1 of Section III., "Period of Reimbursement," of the parameters and guidelines states, "Actual costs for one fiscal year shall be included in each claim."

Section IV., "Reimbursable Activities," of the parameters and guidelines begins:

> To be eligible for mandated cost reimbursement for any given 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 to 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.

Section IV., "Reimbursable Activities," of the parameters and guidelines also states:

> For each eligible claimant, the following ongoing activities are eligible for reimbursement:
>
> 1. Either a) or b) below:
>
> a) Take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and

for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report; or

b) Reviewing the identity theft report completed online by the identity theft victim.

2. Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose. The purpose of the investigation is to assist the victims in clearing their names. Reimbursement is not required to complete the investigation for purposes of criminal prosecution.

Section V.A.1, "Salaries and Benefits," of the parameters and guidelines states:

> Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

Section V.II., "Offsetting Revenues and Reimbursements," of the parameters and guidelines states:

> Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state, or non-local source shall be identified and deducted from this claim.

Recommendation

The California State Legislature suspended the Identity Theft Program in the FY 2013-14 through FY 2021-22 Budget Acts. If the program becomes active again, we recommend that the county:

- Adhere to the program's parameters and guidelines and claiming instructions when claiming reimbursement for mandated costs; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

> We have reviewed the State Controller's Office draft audit report for the above-mandated program dated March 2, 2022. The County review has been completed and we concur with the findings and recommendations proposed in the *Identity Theft Program* draft audit for the period of July 1, 2002 through June 30, 2013.
>
> Due to the amount of time that has elapsed between occurrence of the claimed reimbursable activities and the audit period **(spanning up to 19 years)**, the County is unable to provide any additional supporting documentation. Had the field audit been performed closer to the actual

cost incurrence period, responsible claim preparation staff (who are retired or no longer employed) could have provided a much better response to audit inquiries, which would have resulted in favorable results for San Bernardino County.

SCO's Comment

The county states that it could have provided additional supporting documentation, had the audit been performed closer to the time period in which the reimbursable activities were performed. We would first point out that the county filed its claims for the first 11 years of the 12-year audit period on January 30, 2013. Except for documentation supporting the time increments claimed to perform the reimbursable activities, lack of supporting documentation was not the primary cause of the unallowable costs.

Instead, the initial 74% reduction in Identity Theft cases claimed (from 18,572 cases claimed to 4,864 cases) was the primary cause of the unallowable costs. As explained in the finding, we reduced the number of allowable cases because the county had claimed costs for taking police reports and beginning investigations for identity theft cases originating within its contract cities. As the county's contracting partners had already reimbursed the county for these costs, the costs were not reimbursable for the purposes of a State-mandated cost claim.

Attachment—
County's Response to Draft Audit Report

SHANNON D. DICUS, SHERIFF-CORONER

SAN BERNARDINO COUNTY

March 9, 2022

Lisa Kurokawa, Chief, Compliance Audits Bureau
State Controller's Office
Division of Audits
P. O. Box 942850
Sacramento, CA 94250

RE: **Response to Draft Audit Report**
Identity Theft Program
Audit period: July 1, 2002 through June 30, 2013

Dear Ms. Kurokawa:

We have reviewed the State Controller's Office draft audit report for the above-mandated program dated March 2, 2022. The County review has been completed and we concur with the findings and recommendations proposed in the *Identity Theft Program* draft audit for the period of July 1, 2002 through June 30, 2013.

Due to the amount of time that has elapsed between occurrence of the claimed reimbursable activities and the audit period **(spanning up to 19 years)**, the County is unable to provide any additional supporting documentation. Had the field audit been performed closer to the actual cost incurrence period, responsible claim preparation staff (who are retired or no longer employed) could have provided a much better response to audit inquiries, which would have resulted in favorable results for San Bernardino County.

If you have any questions, please contact Jose L. Torres, Sheriff's Administrative Manager, at (909) 387-3465 or e-mail jtorres@sbcsd.org.

Sincerely,

Shannon D. Dicus
Sheriff/Coroner/Public Administrator
San Bernardino County

By: _____
Kelly Welty
Chief Deputy Director
Sheriff's Bureau of Administration

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

http://www.sco.ca.gov

IDENTITY THEFT
CLAIM FOR PAYMENT

For State Controller Use Only

(19) Program Number 00321
(20) Date Filed
(21) LRS Input JAN 30 2013

PROGRAM **321**

(01) Claimant Identification Number: **9936**

(02) Claimant Name: **San Bernardino County**

County of Location: **San Bernardino County**

Street Address or P.O. Box: **222 West Hospitality Lane** Suite: **4th Floor**

City: **San Bernardino** State: **CA** Zip Code: **92415-0018**

			Type of Claim			
	(03)	(09)	Reimbursement	[X]	(27) FORM 1, (09)	
	(04)	(10)	Combined	[ ]	(28) FORM 1, (10)	
	(05)	(11)	Amended	[ ]	(29)	
Fiscal Year of Cost	(06)	(12)	**2011-2012**		(30)	
Total Claimed Amount	(07)	(13)	**$407,458**		(31)	
Less: **10% Late Penalty** (refer to claiming instructions)		(14)			(32)	
Less: **Prior Claim Payment Received**		(15)			(33)	
Net Claimed Amount		(16)	**$407,458**		(34)	
Due from State	(08)	(17)	**$407,458**		(35)	
Due to State		(18)			(36)	

(22) FORM 1, (04) 1. (a) (g)	$153,412
(23) FORM 1, (04) 1. (b) (g)	
(24) FORM 1, (04) 2. (g)	$132,182
(25) FORM 1, (06)	43%
(26) FORM 1, (07)	$121,863

(37) CERTIFICATION OF CLAIM

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.

I further certify that there was no application other than from the claimant, nor any grants or payments 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.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer — Date Signed: 1/22/13

Jason Redden, Management Services Manager — Telephone Number: (909) 386-8877

Type or Print Name and Title of Authorized Signatory — E-Mail Address: jason.redden@atc.sbcounty.gov

(38) Name of Contact Person for Claim: Jai Prasad — Telephone Number: (909) 386-8854 — E-Mail Address: jai.prasad@atc.sbcounty.gov

Name of Claim Preparer: Elias Duenas — Telephone Number: (909) 387-1039 — E-Mail Address: elias.duenas@atc.sbcounty.gov

Program 321	IDENTITY THEFT CLAIM SUMMARY	FORM 1

(01) Claimant: **San Bernardino County**

(02) Fiscal Year: **2011-2012**

(03) Department: **Sheriff's Department**

Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
1. Choose either a) or b)							
a) Taking police report in violation of PC §530.5	$153,412.48						$153,412.48
b) Reviewing online ID theft report							
2. Investigation of facts	$132,182.40						$132,182.40
(05) Total Direct Costs	$285,594.88						$285,594.88

Indirect Costs		
(06) Indirect Cost Rate	[From ICRP or 10%]	42.67%
(07) Total Indirect Costs	[Refer to Claim Summary instructions]	$121,863.34
(08) Total Direct and Indirect Costs	[Line (05)(g) + Line (07)]	$407,458.22

Cost Reduction		
(09) Less: Offsetting Revenues		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	$407,458.22

Program 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: San Bernardino County

(02) Fiscal Year: 2011/2012

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- [X] Taking police report in violation of PC §530.5
- [ ] Investigation of facts
- [ ] Reviewing online ID theft report

(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) Fixed Assets	(i) Travel
Various Deputy Sheriffs	$82.81	1,405.00	$116,348.05					
Various Sheriff Office Assistant III's	$34.85	351.00	$12,232.35					
Various Sheriff Sergeants	$106.12	234.00	$24,832.08					
Mandated Activities Performed: Taking a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report.								
(5) Total [X] Subtotal [ ] Page: 1 of 1			$153,412.48					

Program 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: San Bernardino County

(02) Fiscal Year: 2011/2012

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- [ ] Taking police report in violation of PC §530.5
- [X] Investigation of facts
- [ ] Reviewing online ID theft report

(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) Fixed Assets	(i) Travel
Various Sheriff Detectives Mandated Activities Performed: Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose.	$94.08	1,405.00	$132,182.40					
(5) Total [X] Subtotal [ ] Page: 1 of 1			$132,182.40					

COUNTY OF SAN BERNARDINO
SHERIFF
ICRP
Actual Costs FY 2011-2012
Claim Years 2012-2013

DEPARTMENT COSTS	COSTS INCURRED	UNALLOWABLE COSTS	INDIRECT COSTS	DIRECT COSTS
Salaries & Benefits	367 645 719	480 311	66 030 128	301 135 279
Office Expense	1 636 118	-	1 148 997	487 121
Staff Uniforms	111 915	-	95 608	16 307
Insurance	12 368 411	-	12 355 405	13 006
Mail Services	221 192	-	176 496	44 695
Printing Services	169 813	-	92 504	77 309
Document Shredding & Storage	25 435	-	21 097	4 339
Utilities	1 201 418	-	1 015 992	185 427
Communications	3 809 844	-	3 425 564	384 280
Training	404 337	-	201 011	203 326
Travel	692 166	-	276 635	415 532
Automotive & Transportation	9 710 099	-	6 162 075	3 548 024
Special Department Expense	2 796 753	-	1 733 974	1 062 779
Professional Services	7 000 672	-	2 389 528	4 611 145
Contributions to Other Agencies	501 164	-	310 722	190 442
Data Processing Charges	5 196 310	-	5 145 341	50 969
Computer Hardware/Software	2 140 426	-	1 322 087	818,339
Noninventoriable Equipment	1 778 584	-	934 388	844 196
Inventoriable Equipment	2 258 168	-	86 790	2 171 378
Clothing/Personal Supplies	191 670	-	9 581	182 089
Food	6 958 986	-	-	6 958 986
Kitchen & Dining	545 549	-	16 354	529 195
Bedding	184 471	-	-	184 471
Laundry & Dry Cleaning	120 841	-	9 667	111 174
General Household Expenses	1 037 946	-	62 221	975 725
Medical Services & Supplies	2 264 885	-	317 107	1 947 778
Medical Indigents	1 275 835	-	76 550	1 199 284
Maintenance	7 186 083	-	5 392 030	1 794 053
Rents & Leases-Equipment	430 020	-	388 129	41 891
Rents & Leases-Structures	946 417	-	699 185	247 232
Other Services & Supplies	715 581	379	65 194	649 988
Capitalized Expenditures	5 302 589	5 302 589	-	-
	446 829 402			
EXTERNAL INDIRECT COSTS				
County-Wide Cost Alloc Plan	18,536,045	-	18,536,045	-
Total Costs	465,365,447	5,783,279	128,496,403	331,085,766

$$\frac{\text{INDIRECT COSTS}}{\text{DIRECT SALARIES \& BENEFITS}} = \frac{128,496,403}{301\,135\,279} = 42.67\%$$

The ICRP rate decreased from 46 10% for Claim Year 11-12 to 42 67% for Claim Year 12-13

Factors that caused a lower rate for this year:

1 Indirect Costs for this year decreased by approximately $3 1 million (or 2 35%)
The primary cause of this decrease was related to COWCAP Claimable reduced by $5 3 million (or 22%)

2 Direct Salaries & Benefits increased by $15 million (or 5 25%)

IDENTITY THEFT
CLAIM FOR PAYMENT

For State Controller Use Only

(19) Program Number 00321
(20) Date Filed FEB 19 2014
(21) LRS Input

PROGRAM **321**

(01) Claimant Identification Number
9936

(02) Claimant Name
San Bernardino County

County of Location
San Bernardino County

Street Address or P.O. Box
222 West Hospitality Lane

Suite
4th Floor

City
San Bernardino

State
CA

Zip Code
92415-0018

			Type of Claim		
	(03)	(09)	Reimbursement [X]		
	(04)	(10)	Combined [ ]		
	(05)	(11)	Amended [ ]		
Fiscal Year of Cost	(06)	(12)	2012-2013		
Total Claimed Amount	(07)	(13)	$420,401		
Less: 10% Late Penalty (refer to claiming instructions)		(14)			
Less: Prior Claim Payment Received		(15)			
Net Claimed Amount		(16)	$420,401		
Due from State	(08)	(17)	$420,401		
Due to State		(18)			

Reimbursement Claim Data

(22)	FORM 1, (04) 1. (a) (g)	159,500
(23)	FORM 1, (04) 1. (b) (g)	
(24)	FORM 1, (04) 2. (g)	136,516
(25)	FORM 1, (06)	42
(26)	FORM 1, (07)	124,386
(27)	FORM 1, (09)	
(28)	FORM 1, (10)	
(29)		
(30)		
(31)		
(32)		
(33)		
(34)		
(35)		
(36)		

(37) CERTIFICATION OF CLAIM

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.

I further certify that there was no application other than from the claimant, nor any grants or payments 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.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.
I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Date Signed 2/11/14

Jason Redden, Management Services Manager
Type or Print Name and Title of Authorized Signatory

Telephone Number (909) 386-8877
E-Mail Address jason.redden@atc.sbcounty.gov

(38) Name of Contact Person for Claim
Jai Prasad JP 2/11/2014

Telephone Number (909) 386-8854
E-Mail Address jai.prasad@atc.sbcounty.gov

Name of Claim Preparer
Josue Palos

Telephone Number (909) 386-8848
E-Mail Address josue.palos@atc.sbcounty.gov

Program 321	IDENTITY THEFT CLAIM SUMMARY	FORM 1

(01) Claimant:	(02) Fiscal Year
San Bernardino County	2012-2013
(03) Department:	Sheriff's Department

Direct Costs — **Object Accounts**

(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
1. Choose either a) or b)							
a) Taking police report in violation of PC §530.5	$159,499.55						$159,499.55
b) Reviewing online ID theft report							
2. Investigation of facts	$136,515.95						$136,515.95
(05) Total Direct Costs	$296,015.50						$296,015.50

Indirect Costs

(06) Indirect Cost Rate	[From ICRP or 10%]	42.02%
(07) Total Indirect Costs	[Refer to Claim Summary instructions]	$124,385.71
(08) Total Direct and Indirect Costs	[Line (05)(g) + Line (07)]	$420,401.21

Cost Reduction

(09) Less: Offsetting Revenues		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) - {Line (09) + Line (10)}]	$420,401.21

Program 321

IDENTITY THEFT ACTIVITY COST DETAIL

FORM 2

(01) Claimant: San Bernardino County

(02) Fiscal Year: 2012-2013

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- [X] 1. (a) Taking police report in violation of PC §530.5
- [ ] 2. Investigation of facts
- [ ] 1. (b) Reviewing online ID theft report

(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) Fixed Assets	(i) Travel
Various Deputy Sheriffs	$80.80	1,501.00	$121,280.80					
Various Office Assistant III's	$33.21	375.00	$12,453.75					
Various Sheriff Sergeants	$103.06	250.00	$25,765.00					
Mandated Activities Performed: Taking a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report.								
(5) Total [X] Subtotal [ ] Page: 1 of 1			$159,499.55					

Program 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: County of San Bernardino

(02) Fiscal Year: 2012-2013

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- [ ] 1. (a) Taking police report in violation of PC §530.5
- [X] 2. Investigation of facts
- [ ] 1. (b) Reviewing online ID theft report

(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) Fixed Assets	(i) Travel
Various Sheriff Detectives Mandated Activities Performed: Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose.	$90.95	1,501.00	$136,515.95					
(5) Total [X] Subtotal [ ] Page: 1 of 1			$136,515.95					

Revised 07/13

County of San Bernardino
Sheriff - ICRP
Actual Costs FY 2012-2013
Claim Years 2013-2014

DEPARTMENT COSTS	COSTS INCURRED	UNALLOWABLE COSTS	INDIRECT COSTS	DIRECT COSTS
Salaries & Benefits	379,777,678	634,504	65,505,468	313,637,707
Office Expense	1,155,977	-	621,162	534,816
Staff Uniforms	150,331	-	121,305	29,026
Insurance	11,715,592	-	11,715,592	-
Mail Services	245,928	-	192,857	53,071
Printing Services	167,821	-	70,009	97,812
Document Shredding & Storage	25,229	-	21,484	3,745
Utilities	1,119,337	-	944,149	175,189
Communications	5,816,123	-	4,638,586	1,177,537
Training	546,452	-	166,888	379,563
Travel	589,700	-	236,745	352,955
Automotive & Transportation	8,805,772	-	5,722,553	3,083,219
Special Department Expense	4,463,928	-	1,432,762	3,031,167
Professional Services	8,138,635	-	2,961,954	5,176,681
Contributions to Other Agencies	409,016	-	308,930	100,086
Data Processing Charges	5,337,968	-	5,336,220	1,748
Computer Hardware/Software	2,655,713	-	1,970,773	684,940
Noninventoriable Equipment	435,897	-	218,778	217,119
Inventoriable Equipment	389,414	-	217,326	172,087
Clothing/Personal Supplies	167,277	-	4	167,273
Food	7,757,456	-	20,148	7,737,308
Kitchen & Dining	488,091	-	718	487,373
Bedding	136,578	-	-	136,578
Laundry & Dry Cleaning	143,764	-	-	143,764
General Household Expenses	984,229	-	66,335	917,894
Medical Services & Supplies	2,544,742	-	394,425	2,150,317
Medical Indigents	1,116,418	-	122,463	993,956
Maintenance	7,821,289	-	6,022,237	1,799,053
Rents & Leases-Equipment	372,912	-	341,965	30,947
Rents & Leases-Structures	975,165	-	712,104	263,062
Other Services & Supplies	901,229	265	163,996	736,968
Capitalized Expenditures	9,865,825	9,865,825	-	-
	465,221,488			
EXTERNAL INDIRECT COSTS				
County-Wide Cost Alloc Plan	21,542,744	-	21,542,744	-
Total Costs	486,764,232	10,500,594	131,790,676	344,472,962

$$\frac{\text{INDIRECT COSTS}}{\text{DIRECT SALARIES \& BENEFITS}} = \frac{131,790,676}{313,637,707} = 42.02\%$$

The ICRP rate decreased from 43.00% for Claim Year 12-13 to 42.02% for Claim Year 13-14.

Factors that caused a lower rate this year:

1. Direct Salaries & Benefits increased by $13.2 million (or 4.4%) and Indirect Costs increased by $2.6 million (or 2.0%).

Fund	Dept	JOBCODE	DESC	Employee Count	AdjustedpAYROLL	Direct %	Indirect %	Unallowable %	Direct $	Indirect $	Unallowable $
AAA	SHR	01025	Accountant II	2.00	181,278.56		100.00%		-	181,278.56	-
AAA	SHR	01027	Help Desk Technician II	0.73	44,855.54		100.00%		-	44,855.54	-
AAA	SHR	01046	Accounting Technician	4.00	268,963.34	3.75%	96.25%		10,086.13	258,877.21	-
AAA	SHR	01095	Administrative Supervisor II	0.23	27,890.24		100.00%		-	27,890.24	-
AAA	SHR	01189	Lead Sheriff's Aviation Mechan	1.00	130,420.35		100.00%		-	130,420.35	-
AAA	SHR	01190	Sheriff's Aviation Mechanic	5.04	565,659.07		100.00%		-	565,659.07	-
AAA	SHR	01191	Sheriff's AviationMechanicSup	1.00	130,145.77		100.00%		-	130,145.77	-
AAA	SHR	01331	Deputy Director-Shrf Coroner	1.00	178,741.71		100.00%		-	178,741.71	-
AAA	SHR	01532	Assistant Sheriff	1.92	648,964.90		100.00%		-	648,964.90	-
AAA	SHR	01675	Automated Systems Analyst I	19.62	1,842,911.28	10.19%	89.81%		187,860.48	1,655,050.80	-
AAA	SHR	01679	Automated Systems Technician	1.96	122,461.07		100.00%		-	122,461.07	-
AAA	SHR	03118	CrimePreventionPrgmCoordinator	1.00	101,059.30		100.00%		-	101,059.30	-
AAA	SHR	03119	Crime Laboratory Director	1.00	142,497.15		100.00%		-	142,497.15	-
AAA	SHR	03122	Crime Analyst	6.81	643,681.43	11.89%	88.11%		76,561.23	567,120.20	-
AAA	SHR	03123	Supervising Crime Analyst	1.00	107,654.50		100.00%		-	107,654.50	-
AAA	SHR	03130	Fingerprint Examiner Trainee	0.88	45,136.51	100.00%			45,136.51	-	-
AAA	SHR	03131	Fingerprint Examiner I	3.04	224,785.01	100.00%			224,785.01	-	-
AAA	SHR	03132	Fingerprint Examiner II	15.00	1,305,724.12	100.00%			1,305,724.12	-	-
AAA	SHR	03133	Supvg Fingerprint Examiner	2.00	196,886.76	100.00%			196,886.76	-	-
AAA	SHR	03136	Crime Scene Specialist I	8.92	869,371.24	100.00%			869,371.24	-	-
AAA	SHR	03137	Crime Scene Specialist II	3.00	329,381.63		100.00%		-	329,381.63	-
AAA	SHR	03316	Office Assistant II	44.08	2,218,072.90	6.81%	93.19%		150,957.77	2,067,115.13	-
AAA	SHR	03317	Office Assistant III	28.12	1,616,084.34	7.11%	92.89%		114,941.99	1,501,142.35	-
AAA	SHR	03318	Office Assistant IV	8.69	505,997.26	23.01%	76.99%		116,455.07	389,542.19	-
AAA	SHR	03319	Supervising Office Assistant	10.50	701,030.13		100.00%		-	701,030.13	-
AAA	SHR	03320	Office Specialist	39.69	2,437,298.56	7.56%	92.44%		184,225.14	2,253,073.42	-
AAA	SHR	03381	Communications Tech I	2.00	175,137.48		100.00%		-	175,137.48	-
AAA	SHR	03387	Communications Installer	1.00	73,635.21		100.00%		-	73,635.21	-
AAA	SHR	03536	Criminalist I	9.69	1,015,973.87	100.00%			1,015,973.87	-	-
AAA	SHR	03537	Criminalist II	18.42	2,291,884.46	100.00%			2,291,884.46	-	-
AAA	SHR	03540	Supervising Criminalist	3.00	461,735.55		100.00%		-	461,735.55	-
AAA	SHR	03541	Criminalist III	1.54	201,386.74	100.00%			201,386.74	-	-
AAA	SHR	03542	Criminalist Trainee	1.54	115,222.18	100.00%			115,222.18	-	-
AAA	SHR	04080	Deputy Coroner Investigator	18.46	2,062,562.72	100.00%			2,062,562.72	-	-
AAA	SHR	04158	Deputy Public Administrator	2.69	211,980.12	100.00%			211,980.12	-	-
AAA	SHR	04193	Deputy Sheriff	215.12	31,285,218.81	100.00%			31,285,218.81	-	-
AAA	SHR	04196	Deputy Sheriff 12 Hr Shift-80	241.08	32,986,575.87	100.00%			32,986,575.87	-	-
AAA	SHR	04199	Sheriff's Sergeant 12 Hr - 80	0.27	49,998.98	100.00%			49,998.98	-	-
AAA	SHR	04202	Deputy Sheriff 12 Hr Shift-84	0.23	28,272.22	100.00%			28,272.22	-	-
AAA	SHR	04204	Sheriff's Detective/Corporal	130.92	22,812,810.27	100.00%			22,812,810.27	-	-
AAA	SHR	04205	Deputy Sheriff Resident	8.19	1,546,847.47	100.00%			1,546,847.47	-	-
AAA	SHR	04206	Deputy Sheriff III Resident	0.96	191,046.45	100.00%			191,046.45	-	-
AAA	SHR	04207	Sheriff Deputy Dir Admin Svcs	1.00	216,147.38		100.00%		-	216,147.38	-
AAA	SHR	04212	Sheriff's Emergency Svcs Cdntr	1.00	108,594.81		100.00%		-	108,594.81	-
AAA	SHR	04388	Director of County Safety&Secu	0.54	19,411.30			100.00%	-	-	19,411.30
AAA	SHR	05055	Sheriff/Coroner/Public Admin	1.04	615,092.40			100.00%	-	-	615,092.40
AAA	SHR	05128	Autopsy Assistant Trainee	1.00	67,484.31	100.00%			67,484.31	-	-
AAA	SHR	05129	Autopsy Assistant	6.15	442,284.71	100.00%			442,284.71	-	-
AAA	SHR	05300	Executive Secretary I	2.00	142,950.43		100.00%		-	142,950.43	-
AAA	SHR	05312	Executive Secretary III-Unclas	1.00	103,915.66		100.00%		-	103,915.66	-
AAA	SHR	06050	Fiscal Assistant	8.35	492,763.38		100.00%		-	492,763.38	-
AAA	SHR	06051	Fiscal Specialist	2.96	185,272.54		100.00%		-	185,272.54	-
AAA	SHR	06052	Supervising Fiscal Specialist	2.04	144,935.55		100.00%		-	144,935.55	-
AAA	SHR	06059	Payroll Specialist	5.27	310,126.86		100.00%		-	310,126.86	-
AAA	SHR	06118	Forensic Specialist I (DC)	1.46	117,094.97		100.00%		-	117,094.97	-
AAA	SHR	06119	Forensic Specialist II (DC)	1.00	79,847.85		100.00%		-	79,847.85	-
AAA	SHR	08045	Health Services Assistant I	0.00	0.08	100.00%			0.08	-	-
AAA	SHR	09008	Indigent Burial Specialist	1.00	66,811.69		100.00%		-	66,811.69	-
AAA	SHR	12010	Laboratory Aid 1	0.85	8,136.85		100.00%		-	8,136.85	-
AAA	SHR	13025	Maintenance Supervisor	0.04	4,748.08		100.00%		-	4,748.08	-
AAA	SHR	13072	Sheriff's Civil Technician	10.00	627,838.14		100.00%		-	627,838.14	-
AAA	SHR	13080	Mechanics Assistant	0.50	34,061.91		100.00%		-	34,061.91	-
AAA	SHR	13265	Motor Pool Services Assistant	5.81	381,058.17	17.21%	82.79%		65,586.60	315,471.57	-
AAA	SHR	13268	Multimedia Coordinator	1.00	82,607.61		100.00%		-	82,607.61	-
AAA	SHR	16122	Personnel Technician	2.00	140,874.74		100.00%		-	140,874.74	-
AAA	SHR	16192	Polygraph Examiner	2.00	247,191.63		100.00%		-	247,191.63	-
AAA	SHR	16321	Programmer Analyst II	1.00	109,117.94		100.00%		-	109,117.94	-
AAA	SHR	16322	Programmer Analyst III	1.00	122,871.90		100.00%		-	122,871.90	-
AAA	SHR	16409	Public Service Employee 1	5.08	60,293.36	19.69%	80.31%		11,868.77	48,424.59	-
AAA	SHR	19011	Safety Unit Extra Help 1	25.88	698,987.20	11.40%	88.60%		79,675.90	619,311.30	-
AAA	SHR	19040	Secretary I	21.81	1,409,649.04	9.17%	90.83%		129,266.30	1,280,382.74	-
AAA	SHR	19045	Secretary II	2.00	129,114.06		100.00%		-	129,114.06	-
AAA	SHR	19060	Accountant III	3.77	390,009.26		100.00%		-	390,009.26	-
AAA	SHR	19457	Sheriff's AutomatedSystemsSpv	2.00	245,571.89		100.00%		-	245,571.89	-
AAA	SHR	19458	Sheriff's TrainingSpecialist I	14.42	522,692.65	93.07%	6.93%		486,444.89	36,247.76	-
AAA	SHR	19459	Sheriff's Facilities Coordntr	2.00	207,178.80		100.00%		-	207,178.80	-
AAA	SHR	19460	Sheriff's DeputyChief	4.69	1,541,849.86		100.00%		-	1,541,849.86	-
AAA	SHR	19461	Sheriff's CustodySpecial 12 hr	16.62	1,348,143.34	100.00%	0.00%		1,348,143.34	-	-
AAA	SHR	19464	Sheriff's Civil Investigator	1.00	100,170.41		100.00%		-	100,170.41	-
AAA	SHR	19465	Sheriff's Captain	18.23	5,193,566.20		100.00%		-	5,193,566.20	-
AAA	SHR	19467	Sheriff's Custody Specialist	5.00	366,487.43	80.00%	20.00%		293,189.94	73,297.49	-
AAA	SHR	19468	Sheriff's Custody Assistant	1.00	51,951.31	100.00%	0.00%		51,951.31	-	-
AAA	SHR	19472	Sheriff's Commnty Relations Of	1.00	137,012.09		100.00%		-	137,012.09	-
AAA	SHR	19473	Sheriff's Communications Mgr	2.23	257,299.19		100.00%		-	257,299.19	-

Fund	Dept	JOBCODE	DESC	Employee Count	AdjustedpAYROLL	Direct %	Indirect %	Unallowable %	Direct $	Indirect $	Unallowable $
AAA	SHR	19476	Sheriff's CommDispatcher I Trn	3.96	206,080.11		100.00%		-	206,080.11	-
AAA	SHR	19477	Sheriff's CommDispatcher I	37.00	2,179,738.42		100.00%		-	2,179,738.42	-
AAA	SHR	19478	Sheriff's CommDispatcher II Tr	1.65	108,162.88		100.00%		-	108,162.88	-
AAA	SHR	19479	Sheriff's CommDispatcher II	77.15	5,450,884.28		100.00%		-	5,450,884.28	-
AAA	SHR	19481	Sheriff's Comm Dispatcher III	11.12	1,119,834.84		100.00%		-	1,119,834.84	-
AAA	SHR	19487	Supervising Polygraph Examiner	1.00	139,395.91		100.00%		-	139,395.91	-
AAA	SHR	19489	Sheriff's SupvCommDispatcher	16.31	1,625,618.53		100.00%		-	1,625,618.53	-
AAA	SHR	19498	Sheriff's TrainingSpecialst II	1.00	91,858.00		100.00%		-	91,858.00	-
AAA	SHR	19500	Sheriff's Training Supervisor	1.00	103,756.14	100.00%	0.00%		103,756.14	-	-
AAA	SHR	19504	Sheriff'sMotor/FabricMechanic	1.00	95,352.66	100.00%	0.00%		95,352.66	-	-
AAA	SHR	19515	Sheriff's Lieutenant	26.00	5,516,152.05	7.69%	92.31%		424,319.39	5,091,832.66	-
AAA	SHR	19520	Sheriff's Financial Manager	1.00	155,532.64		100.00%		-	155,532.64	-
AAA	SHR	19521	Sheriff's Administrative Manag	1.00	153,583.11		100.00%		-	153,583.11	-
AAA	SHR	19525	Sheriff's MaintenanceMechanic	0.35	28,591.18		100.00%		-	28,591.18	-
AAA	SHR	19526	Sheriff's Pilot	1.00	113,791.26		100.00%		-	113,791.26	-
AAA	SHR	19527	Sheriff's Public Info Offcr I	1.00	103,813.66		100.00%		-	103,813.66	-
AAA	SHR	19528	Sheriff's Public Info Offcr II	1.00	112,935.45		100.00%		-	112,935.45	-
AAA	SHR	19530	Sheriff's RecordsClerk	31.42	1,315,257.88		100.00%		-	1,315,257.88	-
AAA	SHR	19535	Sheriff's Sergeant	95.23	18,281,209.66	85.36%	14.64%		15,605,161.54	2,676,048.12	-
AAA	SHR	19536	Sheriff's Records Manager	1.00	108,330.61		100.00%		-	108,330.61	-
AAA	SHR	19540	Sheriff's Special Assistant	2.00	216,597.49		100.00%		-	216,597.49	-
AAA	SHR	19541	Sheriff's Spcl. Program Coordn	0.88	88,930.54		100.00%		-	88,930.54	-
AAA	SHR	19543	Sheriff's ServiceSpecialist	27.00	1,783,026.07		100.00%		-	1,783,026.07	-
AAA	SHR	19553	Sheriff's Trainee	30.96	2,070,178.24		100.00%		-	2,070,178.24	-
AAA	SHR	19563	Social Service Aide	0.04	724.44		100.00%		-	724.44	-
AAA	SHR	19646	Staff Analyst I	2.00	169,356.88		100.00%		-	169,356.88	-
AAA	SHR	19647	Staff Analyst II	2.00	158,760.14		100.00%		-	158,760.14	-
AAA	SHR	19767	Supervising Accountant II	0.77	102,457.81		100.00%		-	102,457.81	-
AAA	SHR	19823	Supvg Dpty Coroner Investgr I	5.00	603,698.52		100.00%		-	603,698.52	-
AAA	SHR	19829	Supvg Dpty Coroner Investgr II	1.00	146,970.75		100.00%		-	146,970.75	-
AAA	SHR	19956	Systems Development Team Ldr	3.00	472,337.90		100.00%		-	472,337.90	-
AAA	SHR	19960	Systems Support Analyst I	0.65	59,155.31		100.00%		-	59,155.31	-
AAA	SHR	19965	Systems Support Analyst II	3.85	512,459.07	33.77%	66.23%		173,038.13	339,420.94	-
AAA	SHR	19970	Systems Support Analyst III	5.23	728,324.31	13.19%	86.81%		96,088.68	632,235.63	-
AAA	SHR	21005	Undersheriff	1.00	377,149.66		100.00%		-	377,149.66	-
									-	-	-
									-	-	-
			Contract and ordinance unit employees are governed by ordinance terms and differing individual contract te						-	-	-
AAA	SHR	19710	Student Intern 1	0.58	8,995.56		100.00%		-	8,995.56	-
AAA	SHR	18066	Correctional Nurse - Per Diem 1	1.04	163.33	100.00%			163.33	-	-
AAA	SHR	19551	Sheriff's Station Officer 1	5.46	79,623.46	100.00%			79,623.46	-	-
AAA	SHR	04053	Cont Forensic Pathologist	2.00	464,631.02	100.00%			464,631.02	-	-
AAA	SHR	04054	Cont Forensic Pathologist	1.08	60,902.60	100.00%			60,902.60	-	-
AAA	SHR	27052	Cont Chief Forensic Pathologis	1.00	291,371.85	100.00%			291,371.85	-	-
AAA	SHR	27104	Cont Sheriff Training Program	0.92	27,968.21	100.00%			27,968.21	-	-
AAA	SHR	27197	Cont Motorcycle Instructor	2.19	44,215.87	100.00%			44,215.87	-	-
AAA	SHR	27198	Cont Lead Motorcycle Instrctr	0.96	57,093.03	100.00%			57,093.03	-	-
AAA	SHR	27204	Cont Range Safety Officer	1.00	66,720.68	100.00%			66,720.68	-	-
AAA	SHR	27250	Cont Dep Medical Examiner	0.54	149,190.51	100.00%			149,190.51	-	-
AAA	SHR	27328	Cont Sheriff's Armorer	1.00	73,218.11	100.00%			73,218.11	-	-
									-	-	-
									-	-	-
SCC	SHR	04208	Sheriff's PersonnelPublicGath 1	64.65	719,663.94	100.00%			719,663.94	-	-
SCC	SHR	04213	Deputy Sheriff Morissey Hearin	0.85	165.39	100.00%			165.39	-	-
									-	-	-
									-	-	-
AAA	SHC	03122	Crime Analyst	1.00	106,320.64	50.00%	50.00%		53,160.32	53,160.32	-
AAA	SHC	03316	Office Assistant II	0.88	44,123.94	100.00%			44,123.94	-	-
AAA	SHC	03317	Office Assistant III	0.04	2,265.09	100.00%			2,265.09	-	-
AAA	SHC	03320	Office Specialist	57.81	3,583,352.69	100.00%			3,583,352.69	-	-
AAA	SHC	03321	Supervising Office Specialist	2.77	236,810.73	100.00%			236,810.73	-	-
AAA	SHC	04193	Deputy Sheriff	84.88	12,878,882.46	100.00%			12,878,882.46	-	-
AAA	SHC	04196	Deputy Sheriff 12 Hr Shift-80	238.12	33,685,824.52	100.00%			33,685,824.52	-	-
AAA	SHC	04199	Sheriff's Sergeant 12 Hr - 80	16.12	3,083,640.75	100.00%			3,083,640.76	-	-
AAA	SHC	04203	Sheriff's Det/Corprl 12 Hr-84	0.23	40,133.32	100.00%			40,133.33	-	-
AAA	SHC	04204	Sheriff's Detective/Corporal	43.85	7,285,062.84	100.00%			7,285,062.84	-	-
AAA	SHC	13080	Mechanics Assistant	0.69	49,004.90	100.00%			49,004.90	-	-
AAA	SHC	13265	Motor Pool Services Assistant	3.00	199,548.29	100.00%			199,548.29	-	-
AAA	SHC	19040	Secretary I	8.00	506,121.61	100.00%			506,121.61	-	-
AAA	SHC	19465	Sheriff's Captain	7.04	2,001,918.86	100.00%			2,001,918.86	-	-
AAA	SHC	19515	Sheriff's Lieutenant	8.04	1,818,347.61	100.00%			1,818,347.60	-	-
AAA	SHC	19535	Sheriff's Sergeant	37.88	7,377,072.34	100.00%			7,377,072.34	-	-
AAA	SHC	19543	Sheriff's ServiceSpecialist	51.04	3,461,066.08	100.00%			3,461,066.07	-	-
									-	-	-
AAA	SHD	01025	Accountant II	0.27	21,600.73		100.00%		-	21,600.72	-
AAA	SHD	01046	Accounting Technician	1.00	72,605.21	100.00%			72,605.21	-	-
AAA	SHD	01193	Sheriff's Medical Stores Spcst	2.15	150,491.55		100.00%		-	150,491.55	-
AAA	SHD	01194	Dental Assistant-Corrections	2.00	123,753.62	100.00%			123,753.62	-	-
AAA	SHD	01217	Alcohol & Drug Counselor	2.00	154,215.46	100.00%			154,215.46	-	-
AAA	SHD	01675	Automated Systems Analyst I	1.77	168,860.05		100.00%		-	168,860.05	-
AAA	SHD	03316	Office Assistant II	1.85	87,475.93		100.00%		-	87,475.94	-
AAA	SHD	03317	Office Assistant III	2.00	126,846.41		100.00%		-	126,846.41	-
AAA	SHD	03320	Office Specialist	0.85	51,787.97		100.00%		-	51,787.97	-
AAA	SHD	03321	Supervising Office Specialist	1.00	88,802.03		100.00%		-	88,802.03	-

Fund	Dept	JOBCODE	DESC	Employee Count	AdjustedpAYROLL	Direct %	Indirect %	Unallowable %	Direct $	Indirect $	Unallowable $
AAA	SHD	03329	Clinic Assistant	2.23	121,806.40	100.00%			121,806.40	-	-
AAA	SHD	04193	Deputy Sheriff	74.54	11,389,856.91	100.00%			11,389,856.92	-	-
AAA	SHD	04196	Deputy Sheriff 12 Hr Shift-80	73.19	10,925,851.83	100.00%			10,925,851.82	-	-
AAA	SHD	04199	Sheriff's Sergeant 12 Hr - 80	6.81	1,360,415.74	100.00%			1,360,415.74	-	-
AAA	SHD	04201	Sheriff's Lieutenant 12hrShift	4.15	917,740.77	100.00%			917,740.77	-	-
AAA	SHD	04202	Deputy Sheriff 12 Hr Shift-84	286.69	40,531,937.44	100.00%			40,531,937.44	-	-
AAA	SHD	04203	Sheriff's Det/Corprl 12 Hr-84	2.31	384,012.88	100.00%			384,012.88	-	-
AAA	SHD	04204	Sheriff's Detective/Corporal	5.35	928,655.73	100.00%			928,655.73	-	-
AAA	SHD	04210	Detention Review Officer I	5.77	500,812.53	100.00%			500,812.52	-	-
AAA	SHD	04211	Detention Review Officer II	1.00	150,184.77	100.00%			150,184.77	-	-
AAA	SHD	05070	Electrician	2.00	175,089.94		100.00%		-	175,089.94	-
AAA	SHD	06050	Fiscal Assistant	14.65	940,599.22	6.82%	93.18%		64,187.87	876,411.35	-
AAA	SHD	06051	Fiscal Specialist	0.96	51,014.63		100.00%		-	51,014.62	-
AAA	SHD	06052	Supervising Fiscal Specialist	1.00	83,513.32		100.00%		-	83,513.32	-
AAA	SHD	08045	Health Services Assistant I	14.27	849,757.94	100.00%			849,757.94	-	-
AAA	SHD	09015	Inmate Programs Coordinator	1.00	104,053.37	100.00%			104,053.37	-	-
AAA	SHD	12157	Lic Vocatnl Nurse II-Correctns	32.77	2,612,956.49	100.00%			2,612,956.48	-	-
AAA	SHD	12159	Lic Vocatnl Nurse I-Correctns	0.62	44,568.61	100.00%			44,568.61	-	-
AAA	SHD	13025	Maintenance Supervisor	4.31	501,882.14		100.00%		-	501,882.14	-
AAA	SHD	13265	Motor Pool Services Assistant	0.58	34,639.24		100.00%		-	34,639.24	-
AAA	SHD	16005	Painter I	3.00	245,227.95		100.00%		-	245,227.95	-
AAA	SHD	18061	Correctional Nurse I	0.62	93,609.38	100.00%			93,609.38	-	-
AAA	SHD	18062	Correctional Nurse II	37.58	5,143,094.47	100.00%			5,143,094.48	-	-
AAA	SHD	18063	Correctional Nurse III	1.81	232,210.78	100.00%			232,210.78	-	-
AAA	SHD	18066	Correctional Nurse - Per Diem 1	11.73	467,055.38	100.00%			467,055.38	-	-
AAA	SHD	19011	Safety Unit Extra Help 1	0.27	12,169.39	100.00%			12,169.39	-	-
AAA	SHD	19040	Secretary I	6.00	408,227.09	16.67%	83.33%		68,037.85	340,189.24	-
AAA	SHD	19458	Sheriff's TrainingSpecialist I	6.00	529,303.00	16.67%	83.33%		88,217.17	441,085.84	-
AAA	SHD	19459	Sheriff's Facilities Coordntr	3.00	265,137.76	33.33%	66.67%		88,379.25	176,758.51	-
AAA	SHD	19460	Sheriff's DeputyChief	0.88	473,833.67		100.00%		-	473,833.68	-
AAA	SHD	19461	Sheriff's CustodySpecial 12 hr	137.81	11,806,208.11	100.00%			11,806,208.12	-	-
AAA	SHD	19465	Sheriff's Captain	4.15	1,157,313.85		100.00%		-	1,157,313.85	-
AAA	SHD	19467	Sheriff's Custody Specialist	109.81	8,617,715.84	100.00%			8,617,715.84	-	-
AAA	SHD	19468	Sheriff's Custody Assistant	77.81	4,288,341.96	100.00%			4,288,341.96	-	-
AAA	SHD	19470	Sheriff's Cook I	1.77	94,390.22	100.00%			94,390.22	-	-
AAA	SHD	19471	Sheriff's Cook II	48.96	4,023,451.86	100.00%			4,023,451.86	-	-
AAA	SHD	19482	Supvsg Sheriff's Custdy Spclst	2.77	238,109.63	100.00%			238,109.63	-	-
AAA	SHD	19498	Sheriff's TrainingSpecialst II	1.00	98,108.85	100.00%			98,108.85	-	-
AAA	SHD	19505	Sheriff's FoodServiceManager	1.00	119,366.64		100.00%		-	119,366.64	-
AAA	SHD	19506	Sheriff's FoodServiceSpvr	6.77	559,490.42	100.00%			559,490.41	-	-
AAA	SHD	19507	Sheriff's HealthServicesMgr	1.00	173,882.31		100.00%		-	173,882.31	-
AAA	SHD	19508	Sheriff's Food Svcs Director	1.00	166,093.75		100.00%		-	166,093.75	-
AAA	SHD	19515	Sheriff's Lieutenant	7.65	1,758,673.31	81.97%	18.03%		1,441,581.87	317,091.45	-
AAA	SHD	19523	Sheriff's Maintenance Manager	0.96	144,829.43		100.00%		-	144,829.44	-
AAA	SHD	19525	Sheriff's MaintenanceMechanic	19.88	1,800,623.59		100.00%		-	1,800,623.59	-
AAA	SHD	19529	Sheriff's Maint Mechanic Trnee	1.35	96,679.96		100.00%		-	96,679.96	-
AAA	SHD	19534	Sheriff's ResearchAnalyst	1.00	108,307.90		100.00%		-	108,307.90	-
AAA	SHD	19535	Sheriff's Sergeant	12.04	2,600,749.06	100.00%			2,600,749.06	-	-
AAA	SHD	19538	Sheriff's Nurse Supervisor I	3.42	588,186.73		100.00%		-	588,186.73	-
AAA	SHD	19539	Sheriff's Nurse Supervisor II	5.00	829,576.73	20.00%	80.00%		165,915.35	663,661.38	-
AAA	SHD	19544	Sheriff's Sergeant 12 Hr - 84	20.04	4,211,503.59	100.00%			4,211,503.59	-	-
AAA	SHD	19553	Sheriff's Trainee	13.81	1,041,107.18		100.00%		-	1,041,107.18	-
AAA	SHD	19563	Social Service Aide	0.00	(307.58)	100.00%			(307.58)	-	-
AAA	SHD	19610	Social Worker II	2.58	211,602.85	100.00%			211,602.85	-	-
AAA	SHD	19700	Stores Specialist	3.50	233,081.05		100.00%		-	233,081.05	-
AAA	SHD	19767	Supervising Accountant II	1.00	140,503.34	100.00%			140,503.34	-	-
									-	-	-
									-	-	-
			Contract and ordinance unit employees are governed by ordinance terms and differing individual contract te						-	-	-
AAA	SHD	12154	Lic Vocational Nurse-Per Diem 1	7.46	329,043.20	100.00%			329,043.19	-	-
AAA	SHD	25338	Cont Sheriff Dentist	2.92	127,297.76	100.00%			127,297.76	-	-
AAA	SHD	25365	Cont Sheriff Chaplain H Rng	1.00	67,858.34	100.00%			67,858.34	-	-
AAA	SHD	25366	Ct Sheriff Chaplain L Rng	1.00	67,095.62	100.00%			67,095.62	-	-
AAA	SHD	25367	CT Shrf Chap L Rng W/RTM	1.00	92,396.26	100.00%			92,396.26	-	-
AAA	SHD	25368	CT Shrf Chap H Rng W/RTM	1.00	94,925.43	100.00%			94,925.43	-	-
AAA	SHD	27312	Cont Sheriff Psychiatrist	1.00	39,549.37	100.00%			39,549.37	-	-
AAA	SHD	27314	Cont Sheriff Inst Landscape Sp	1.00	153,481.89	100.00%			153,481.89	-	-
AAA	SHD	27326	Cont Culinary Instructor	0.96	74,716.85	100.00%			74,716.85	-	-
AAA	SHD	27329	Cont Bakery Occupational Instr	1.00	104,455.16	100.00%			104,455.16	-	-
AAA	SHD	27330	Cont Dentist	1.00	189,694.65	100.00%			189,694.65	-	-
AAA	SHD	27374	Cont Sheriff's Regst Dietitian	1.00	72,780.17	100.00%			72,780.17	-	-
AAA	SHD	27412	Cont Radiologic Tech II	1.00	102,425.38	100.00%			102,425.38	-	-
AAA	SHD	28888	Cont Bakery Occupation Instr	0.96	25,053.59	100.00%			25,053.60	-	-
AAA	SHD	28911	Cont Print Shop Supervisor	1.00	71,771.69	100.00%			71,771.69	-	-
				3,223.65	**379,777,678.31**	**82.58%**	**17.25%**	**0.17%**	**313,637,706.58**	**65,505,468.05**	**634,503.70**

San Marcos Crime Statistics

Audit and Claims

CITY OF SAN MARCOS

Audit Report

CRIME STATISTICS REPORTS FOR THE DEPARTMENT OF JUSTICE PROGRAM

Chapter 1172, Statutes 1989; Chapter 1338, Statutes 1992;
Chapter 1230, Statutes 1993; Chapter 933, Statutes 1998;
Chapter 571, Statutes 1999; Chapter 626, Statutes 2000;
Chapter 700, Statutes 2004

July 1, 2001, through June 30, 2012

BETTY T. YEE
California State Controller

June 2017

BETTY T. YEE
California State Controller

June 30, 2017

The Honorable Jim Desmond
Mayor of City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069

Dear Mayor Desmond:

The State Controller's Office audited the costs claimed by the City of San Marcos for the legislatively mandated Crime Statistics Reports for the Department of Justice Program (Chapter 1172, Statutes 1989; Chapter 1338, Statutes 1992; Chapter 1230, Statutes 1993; Chapter 933, Statutes 1998; Chapter 571, Statutes 1999; Chapter 626, Statutes 2000; Chapter 700, Statutes 2004) for the period of July 1, 2001, through June 30, 2012.

The city claimed $1,094,487 for the mandated program. Our audit found that $722,360 is allowable ($738,724 less allowable costs that exceed costs claimed totaling $16,364) and $372,127 is unallowable. The costs are unallowable because the city misstated the number of domestic violence-related calls for assistance incident reports, misstated the average time increments per activity, misstated the contract productive hourly rates, and misstated the contract indirect cost rates. The State made no payments to the city. The State will pay allowable costs claimed totaling $722,360, contingent upon available appropriations.

This final audit report contains an adjustment to costs claimed by the city. If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on the State Mandates (Commission). Pursuant to Section 1185, subdivision (c), of the Commission's regulations (*California Code of Regulations*, Title 3), 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. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCForm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/ls

cc: Laura Rocha, Finance Director
City of San Marcos
Stacey Tang, Accounting Manager
City of San Marcos
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
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of San Marcos for the legislatively mandated Crime Statistics Reports for the Department of Justice Program (Chapter 1172, Statutes 1989; Chapter 1338, Statutes 1992; Chapter 1230, Statutes 1993; Chapter 933, Statutes 1998; Chapter 571, Statutes 1999; Chapter 626, Statutes 2000; Chapter 700, Statutes 2004) for the period of July 1, 2001, through June 30, 2012.

The city claimed $1,094,487 for the mandated program. Our audit found that $722,360 is allowable ($738,724 less allowable costs that exceed costs claimed totaling $16,364) and $372,127 is unallowable. The costs are unallowable because the city misstated the number of domestic violence-related calls for assistance incident reports, misstated the average time increments per activity, misstated the contract productive hourly rates, and misstated the contract indirect cost rates. The State made no payments to the city. The State will pay allowable costs claimed totaling $722,360, contingent upon available appropriations.

Background

Penal Code (PC) section 12025, subdivisions (h)(1) and (h)(3); section 12031, subdivisions (m)(1) and (m)(3); section 13014 and 13023; and section 13730, subdivision (a) require local agencies to report information related to certain specified criminal acts to the California Department of Justice (DOJ). These sections were added and/or amended by Chapter 1172, Statutes of 1989; Chapter 1338, Statutes of 1992; Chapter 1230, Statutes of 1993; Chapter 933, Statutes of 1998; Chapter 571, Statutes of 1999; Chapter 626, Statutes of 2000; and Chapter 700, Statutes of 2004.

On June 26, 2008, the Commission on State Mandates (Commission) adopted a statement of decision for the Crime Statistics Reports for the Department of Justice Program. The Commission found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on city and county claimants beginning on July 1, 2001, within the meaning of Article XII B, section 6 of the California Constitution and Government Code (GC) section 17514.

On July 31, 2009, the Commission heard an amended test claim on PC section 13023 (added by Chapter 700, Statutes of 2004), which imposed additional crime reporting requirements. The Commission also found that this test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program for city and county claimants beginning on January 1, 2004. On April 10, 2010, the Commission issued a corrected statement of decision to correctly identify the operative and effective date of the reimbursable state-mandated program as January 1, 2005.

The Commission found that the following activities are reimbursable:

- A local government entity responsible for the investigation and prosecution of a homicide case to provide the California Department of Justice (DOJ) with demographic information about the victim and the person or persons charged with the crime, including the victim's and person's age, gender, race, and ethnic background (Penal Code section 13014).

- Local law enforcement agencies to report, in a manner to be prescribed by the Attorney General, any information that may be required relative to any criminal acts or attempted criminal acts to cause physical injury, emotional suffering, or property damage where there is a reasonable cause to believe that the crime was motivated, in whole or in part, by the victim's race, ethnicity, religion, sexual orientation, or physical or mental disability, or gender or national origin (Penal Code section 13023).

- For district attorneys to report annually on or before June 30, to the Attorney General, on profiles by race, age, gender, and ethnicity any person charged with a felony or misdemeanor under section 12025 (carrying a concealed firearm) or section 12031 of the Penal Code (carrying a loaded firearm in a public place), and any other offense charged in the same complaint, indictment, or information. The Commission found that this is a reimbursable mandate from July 1, 2001 (the beginning of the reimbursement period for this test claim) until January 1, 2005. (Penal Code sections 12025, subdivisions (h)(1) and (h)(3), and 12031 subdivisions (m)(1) and (m)(3)).

- For local law enforcement agencies to support all domestic-violence related calls for assistance with a written incident report (Penal Code section 13730, subdivision (a), Chapter 1230, Statutes of 1993).

The Commission also found that, beginning January 1, 2005, local law enforcement agencies are entitled to reimbursement for reporting the following information in a manner to be prescribed by the Attorney General:

- Any information that may be required relative to hate crimes, as defined in Penal Code section 422.55 as criminal acts committed, in whole or in part, because of one or more of the following perceived characteristics of the victim: (1) disability, (2) gender, (3) nationality, (4) race or ethnicity, (5) religion, (6) sexual orientation.

- Any information that may be required relative to hate crimes, defined in Penal Code section 422.55 as criminal acts committed, in whole or in part, because of association with a person or group with one or more of the following actual or perceived characteristics: (1) disability, (2) gender, (3) nationality, (4) race or ethnicity, (5) religion, (6) sexual orientation.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The Commission adopted the parameters and guidelines on September 30, 2010, and amended them on January 24, 2014 to clarify reimbursable costs related to domestic violence related-calls for assistance. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated program reimbursable costs.

Objectives, Scope, and Methodology

We conducted this performance audit to determine whether costs claimed represent increased costs resulting from the Crime Statistics Reports for the Department of Justice Program for the period of July 1, 2001, through June 30, 2012.

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

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations.

The objectives of our audit were to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

To achieve our audit objectives, we performed the following procedures:

- Reviewed claims to identify the material cost components of each claim, any errors, and any unusual or unexpected variances from year-to-year;
- Completed an internal control questionnaire and performed a walk-through of the claim preparation process to determine what information was used, who obtained it, and how it was obtained;
- Reviewed the city's contract provisions with the agency performing reimbursable activities;
- Interviewed the contracted agency's staff to determine the employee classifications involved in performing the reimbursable activities during the audit period;
- Assessed whether computer-processed data provided by the contracted agency to support claimed information was complete and accurate and could be relied upon;
- Reviewed the contracted agency's time study documentation to assess whether average time increments claimed to perform the reimbursable activities were reasonable per the requirements of the program;
- Reviewed and analyzed the contracted agency's detailed listing of incident report counts in selected fiscal years to identify any possible exclusions; and ensured that the counts were sufficiently free of errors;
- Verified incident report counts by tracing a sample of domestic violence calls for assistance to case files to ensure that the calls for assistance were supported by written incident reports;

- Traced contract productive hourly rate calculations to supporting information in the city's contract provisions with the agency performing reimbursable activities;
- Determined whether contract indirect costs claimed were for common or joint purposes and whether indirect cost rates were properly supported and applied; and
- Recalculated allowable costs claimed using audited data

Conclusion

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

For the audit period, the city claimed $1,094,487 for costs of the Crime Statistics Reports for the Department of Justice Program. Our audit found that $722,360 is allowable ($738,724 less allowable costs that exceed costs claimed totaling $16,364) and $372,127 is unallowable.

The State made no payments to the city. The State will pay allowable costs claimed that exceed the amount paid, totaling $722,360, contingent upon available appropriations.

Views of Responsible Officials

We issued a draft audit report on May 23, 2017. Laura Rocha, Finance Director, responded by letter dated June 1, 2017 (Attachment), disagreeing with the audit results. This final audit report includes the city's response.

Restricted Use

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

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

June 30, 2017

Schedule—
Summary of Program Costs
July 1, 2001, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
July 1, 2001, through June 30, 2002				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 46,375	$ 30,931	$ (15,444)	Finding 1
Total direct costs	46,375	30,931	(15,444)	
Indirect costs	4,638	14,754	10,116	Finding 2
Total program costs	$ 51,013	45,685	$ (5,328)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 45,685		
July 1, 2002, through June 30, 2003				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 85,600	$ 32,884	$ (52,716)	Finding 1
Total direct costs	85,600	32,884	(52,716)	
Indirect costs	8,560	15,686	7,126	Finding 2
Total program costs	$ 94,160	48,570	$ (45,590)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 48,570		
July 1, 2003, through June 30, 2004				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 91,184	$ 40,044	$ (51,140)	Finding 1
Total direct costs	91,184	40,044	(51,140)	
Indirect costs	9,118	19,101	9,983	Finding 2
Total program costs	$ 100,302	59,145	$ (41,157)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 59,145		
July 1, 2004, through June 30, 2005				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 108,999	$ 43,425	$ (65,574)	Finding 1
Total direct costs	108,999	43,425	(65,574)	
Indirect costs	10,900	20,714	9,814	Finding 2
Total program costs	$ 119,899	64,139	$ (55,760)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 64,139		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
July 1, 2005, through June 30, 2006				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 120,823	$ 46,556	$ (74,267)	Finding 1
Total direct costs	120,823	46,556	(74,267)	
Indirect costs	12,082	22,207	10,125	Finding 2
Total program costs	$ 132,905	68,763	$ (64,142)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 68,763		
July 1, 2006, through June 30, 2007				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 127,427	$ 48,953	$ (78,474)	Finding 1
Total direct costs	127,427	48,953	(78,474)	
Indirect costs	12,743	23,351	10,608	Finding 2
Total program costs	$ 140,170	72,304	$ (67,866)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 72,304		
July 1, 2007, through June 30, 2008				
Direct costs - contract services:[2]				
Homicide reports	$ 120	$ 120	$ -	
Domestic violence related calls for assistance	55,112	44,336	(10,776)	Finding 1
Total direct costs	55,232	44,456	(10,776)	
Indirect costs	44,628	20,405	(24,223)	Finding 2
Total program costs	$ 99,860	64,861	$ (34,999)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 64,861		
July 1, 2008, through June 30, 2009				
Direct costs - contract services:[2]				
Homicide reports	$ 120	$ 120	$ -	
Domestic violence related calls for assistance	43,987	50,419	6,432	Finding 1
Total direct costs	44,107	50,539	6,432	
Indirect costs	40,490	23,501	(16,989)	Finding 2
Total program costs	$ 84,597	74,040	$ (10,557)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 74,040		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
July 1, 2009, through June 30, 2010				
Direct costs - contract services:[2]				
Homicide reports	$ 116	$ 116	$ -	
Domestic violence related calls for assistance	54,494	62,062	7,568	Finding 1
Total direct costs	54,610	62,178	7,568	
Indirect costs	48,713	31,337	(17,376)	Finding 2
Total program costs	$ 103,323	93,515	$ (9,808)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 93,515		
July 1, 2010, through June 30, 2011				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 58,530	$ 49,367	$ (9,163)	Finding 1
Total direct costs	58,530	49,367	(9,163)	
Indirect costs	51,799	24,042	(27,757)	Finding 2
Total program costs	$ 110,329	73,409	$ (36,920)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 73,409		
July 1, 2011, through June 30, 2012				
Direct costs - contract services:[2]				
Domestic violence related calls for assistance	$ 31,195	$ 50,471	$ 19,276	Finding 1
Total direct costs	31,195	50,471	19,276	
Indirect costs	26,734	23,822	(2,912)	Finding 2
Total direct and indirect costs	57,929	74,293	16,364	
Less allowable costs that exceed costs clalimed[3]	-	(16,364)	(16,364)	
Total program costs	$ 57,929	57,929	$ -	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 57,929		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
Summary: July 1, 2001, through June 30, 2012				
Direct costs - contract services:[2]				
Homicide reports	$ 356	$ 356	$ -	
Domestic violence related calls for assistance	823,726	499,448	(324,278)	
Total direct costs	824,082	499,804	(324,278)	
Indirect costs	270,405	238,920	(31,485)	
Total direct and indirect costs	1,094,487	738,724	(355,763)	
Less allowable costs that exceed costs clalimed[3]	-	(16,364)	(16,364)	
Total program costs	$ 1,094,487	722,360	$ (372,127)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		$ 722,360		

[1] See the Findings and Recommendations section.

[2] The city claimed contract services costs that were misclassified as salaries and benefits during the audit period. We reallocated the claimed costs to the appropriate cost category of contract services.

[3] GC section 17568 stipulates that the State will not reimburse any claim more than one year after the filing deadline specified in the SCO's claiming instructions. That deadline has expired for FY 2011-12.

Findings and Recommendations

FINDING 1— Domestic Violence Related Calls for Assistance cost component – misstated contract services costs

The city claimed $823,726 in salaries and benefits for the Domestic Violence Related Calls for Assistance cost component during the audit period. The city incorrectly classified claimed costs as salaries and benefits costs. During the audit period, the city did not incur any salaries and benefits costs, but rather incurred contract services costs. We reallocated the costs to the appropriate cost category of Contract Services. Out of the amount claimed, we found that $499,448 is allowable and $324,278 is unallowable. The costs are unallowable because the city misstated the number of incident report counts, misstated the time increments per activity, and misstated the contract productive hourly rates.

The following table summarizes the claimed, allowable, and unallowable contract services costs for the Domestic Violence Related Calls for Assistance cost component for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2001-02	$ 46,375	$ 30,931	$ (15,444)
2002-03	85,600	32,884	(52,716)
2003-04	91,184	40,044	(51,140)
2004-05	108,999	43,425	(65,574)
2005-06	120,823	46,556	(74,267)
2006-07	127,427	48,953	(78,474)
2007-08	55,112	44,336	(10,776)
2008-09	43,987	50,419	6,432
2009-10	54,494	62,062	7,568
2010-11	58,530	49,367	(9,163)
2011-12	31,195	50,471	19,276
Total	$ 823,726	$ 499,448	$ (324,278)

Contract Service Costs

The city contracts with the San Diego County Sheriff's Department (SDSO) to perform all law enforcement duties for the city. These duties include activities claimed for the mandated program. The city contracts for various SDSO staff positions (i.e. Deputy, Sergeant, and Detective Sergeant) each fiscal year (FY) and pays the SDSO annual contract rates for the positions. No city staff members performed any of the reimbursable activities under this program. Therefore, the city did not incur any salaries and benefits costs as claimed, but rather incurred contract services costs. We reallocated the costs to the appropriate cost category of contract services.

The city determined claimed hours by multiplying the number of domestic-violence related calls for assistance incidents reported by the SDSO by the estimated time taken to perform the activity. The city then multiplied the total hours claimed by the respective SDSO contract rates to determine total costs claimed.

Number of Domestic Violence-Related Calls for Assistance

Claimed

The city obtained the claimed number of domestic violence-related calls for assistance from both the SDSO's Automated Regional Justice Information System (ARJIS) and the DOJ's website.

Allowable

During fieldwork, we requested to review documentation supporting the number of domestic violence-related calls for assistance incidents that included a written report. The SDSO provided reports from the ARJIS supporting the number of incidents, for which reports were written, for FY 2007-08 through FY 2011-12. We found that the number of incidents claimed was misstated (overstated in some years and understated in other years).

We reviewed a sample of domestic violence-related calls for assistance incidents to verify that they occurred and were properly supported with a written incident report. We selected a random sample of 33 domestic violence-related calls for assistance incidents each for FY 2010-11 and FY 2011-12. Our review revealed that only one incident report did not include any information related to domestic violence. We determined that we would not need to expand our testing, as the discrepancy was immaterial. We concluded the SDSO did a sufficient and appropriate job of generating the data from ARJIS. Therefore, we concluded that the query reports provided for FY 2007-08 through FY 2011-12 were reliable.

The SDSO was not able to provide reports or supporting documentation for incidents claimed for FY 2001-02 through FY 2006-07. Because we identified discrepancies with claimed incidents, for which reports were written, for FY 2007-08 through FY 2011-12, we calculated an average incident count based on the data provided for the supported years. We applied the average incident count to FY 2001-02 through FY 2006-07, in which supporting documentation was not available.

The following table summarizes the claimed, allowable, and misstated number of domestic violence-related calls for assistance incidents for the audit period:

Fiscal Year	Claimed Incident Counts	Allowable Incident Counts	Difference
Incident Counts			
2001-02	208	274	66
2002-03	356	274	(82)
2003-04	323	274	(49)
2004-05	359	274	(85)
2005-06	371	274	(97)
2006-07	373	274	(99)
2007-08	291	236	(55)
2008-09	224	266	42
2009-10	288	336	48
2010-11	309	270	(39)
2011-12	155	264	109

Time Increments

Claimed

For each fiscal year, the city estimated that it took 126 minutes per incident for a deputy to support all domestic violence-related calls for assistance with a written incident report. For FY 2007-08 through FY 2011-12, the city estimated that it took an additional 19 minutes for a sergeant to review and edit the report. The city did not provide any source documentation based on actual data to support the estimated time increments.

Allowable

The SDSO conducted a month-long time study in April 2016. The time study determined the time it took the Deputies to support all domestic violence-related calls for assistance with a written incident report, and the time it took the Patrolling Sergeants to review and edit the reports. The time study also determined that the Deputies also spent time editing reports and Detective Sergeants also spent time reviewing reports, which were not claimed.

Based on the SDSO's time-study results, we determined that it takes Deputies an average of 1.92 hours (or 115.42 minutes) to support all domestic violence-related calls for assistance with a written incident report, and an average of 0.05 hours (or 3 minutes) to edit the written report. We also determined that it takes the Patrolling Sergeants an average of 0.27 hours (or 15.90 minutes) and Detective Sergeants an average of 0.07 hours (or 4.10 minutes) to review the written reports.

We applied the allowable time-study increments to the domestic violence-related calls for assistance incident counts to arrive at the total allowable hours.

The following table summarizes the claimed, allowable, and misstated hours for the Deputy classification for the activity of writing the reports:

Fiscal Year	Claimed Hours	Allowable Hours	Difference
Allowable Hours - Report Writing (Deputy)			
2001-02	436.80	526.08	89.28
2002-03	747.60	526.08	(221.52)
2003-04	678.30	526.08	(152.22)
2004-05	753.90	526.08	(227.82)
2005-06	779.10	526.08	(253.02)
2006-07	783.30	526.08	(257.22)
2007-08	611.10	453.12	(157.98)
2008-09	470.40	510.72	40.32
2009-10	604.80	645.12	40.32
2010-11	648.90	518.40	(130.50)
2011-12	334.03	506.88	172.85
Total	6,848.23	5,790.72	(1,057.51)

The following table summarizes the claimed, allowable, and unreported hours for the Deputy classification for the activity of editing the reports:

Fiscal Year	Claimed Hours	Allowable Hours	Difference
Allowable Hours - Editing Report (Deputy)			
2001-02	-	13.70	13.70
2002-03	-	13.70	13.70
2003-04	-	13.70	13.70
2004-05	-	13.70	13.70
2005-06	-	13.70	13.70
2006-07	-	13.70	13.70
2007-08	-	11.80	11.80
2008-09	-	13.30	13.30
2009-10	-	16.80	16.80
2010-11	-	13.50	13.50
2011-12	-	13.20	13.20
Total	-	150.80	150.80

The following table summarizes the claimed, allowable, and misstated hours for the Patrolling Sergeant classification for the activity of reviewing and editing the reports:

Fiscal Year	Claimed Hours	Allowable Hours	Difference
Allowable Hours - Reviewing Report (Patrolling Sergeant)			
2001-02	-	73.98	73.98
2002-03	-	73.98	73.98
2003-04	-	73.98	73.98
2004-05	-	73.98	73.98
2005-06	-	73.98	73.98
2006-07	-	73.98	73.98
2007-08	92.15	63.72	(28.43)
2008-09	70.93	71.82	0.89
2009-10	91.20	90.72	(0.48)
2010-11	97.85	72.90	(24.95)
2011-12	47.79	71.28	23.49
Total	399.92	814.32	414.40

The following table summarizes the claimed, allowable, and unreported hours for the Detective Sergeant classification for the activity of reviewing and editing the reports:

Fiscal Year	Claimed Hours	Allowable Hours	Difference
Allowable Hours - Reviewing Report (Detective Sergeant)			
2001-02	-	19.18	19.18
2002-03	-	19.18	19.18
2003-04	-	19.18	19.18
2004-05	-	19.18	19.18
2005-06	-	19.18	19.18
2006-07	-	19.18	19.18
2007-08	-	16.52	16.52
2008-09	-	18.62	18.62
2009-10	-	23.52	23.52
2010-11	-	18.90	18.90
2011-12	-	18.48	18.48
Total	-	211.12	211.12

Contract Hourly Rates

We reviewed the contract service agreements between the SDSO and the city, including Attachment B, CLEP Costing schedules, and contract hours for each fiscal year. Our analysis revealed that the city overstated claimed rates during the audit period. The rates were overstated because the city used inconsistent methodology to compute claimed rates, used contract salary and benefit amounts that were co-mingled with multiple classifications, and applied inconsistent annual contract hours to compute claimed hourly rates.

Contract Salary and Benefit Amounts

For FY 2001-02 through FY 2006-07, the city used contract salary and benefit amounts that co-mingled multiple classifications into one rate. The claimed amounts included classifications that did not perform reimbursable activities. During fieldwork, SDSO provided segregated contract salary and benefit amounts specific to those classifications performing reimbursable activities. We used the segregated contract salary and benefit information to compute allowable rates for FY 2001-02 through FY 2006-07.

For FY 2007-08 through FY 2011-12, the city used segregated contract salary and benefit amounts. We traced the claimed amounts to contract information and confirmed they were accurate.

Contract Productive Hours

For FY 2001-02 through FY 2006-07, the city used co-mingled contract productive hours consistent with contract salary and benefit amounts that included multiple classifications into one rate. Because we were able to segregate contract salary and benefit amounts, we also used productive hours consistent with classifications performing reimbursable activities. We used 1,743 productive hours noted in the contract to compute each classification's contract rate.

Misstated Contract Hourly Rates

We calculated hourly contract rates for each classification using the contract hours of 1,743 and the segregated contract salary and benefit amounts for each classification performing reimbursable activities.

The following table summarizes the audit adjustments to the hourly contract rate for the Deputy classification:

Fiscal Year	Claimed Hourly Rate	Allowable Hourly Rate	Difference
Allowable Hourly Contract Rate (Deputy)			
2001-02	106.17	47.34	(58.83)
2002-03	114.50	50.31	(64.19)
2003-04	134.43	61.22	(73.21)
2004-05	144.58	66.48	(78.10)
2005-06	155.08	71.46	(83.62)
2006-07	162.68	75.14	(87.54)
2007-08	76.38	78.87	2.49
2008-09	78.64	78.64	-
2009-10	76.48	76.48	-
2010-11	75.84	75.84	-
2011-12	79.32	79.32	-

The following table summarizes the audit adjustments to the hourly contract rate for Patrolling Sergeant classification:

Fiscal Year	Amount Hourly Rate	Amount Hourly Rate	Difference
Allowable Hourly Contract Rate (Patrolling Sergeant)			
2001-02	-	57.72	57.72
2002-03	-	61.49	61.49
2003-04	-	75.11	75.11
2004-05	-	80.94	80.94
2005-06	-	85.69	85.69
2006-07	-	90.10	90.10
2007-08	91.55	94.58	3.03
2008-09	98.61	101.84	3.23
2009-10	90.34	100.12	9.78
2010-11	95.22	98.34	3.12
2011-12	98.34	102.69	4.35

The following table summarizes the audit adjustments to the hourly contract rate for Detective Sergeant classification:

Fiscal Year	Claimed Hourly Rate	Allowable Hourly Rate	Difference
Allowable Hourly Contract Rate (Detective Sergeant)			
2001-02	-	57.72	57.72
2002-03	-	61.49	61.49
2003-04	-	75.11	75.11
2004-05	-	80.94	80.94
2005-06	-	85.69	85.69
2006-07	-	90.10	90.10
2007-08	-	99.29	99.29
2008-09	-	101.84	101.84
2009-10	-	100.12	100.12
2010-11	-	98.34	98.34
2011-12	-	102.69	102.69

Summary of Audit Adjustment

We applied the allowable domestic violence-related calls for assistance incident counts to the time study increments to arrive at the total allowable hours. We then applied the audited hourly contract rates to the allowable hours to determine allowable contract services costs. Our analysis revealed that the city overstated contract services costs totaling $324,278 for the Domestic Violence Related Calls for Assistance cost component for the audit period.

The following table summarizes the audit adjustments per fiscal year as described in the finding above:

Fiscal Year	Hours Related Adjustment	Contract Rate Related Adjustment	Audit Adjustment
2001-02	$ 15,505	$ (30,949)	$ (15,444)
2002-03	(18,947)	(33,769)	(52,716)
2003-04	(12,626)	(38,514)	(51,140)
2004-05	(24,487)	(41,087)	(65,574)
2005-06	(30,276)	(43,991)	(74,267)
2006-07	(32,421)	(46,053)	(78,474)
2007-08	(12,099)	1,323	(10,776)
2008-09	6,200	232	6,432
2009-10	6,681	887	7,568
2010-11	(9,390)	227	(9,163)
2011-12	18,966	310	19,276
Total	$ (92,894)	$ (231,384)	$ (324,278)

Criteria

The parameters and guidelines (section IV-Reimbursable Activities) require claimed costs to be supported by source documents. The parameters and guidelines state, 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. 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.

The parameters and guidelines (section IV-Ongoing Activities D. Domestic Violence Related Calls for Assistance) allow ongoing activities related to costs supporting calls with a written incident report and reviewing the report as follows:

> D. Domestic Violence Related Calls for Assistance: (Pen. Code, § 13730(a); Stats.1993, ch. 1230)
>
> The following activity, performed by city, county, and city and county law enforcement agencies, is eligible for reimbursement:
>
> 1. Support all domestic-violence related calls for assistance with a written incident report.
> 2. Review and edit the report.
>
> Reimbursement is ***not*** required to interview parties, complete a booking sheet or restraining order, transport the victim to the hospital, book the perpetrator, or other related activities to enforce a crime and assist the victim.
>
> In addition, reimbursement is ***not*** required to include the information in the incident report required by Penal Code section 13730(c)(1)(2), based on the Commission decision denying reimbursement for that activity in *Domestic Violence Training and Incident Reporting* (CSM-96-362-01). Reimbursement for including the information in the incident report required by Penal Code section 13730(c)(3) is not provided in these parameters and guidelines and may not be claimed under this program, but is addressed in *Domestic Violence Incident Reports II* (02-TC-18).

The parameters and guidelines (section V-Claim Preparation and Submission-Direct Cost Reporting-Contracted Services) state that, for salaries and benefits, claimants are required to:

> Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services were also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and invoices with the claim and a description of the contract scope of services.

Recommendation

The Crime Statistics Reports for the Department of Justice Program was suspended in the FY 2012-13 through FY 2016-17. If the program becomes active, we recommend the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

Issue 1: Number of Domestic Violence-Related Calls for Assistance

The City of San Marcos (City) requests the State Controller's Office (SCO) to use the actual Domestic Violence (DV) statistics provided for the period from FY 2001-02 through FY 2006-07 in lieu of the SCO's average of the five most recent fiscal years audited. These actual statistics of DV incidents were supported with written incident reports. The City also requests the SCO to take into account the crime rates in the older years were higher.

The City provided to the SCO both the San Diego County Sheriff's Office (SDSO) DV statistics reported in the Automated Regional Justice Information System (ARJIS), which recorded the number of actual DV incident reports by fiscal year, and the Department of Justice (DOJ) annual DV report statistics, which were reported by calendar year. While the SDSO maintains records of total case counts in a summary format, the information requested by the SCO for this audit (a detailed report showing each incident case number by date and Penal Code for all the fiscal years) is no longer accessible due to system data conversions and also requirements to expunge records for FY 2001-02 through FY 2006-07. Table 1 below shows DOJ and SDSO ARJIS data, while reported on calendar vs. fiscal year, respectively, tracked very closely. The City used the DOJ figures, which the SCO confirmed, to compute the claims (FY 2011-12 claimed statistic was an error, which was not known at the time the claim was filed).

Table 1 – Analysis of Incident Report Counts

Fiscal Year	Claimed	DOJ Stats (calendar year)	ARJIS Stats (fiscal year)	SCO Allowed
2001-02	208	208	333	274
2002-03	356	356	360	274
2003-04	323	323	394	274
2004-05	359	359	336	274
2005-06	371	371	350	274
2006-07	373	373	346	274
2007-08	291	291	236	236
2008-09	224	224	266	266
2009-10	288	288	336	336
2010-11	309	309	270	270
2011-12	155	251	264	264
Total	**3,257**	**3,353**	**3,491**	**3,016**
Average	296	305	317	274
Variance		12		
% Difference		4%		

Shaded area indicates the SCO audited and approved numbers.

The information the SDSO provided proved:

1) The data was contemporaneously generated and can be verified by other reliable contemporaneous source document.

    a) The City sent to the SCO faxed correspondences from the SDSO's office with report counts from the actual time periods dating back to 2002.

    b) The attached San Diego Association of Governments (SANDAG) Criminal Justice Research Division Report verifies the statistics provided to the SCO matched DOJ reported DV incidents. The attached SANDAG, "Twenty-Five Years of Crime in the San Diego Region: 1984 through 2008" report, Page 25, Appendix Table 9 shows the data for year 2004, 2007 and 2008 DV incident counts matched those claimed.

2) The actual incident counts are supported with written reports.

    a) The attached DOJ's Criminal Statistics Reporting Requirements manual shows on Page 14, DOJ is to be provided with "monthly summary statistical data on the number of domestic violence-related calls received" and "[a]ll domestic violence-related calls for assistance shall be supported with a written incident report".

    b) The attached email on May 15, 2017, from Brent Jordan, Sr. Crime and Intel Analyst, who provided those old faxed correspondences above in 1) a), states, "The SANDAG reports that are attached represent reported crime meaning that **they had a case number and a written report.** None of the statistics provided in the SANDAG report are considered calls for service." Also the attached email from Lieutenant Schaller on the same date said, "Just confirming Brent's statement here. These stats were generated by actual reports generated." (Emphasis added)

    3) The DV crime rates in the older years were higher. The attached SANDAG "Twenty-Five Years of Crime in the San Diego Region: 1984 through 2008" report, page 11, Figure 13 shows DV rates were higher during 2002 to 2007 and they were trending down. Also on page 26, Appendix Table 9 shows specifically the City's number of DV incidents decreasing.

During the audit, the SCO reviewed the ARJIS statistics and detail reports for the five most recent of the eleven audited fiscal years and verified the reliability of the SDSO ARJIS statistical data, as 100% of ARJIS incident counts were approved by the SCO. Page 9 of the Draft Audit Report states, "We reviewed a sample of domestic-violence related calls for assistance incidents to verify that they occurred and were properly supported with a written incident report" and "We concluded the SDSO did a sufficient and appropriate job of generating the data from ARJIS. Therefore, we concluded that the query reports provided for FY 2007-08 through FY 2011-12 were reliable."

Based on the above, either the ARJIS or the DOJ actual statistics, instead of the 274 incident count 5-year average, for FY 2001-02 through FY 2006-07 should be allowed.

Issue 2: Contract Hourly Rates

The City disagrees with the SCO statements regarding the City overstated claimed rates and that the rates were overstated because the City used inconsistent methodologies to compute claimed rates. The City also disagrees with the SCO statement, "For FY 2001-02 though FY 2006-07, the city used contract salary and benefit amounts that co-mingled multiple classifications into one rate."

The City contracts with the SDSO for provision of Law Enforcement services. There were three contracts that governed the City's Law Enforcement services with the SDSO during the time period under audit. The first contract dated June 25, 1996 covered the period from FY 1996-97 to FY2001-02. The second contract dated June 11, 2002 covered the period from FY2002-03 to FY2006-07. And the third contract dated November 6, 2007 covered the period from FY2007-08 to FY 2011-12.

The methodologies used by the City to compute the billing rates were consistent with the contract language for each year. During FY 2001-02 through FY 2006-07, the City was billed for law enforcement services on a full cost basis per Patrol Sedan Unit, which included all overhead costs (including Sergeants' administrative or supportive services) to reflect the "actual costs" for providing the Unit. The overhead costs built into the rates are fixed and non-negotiable, and the contracts state that they are "necessary and appropriate" as well as "efficient in achieving the law enforcement objectives of the department". This method of computation for the Unit cost was common and used by many Counties to charge for law enforcement services.

The rates for a Patrol Deputy were computed exactly as stated per Attachment B of the contracts, which specifies total unit cost for a Patrol Sedan Unit and total annual hours of service provided. The Patrol officers are the direct staff that performed the mandated activity, which included taking the call, writing, and editing a DV incident report. The City did not claim Sergeants' time during that time frame because Sergeants' support costs were included as overhead in the contracted rate for the Patrol Deputy.

The City disputes the SCO's use of deconstructed salaries and benefits for FY 2001-02 through FY 2006-07 because that was not how the contracts were structured. The City requests that actual Patrol Deputy hourly rates be allowed as originally claimed by the City as the method matches the June 25, 1996 and June 11, 2002 contract terms and conditions that dictate the rates for FY 2001-02 through FY 2006-07.

SCO's Comment

Issue 1: Number of Domestic Violence-Related Calls for Assistance

The finding and recommendation remain unchanged.

The city disagrees with the SCO's use of an average allowable incident count for FY 2001-02 through FY 2006-07, for which supporting documentation was not available. The SCO derived the average incident count based on actual reports from ARJIS for FY 2007-08 through FY 2011-12.

1. The city asserts that the claimed case counts were "contemporaneously generated and can be verified by other reliable contemporaneous source documents." The city's statement is misleading, as no contemporaneous source documents were provided to support incident counts in FY 2001-02 through FY 2006-07.

   The SCO requested and reviewed reports from ARJIS supporting the number of incidents, for which reports were written, for FY 2007-08 through FY 2011-12. We found deviations from claimed counts and used audited data to compute allowable costs. The same reports were not available for FY 2001-02 through FY 2006-07 to support claimed incident counts in the early years. The city agrees that "the information requested by the SCO for this audit (a detailed report showing each incident case number by date and Penal Code for all the fiscal years) is no longer accessible due to system data conversions…."

   As an alternative to allowing no costs in the early years of the audit period, the SCO worked with the city and the SDSO by computing an average incident count for FY 2001-02 through FY 2006-07 based on the actual data reports provided for FY 2007-08 through FY 2011-12. The SCO applied the average incident counts to the early years, for which supporting documentation was not available.

   a) The city states that it "sent to the SCO faxed correspondence from the SDSO's office with report counts from the actual time periods dating back to 2002." The city is correct that it provided fax cover sheets for our review. However, the fax correspondence showed only hand-written numbers representing total counts in each fiscal year. The fax cover sheets did not contain any detail or supporting information to show how the hand-written numbers related to domestic violence calls for assistance. The fax cover sheets also did not provide a listing of cases in each fiscal year, so that SCO could properly verify whether the hand-written total numbers actually related to the incident counts in the mandated program. The city did not provide any other documentation supporting the total number of incident counts.

   b) The city presented the SANDAG report "Twenty-Five Years of Crime in the San Diego Region: 1984 through 2008." The city asserts that this comprehensive report is supporting claimed incident counts for years 2004, 2007, and 2008. However, the SANDAG report is irrelevant as it does not provide the listing of incident counts for the SCO to review and perform testing to verify the accuracy of the counts.

2. The city asserts that the claimed incident counts were supported with written reports and that "these stats were generated by actual reports generated." However, the city did not provide supporting documentation listing the incident counts and identifying how they related to the mandated program.

   a) The city provided DOJ's Criminal Statistics Reporting Requirements manual for our review and pointed out page 14, which states "all domestic violence-related calls for assistance shall be supported with a written incident report." The referenced

statement is the requirement derived from the applicable Penal Code. This requirement does not provide any assurance as to the accuracy of the reports.

b) The city provided email correspondence between it and the SDSO discussing incident counts. The email correspondence is irrelevant as it does not provide the detailed reports for the SCO to review and perform testing to verify the accuracy of the counts.

3. The city points out that "the DV crime rates in older years were higher." The SCO relied on actual supporting documentation for the incident counts provided in FY 2007-08 through FY 2011-12. The SCO's analysis is based on actual source documents and not historical statistical data. The city is required to report actual costs and maintain supporting documentation for the costs claimed. The city was not able to provide actual source documents for the earlier years of the claim period.

The city quoted the SCO's statement from the draft audit report regarding accuracy of the ARJIS reports and took it out of context. The city implied that the ARJIS incident case counts should be accepted without verification for FY 2001-02 through FY 2006-07 because the SCO indicated ARJIS statistics were accurate. We disagree. In the draft audit report, the SCO indicated that the SDSO did a sufficient and appropriate job of generating the reports from ARJIS and concluded that the query reports provided for FY 2007-08 through FY 2011-12 were reliable. The SCO, therefore, was able to use the verified information to arrive at an average incident count that was reliable and based on actual verifiable data. However, the SCO did not assert to the reliability of counts claimed for other fiscal years of the audit period, as claimed incident counts were unsupported for FY 2001-02 through FY 2006-07.

Issue 2: Contract Hourly Rates

The finding and recommendation remain unchanged.

The city disagrees with the SCO finding relating to the city's use of co-mingled contract hourly rates. The city also "disputes the SCO's use of deconstructed salaries and benefits for FY 2001-02 through FY 2006-07 because that was not how the contracts were structured." The city asserts that the contract hourly rates claimed for FY 2001-02 through FY 2006-07 are accurate and should be used as claimed to calculate allowable costs for this audit.

We disagree that co-mingled contract rates are acceptable to claim costs when only certain classifications perform reimbursable activities. For FY 2001-02 through FY 2006-07, the city used contract salary and benefit amounts that co-mingled multiple classifications into one rate. The claimed rates included classifications that did not perform the mandated activities. By claiming the co-mingled rate, the city is seeking reimbursement of costs for the employees whose duties are not related to the mandated program or reimbursable activities.

The parameters and guidelines of this program require that, if contract services were used for purposes other than the reimbursable activities, only the pro rata portion of the services used to implement the reimbursable activities be claimed. It was not appropriate to claimed blended contract hourly rates as these rates included costs unrelated to this mandated program.

The SCO separated the rates for FY 2001-02 through FY 2006-07 in order to identify the specific employees who performed the mandated activities. The audited contract hourly rates represent costs for those specific contract employees.

FINDING 2— Misstated Indirect Costs

The city claimed $270,405 in indirect costs during the audit period. We determined that $238,920 is allowable and $31,485 is unallowable. Indirect costs are unallowable because the city misclassified claimed direct costs as salaries and benefits rather than contract services, inappropriately calculated indirect cost rates based on direct labor rather than contract services, and applied indirect cost rates to unallowable contract services costs as identified in Finding 1.

The following table summarizes the claimed, allowable, and unallowable indirect costs for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2001-02	$ 4,638	$ 14,754	$ 10,116
2002-03	8,560	15,686	7,126
2003-04	9,118	19,101	9,983
2004-05	10,900	20,714	9,814
2005-06	12,082	22,207	10,125
2006-07	12,743	23,351	10,608
2007-08	44,628	20,405	(24,223)
2008-09	40,490	23,501	(16,989)
2009-10	48,713	31,337	(17,376)
2010-11	51,799	24,042	(27,757)
2011-12	26,734	23,822	(2,912)
Total	$ 270,405	$ 238,920	$ (31,485)

Misclassified Costs

For FY 2001-02 through 2006-07, the city claimed 10% indirect cost rates and applied the rates to contract services costs that were incorrectly claimed as salaries and benefits. For FY 2007-08 through 2011-12, the city prepared Indirect Cost Rate Proposals (ICRPs) and also applied these rates to misclassified contract services costs that were incorrectly claimed as salaries and benefits. As discussed in Finding 1, the city did not incur any direct labor costs during the audit period. The city staff did not perform any of the reimbursable activities listed within the parameters and guidelines. The city contracted with the SDSO to perform all law enforcement activities including activities allowable for reimbursement

under this mandated program. Therefore, the city did not incur any direct labor costs for this program, but rather incurred contract services costs. The city's methodology to classify and compute costs as indirect based on direct labor costs was not appropriate.

Contract Indirect Costs

We reviewed the contract agreements between the city and the SDSO. For FY 2007-08 through FY 2011-12, the SDSO contract agreements provided supplemental schedules and identified contracted labor costs and contracted overhead costs. We determined that overhead costs identified in the contract were appropriate as they related to the performance of mandated activities. We computed indirect cost rates for contract services for these years by dividing total contract overhead costs, station support staff costs, and Sergeant Admin position costs, by the contracted labor costs identified in the contract supplemental schedules.

Such information was not available for FY 2001-02 through FY 2006-07. We therefore calculated an average contract indirect cost rate based on available data for FY 2007-08 through FY 2011-12 and applied the average contract indirect rate to FY 2001-02 through FY 2006-07, in which contract agreements did not contain detail schedules.

The following table summarizes the claimed, allowable, and adjusted indirect cost rates for the audit period:

Fiscal Year	Claimed Indirect Cost Rate	Audited Contract Indirect Cost Rate	Difference
Indirect Cost Rates			
2001-02	10.00%	47.70%	37.70%
2002-03	10.00%	47.70%	37.70%
2003-04	10.00%	47.70%	37.70%
2004-05	10.00%	47.70%	37.70%
2005-06	10.00%	47.70%	37.70%
2006-07	10.00%	47.70%	37.70%
2007-08	80.80%	45.90%	-34.90%
2008-09	91.80%	46.50%	-45.30%
2009-10	89.20%	50.40%	-38.80%
2010-11	88.50%	48.70%	-39.80%
2011-12	85.70%	47.20%	-38.50%

Summary of Audit Adjustment

We applied the audited indirect cost rates to the total allowable contract services costs as described in Finding 1. The following table summarized the audit adjustments as they relate to misstated contract services costs in Finding 1 and misstated contract indirect cost rates as described in Finding 2:

Fiscal Year	Finding 1 Related Adjustment	Contract Indirect Cost Rate Adjustment	Audit Adjustment
2001-02	$ (1,544)	$ 11,660	$ 10,116
2002-03	(5,272)	12,398	7,126
2003-04	(5,114)	15,097	9,983
2004-05	(6,557)	16,371	9,814
2005-06	(7,427)	17,552	10,125
2006-07	(7,847)	18,455	10,608
2007-08	(8,707)	(15,516)	(24,223)
2008-09	5,905	(22,894)	(16,989)
2009-10	6,751	(24,127)	(17,376)
2010-11	(8,109)	(19,648)	(27,757)
2011-12	16,520	(19,432)	(2,912)
Total	$ (21,401)	$ (10,084)	$ (31,485)

Criteria

The parameters and guidelines (section V-Claim Preparation and Submission) state that, claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%. The parameters and guidelines (section V.B – Indirect Cost Rates) state, in part:

> Indirect costs are costs that are incurred for a common or join purpose, benefitting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both: (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.
>
> Compensation for indirect costs is eligible for reimbursement utilizing the procedures provided in 2 CFR Part 225 (Office of Management and Budget (OMB) Circular A-87). Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

The parameters and guidelines (section V-Claim Preparation and Submission-Direct Cost Reporting-Contracted Services) state that, for salaries and benefits, claimants are required to:

> Report the name of the contractor and services performed to implement the reimbursable activities. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged.

If the contract is a fixed price, report the services that were performed during the period covered by the reimbursement claim. If the contract services were also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be claimed. Submit contract consultant and invoices with the claim and a description of the contract scope of services.

Recommendation

The Crime Statistics Reports for the Department of Justice Program was suspended in the FY 2012-13 through FY 2016-17. If the program becomes active, we recommend the city ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

Due to changes in contract languages over the years, the City is addressing the indirect cost issues separately.

FY 2001-02 through FY 2006-07 Indirect Cost Rates

As stated above, the City disputes the SCO's use of deconstructed salaries and benefits for FY 2001-02 through FY 2006-07. However, if the SCO insists on using the deconstructed method, then the City requests the SCO to apply the same method to determine the contract indirect cost rates to be consistent.

The SCO allowed contract indirect costs for these years are not based on the actual contracted terms but rather based on the average of the five most recent fiscal years audited. This does not reflect actual contract indirect cost rates paid by the City. This is incorrect and denies the City reimbursement of its full actual costs incurred to comply with the mandate.

To justify the usage of an average, the SCO states on page 18 of the Draft Audit Report, "Such information was not available for FY 2001-02 through FY 2006-07." This SCO's statement is not accurate. As an example, the "Sheriff's Department F/Y 06-07 CLEP Costing" schedule the SCO obtained from the SDSO during this audit, which the SCO used to calculate the contract hourly rates, shows the actual direct (Law Enforcement Stations – Deputy and Sergeant) and indirect costs (Law Enforcement Stations – Other Support, Law Enforcement Support, and Services & Supplies) billed for each Patrol Sedan Unit. Based on these CLEP Costing schedules, the City computed the contract indirect cost rates as follows:

Fiscal Year	Contract Direct Cost	Contract Indirect Cost	Contract Indirect Cost Rate
2001-02	$169,655	$159,732	94%
2002-03	$181,791	$173,461	95%
2003-04	$221,342	$195,718	88%
2004-05	$240,118	$208,456	87%
2005-06	$257,716	$223,414	87%
2006-07	$273,479	$231,235	85%

Therefore, these actual contract indirect cost rates, instead of the 47.7% 5-year average, for FY 2001-02 through FY 2006-07 should be allowed.

FY 2007-08 through FY 2011-12 Indirect Costs

The City appreciates the SCO included the Administrative Sergeant costs as overhead costs in the computation of the contract indirect cost rates; however, the City requests a majority of the other Sergeants costs, which related to the administrative and or supervisory services, to also be considered as overhead costs to properly reflect actual overhead costs incurred. These Sergeant positions are first line supervisors of the Deputies as well as other non-sworn station staff and are an integral part of departmental support.

Section II B. of the contract states, the "COUNTY through SHERIFF will provide general and specialized law enforcement and traffic services…**as well as direct supervision of law enforcement personnel assigned**". (Emphasis added) County job descriptions state the "Purpose and Distinguishing Characteristics" of the Sergeant position "is to provide supervision over the activities of a team, unit or division of deputies and or professional staff." Further, it states, "This class represents the first level of supervision of sworn staff in the Sheriff's Department."

The contract's reference to SERGEANT and DETECTIVE SERGEANT positions in the Direct Costs section is to distinguish the positions that **are paid for directly** and their full positions are dedicated exclusively to the City as oppose to the other positions which are shared with other cities. Therefore, the term "direct" in the contract does not refer to their job duties. The San Marcos Station Lieutenant determined the percentage that each Sergeant spends on administrative and or supervisory duties are as follows:

- Admin Sergeant = (100% allowed by SCO)
- Dedicated Sergeants = 70%
- Sergeants (Patrol) = 70%
- Sergeant (Traffic) = 90%
- Sergeant (Detective) = 90%

According to the claiming instructions and OMB A-87, the "indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the results achieved." The City believes these costs satisfy the requirements of OMB A-87 and are eligible as overhead costs for inclusion in the contract indirect cost rate calculation.

SCO's Comment

The finding and recommendation remain unchanged.

FY 2001-02 through FY 2006-07 Indirect Cost Rates

The city disagrees with the SCO's computation of the average indirect cost rates that were based on the five most recent fiscal years audited. The city indicates it should get reimbursed higher indirect cost rates than the 47.7% five-year average computed by the SCO during the course of the audit.

As indicated in the finding, the city claimed a 10% indirect cost rate for FY 2001-02 through FY 2006-07, based on a standard rate allowed by the parameters and guidelines. The SCO computed allowable costs based on available data in the city's contracts. The city is proposing higher alternative rates to be used for reimbursement. We disagree with the city's proposed methodology.

The city inappropriately claimed contract services costs as direct labor costs and computed indirect costs based on direct labor when in fact the city did not incur any direct or indirect labor costs. The city's proposed new methodology also subjectively classifies various costs as direct and indirect. All of the city's costs for this program are contract services costs. The SCO's methodology to compute allowable contract indirect costs accounted for contracted labor costs and contracted overhead costs that benefited the implementation of the entire contract.

FY 2007-08 through FY 2011-12 Indirect Costs

For FY 2006-07 through FY 2011-12, the city is proposing an increase in the allowable contract indirect cost rate. The city asserts that the majority of the other sergeant classification costs should be allocated as indirect costs in order to properly reflect actual overhead costs incurred for the calculation of contract indirect costs rates. We disagree with the city's proposed methodology as we already accounted for all appropriate contracted labor costs and contracted overhead costs that benefited the implementation of the entire contract.

Attachment—
City's Response to
Draft Audit Report

June 1, 2017

Mr. Jim L. Spano
Chief, Mandated Cost Audits Bureau
State Controller's Office
Division of Audits
P.O. Box 942850
Sacramento, CA 94250-5874

RE: RESPONSES TO STATE CONTROLLER'S OFFICE DRAFT AUDIT REPORT OF CRIME STATISTICS REPORTS FOR THE DEPARTMENT OF JUSTICE PROGRAM AUDIT ID #S16-MCC-0029 FOR PERIOD FY 2001-02 THROUGH FY 2011-12

Dear Mr. Spano:

Thank you for providing the City of San Marcos (City) the opportunity to review and respond to the audit findings and recommendations as presented in the Draft Audit Report issued by your office on May 23, 2017. Please find the enclosed City of San Marcos' responses and the additional support we collected since the Exit Conference on May 11, 2017 that show our costs claimed were mostly correct and represented the City's actual costs incurred.

We appreciate your time for reviewing the enclosed responses and additional information. We are confident you will find them to be sound and supportive and will reinstate most of the disallowable claimed costs.

Please feel free to contact me at (760) 744-1050 ext. 3131 or our consultant, Annette Chinn, at (916) 939-7901 with any questions you may have.

Sincerely,

Laura Rocha
Director of Finance and IT

Enclosures

City of San Marcos' Responses to State Controller's Office Draft Audit Report of Crime Statistics Reports for the Department of Justice Program Audit ID #S16-MCC-0029, for Period FY 2001-02 through FY 2011-12

FINDING 1 – DOMESTIC VIOLENCE-RELATED CALLS FOR ASSISTANCE COST COMPONENT – MISSTATED CONTRACT SERVICE COSTS

Issue 1: Number of Domestic Violence-Related Calls for Assistance

The City of San Marcos (City) requests the State Controller's Office (SCO) to use the actual Domestic Violence (DV) statistics provided for the period from FY 2001-02 through FY 2006-07 in lieu of the SCO's average of the five most recent fiscal years audited. These actual statistics of DV incidents were supported with written incident reports. The City also requests the SCO to take into account the crime rates in the older years were higher.

The City provided to the SCO both the San Diego County Sheriff's Office (SDSO) DV statistics reported in the Automated Regional Justice Information System (ARJIS), which recorded the number of actual DV incident reports by fiscal year, and the Department of Justice (DOJ) annual DV report statistics, which were reported by calendar year. While the SDSO maintains records of total case counts in a summary format, the information requested by the SCO for this audit (a detailed report showing each incident case number by date and Penal Code for all the fiscal years) is no longer accessible due to system data conversions and also requirements to expunge records for FY 2001-02 through FY 2006-07. Table 1 below shows DOJ and SDSO ARJIS data, while reported on calendar vs. fiscal year, respectively, tracked very closely. The City used the DOJ figures, which the SCO confirmed, to compute the claims (FY 2011-12 claimed statistic was an error, which was not known at the time the claim was filed).

Table 1 – Analysis of Incident Report Counts

Fiscal Year	Claimed	DOJ Stats (calendar year)	ARJIS Stats (fiscal year)	SCO Allowed
2001-02	208	208	333	274
2002-03	356	356	360	274
2003-04	323	323	394	274
2004-05	359	359	336	274
2005-06	371	371	350	274
2006-07	373	373	346	274
2007-08	291	291	236	236
2008-09	224	224	266	266
2009-10	288	288	336	336
2010-11	309	309	270	270
2011-12	155	251	264	264
Total	**3,257**	**3,353**	**3,491**	**3,016**
Average	296	305	317	274
Variance		12		
% Difference		4%		

Shaded area indicates the SCO audited and approved numbers.

The information the SDSO provided proved:

1) The data was contemporaneously generated and can be verified by other reliable contemporaneous source document.
   a) The City sent to the SCO faxed correspondences from the SDSO's office with report counts from the actual time periods dating back to 2002.

   b) The attached San Diego Association of Governments (SANDAG) Criminal Justice Research Division Report verifies the statistics provided to the SCO matched DOJ reported DV incidents. The attached SANDAG, "Twenty-Five Years of Crime in the San Diego Region: 1984 through 2008" report, Page 25, Appendix Table 9 shows the data for year 2004, 2007 and 2008 DV incident counts matched those claimed.

2) The actual incident counts are supported with written reports.
   a) The attached DOJ's Criminal Statistics Reporting Requirements manual shows on Page 14, DOJ is to be provided with "monthly summary statistical data on the number of domestic violence-related calls received" and "[a]ll domestic violence-related calls for assistance shall be supported with a written incident report".

   b) The attached email on May 15, 2017, from Brent Jordan, Sr. Crime and Intel Analyst, who provided those old faxed correspondences above in 1) a), states, "The SANDAG reports that are attached represent reported crime meaning that **they had a case number and a written report.** None of the statistics provided in the SANDAG report are considered calls for service." Also the attached email from Lieutenant Schaller on the same date said, "Just confirming Brent's statement here. These stats were generated by actual reports generated." (Emphasis added)

3) The DV crime rates in the older years were higher. The attached SANDAG "Twenty-Five Years of Crime in the San Diego Region: 1984 through 2008" report, page 11, Figure 13 shows DV rates were higher during 2002 to 2007 and they were trending down. Also on page 26, Appendix Table 9 shows specifically the City's number of DV incidents decreasing.

During the audit, the SCO reviewed the ARJIS statistics and detail reports for the five most recent of the eleven audited fiscal years and verified the reliability of the SDSO ARJIS statistical data, as 100% of ARJIS incident counts were approved by the SCO. Page 9 of the Draft Audit Report states, "We reviewed a sample of domestic-violence related calls for assistance incidents to verify that they occurred and were properly supported with a written incident report" and "We concluded the SDSO did a sufficient and appropriate job of generating the data from ARJIS. Therefore, we concluded that the query reports provided for FY 2007-08 through FY 2011-12 were reliable."

Based on the above, either the ARJIS or the DOJ actual statistics, instead of the 274 incident count 5-year average, for FY 2001-02 through FY 2006-07 should be allowed.

Issue 2: Contract Hourly Rates

The City disagrees with the SCO statements regarding the City overstated claimed rates and that the rates were overstated because the City used inconsistent methodologies to compute claimed rates. The City also disagrees with the SCO statement, "For FY 2001-02 though FY 2006-07, the city used contract salary and benefit amounts that co-mingled multiple classifications into one rate."

The City contracts with the SDSO for provision of Law Enforcement services. There were three contracts that governed the City's Law Enforcement services with the SDSO during the time period under audit. The first contract dated June 25, 1996 covered the period from FY 1996-97 to FY2001-02. The second contract dated June 11, 2002 covered the period from FY2002-03 to FY2006-07. And the third contract dated November 6, 2007 covered the period from FY2007-08 to FY 2011-12.

The methodologies used by the City to compute the billing rates were consistent with the contract language for each year. During FY 2001-02 through FY 2006-07, the City was billed for law enforcement services on a full cost basis per Patrol Sedan Unit, which included all overhead costs (including Sergeants' administrative or supportive services) to reflect the "actual costs" for providing the Unit. The overhead costs built into the rates are fixed and non-negotiable, and the contracts state that they are "necessary and appropriate" as well as "efficient in achieving the law enforcement objectives of the department". This method of computation for the Unit cost was common and used by many Counties to charge for law enforcement services.

The rates for a Patrol Deputy were computed exactly as stated per Attachment B of the contracts, which specifies total unit cost for a Patrol Sedan Unit and total annual hours of service provided. The Patrol officers are the direct staff that performed the mandated activity, which included taking the call, writing, and editing a DV incident report. The City did not claim Sergeants' time during that time frame because Sergeants' support costs were included as overhead in the contracted rate for the Patrol Deputy.

The City disputes the SCO's use of deconstructed salaries and benefits for FY 2001-02 through FY 2006-07 because that was not how the contracts were structured. The City requests that actual Patrol Deputy hourly rates be allowed as originally claimed by the City as the method matches the June 25, 1996 and June 11, 2002 contract terms and conditions that dictate the rates for FY 2001-02 through FY 2006-07.

FINDING 2 – MISSTATED INDIRECT COSTS

Due to changes in contract languages over the years, the City is addressing the indirect cost issues separately.

FY 2001-02 through FY 2006-07 Indirect Cost Rates

As stated above, the City disputes the SCO's use of deconstructed salaries and benefits for FY 2001-02 through FY 2006-07. However, if the SCO insists on using the deconstructed method, then the City requests the SCO to apply the same method to determine the contract indirect cost rates to be consistent.

The SCO allowed contract indirect costs for these years are not based on the actual contracted terms but rather based on the average of the five most recent fiscal years audited. This does not reflect actual contract indirect cost rates paid by the City. This is incorrect and denies the City reimbursement of its full actual costs incurred to comply with the mandate.

To justify the usage of an average, the SCO states on page 18 of the Draft Audit Report, "Such information was not available for FY 2001-02 through FY 2006-07." This SCO's statement is not accurate. As an example, the "Sheriff's Department F/Y 06-07 CLEP Costing" schedule the SCO obtained from the SDSO during this audit, which the SCO used to calculate the contract hourly rates, shows the actual direct (Law Enforcement Stations – Deputy and Sergeant) and indirect costs (Law Enforcement

Stations – Other Support, Law Enforcement Support, and Services & Supplies) billed for each Patrol Sedan Unit. Based on these CLEP Costing schedules, the City computed the contract indirect cost rates as follows:

Fiscal Year	Contract Direct Cost	Contract Indirect Cost	Contract Indirect Cost Rate
2001-02	$169,655	$159,732	94%
2002-03	$181,791	$173,461	95%
2003-04	$221,342	$195,718	88%
2004-05	$240,118	$208,456	87%
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Therefore, these actual contract indirect cost rates, instead of the 47.7% 5-year average, for FY 2001-02 through FY 2006-07 should be allowed.

FY 2007-08 through FY 2011-12 Indirect Costs

The City appreciates the SCO included the Administrative Sergeant costs as overhead costs in the computation of the contract indirect cost rates; however, the City requests a majority of the other Sergeants costs, which related to the administrative and or supervisory services, to also be considered as overhead costs to properly reflect actual overhead costs incurred. These Sergeant positions are first line supervisors of the Deputies as well as other non-sworn station staff and are an integral part of departmental support.

Section II B. of the contract states, the "COUNTY through SHERIFF will provide general and specialized law enforcement and traffic services...**as well as direct supervision of law enforcement personnel assigned**". (Emphasis added) County job descriptions state the "Purpose and Distinguishing Characteristics" of the Sergeant position "is to provide supervision over the activities of a team, unit or division of deputies and or professional staff." Further, it states, "This class represents the first level of supervision of sworn staff in the Sheriff's Department."

The contract's reference to SERGEANT and DETECTIVE SERGEANT positions in the Direct Costs section is to distinguish the positions that **are paid for directly** and their full positions are dedicated exclusively to the City as oppose to the other positions which are shared with other cities. Therefore, the term "direct" in the contract does not refer to their job duties. The San Marcos Station Lieutenant determined the percentage that each Sergeant spends on administrative and or supervisory duties are as follows:

- Admin Sergeant = (100% allowed by SCO)
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According to the claiming instructions and OMB A-87, the "indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the results achieved." The City believes these costs satisfy the requirements of OMB A-87 and are eligible as overhead costs for inclusion in the contract indirect cost rate calculation.

bulletin
CJ

Criminal Justice Research Division, SANDAG

Twenty-Five Years of Crime in the San Diego Region: 1984 through 2008

April 2009

Cynthia Burke, Ph.D., Division Director

401 B Street
Suite 800
San Diego, CA 92101
(619) 699-1900

A SANDAG CJ BULLETIN

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As of March 6, 2009

TWENTY-FIVE YEARS OF CRIME IN THE SAN DIEGO REGION: 1984 THROUGH 2008

INTRODUCTION

Since 1980, SANDAG has been reporting crime statistics for the San Diego region through a cooperative agreement with local law enforcement agencies. This report presents and discusses crime trend data for the past 25 years. Crime rates per 1,000 resident population[1], as well as the actual number of crimes reported, are presented. SANDAG is the only local entity to compile these statistics across the 18 incorporated cities, as well as the unincorporated areas of the county, making this information some of the most frequently requested from SANDAG's Criminal Justice Clearinghouse. These data are useful to local law enforcement, policy makers, and the community in tracking public safety over time, as well as the effectiveness of prevention and response efforts on regional crime rates.

OVERALL CRIME

There was a total of 97,168 Part I crimes in the San Diego region in 2008 (Appendix Tables 1 and 5) which equated to 30.88 crimes per 1,000 population (Appendix Table 2). Part I crimes include 4 violent offenses (homicide, rape, robbery, and aggravated assault) and 3 property offenses (burglary, larceny, and motor vehicle theft) that are tracked nationwide in a standardized manner by the FBI, with agencies submitting crime data through the Uniform Crime Reporting (UCR) system. Other crimes, such as drug-related offenses, vandalism, and fraud, are also documented by local law enforcement, but as Part II crimes. However, because categorization schemes can vary across agencies, standardized numbers are not available, even though these crimes may be sizeable in number and require substantial attention and resources from law enforcement.

FAST FACTS

- In 2008, both the violent and property crime rates for the San Diego region decreased and were at 25-year lows (4.09 and 26.79, respectively, per 1,000 residents).
- There were 90 homicides in the San Diego region in 2008, the third lowest number in the past 25 years.
- After five consecutive increases, the number of robberies decreased eight percent in 2008, compared to 2007.
- While the number of burglaries that involved entry through an open or unlocked door or window declined in 2008, the number involving forced entry increased 12 percent from the previous year.
- Motor vehicle thefts decreased 18 percent from 2007, more than any other property crime. However, thefts of motor vehicle parts increased 9 percent.
- Firearms were used less frequently in both robberies and aggravated assaults in 2008, compared to 2007.
- According to preliminary statistics, there were 118 hate crime events reported to local law enforcement in 2008.

[1] The populations used to calculate rates are provided in Appendix Table 20.

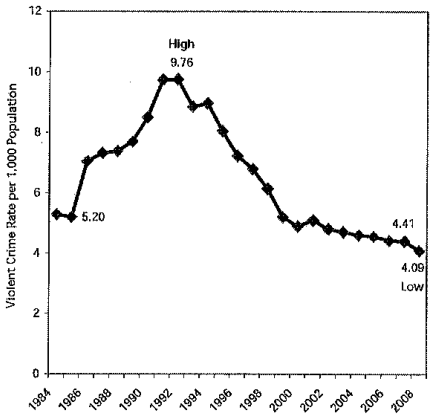
VIOLENT CRIME

In 2008, there were 12,873 Part I violent crimes reported to law enforcement in the San Diego region (Appendix Tables 1 and 6)[2]. The most common type was aggravated assault, which represented almost two-thirds (62%) of all violent crime in 2008; robbery represented 31 percent, rape 7 percent, and homicide 1 percent. According to statistics from the National Crime Victimization Survey, just under half (46%) of violent crimes were reported to law enforcement nationwide in 2007 (not shown).

As Figure 1 shows, the violent crime rate (per 1,000 population) in the San Diego region began to increase in 1986 (from 5.20 in 1985), reaching a peak of 9.76 in 1992. Since then, there has been a decline to 4.09 violent crimes per 1,000 residents in 2008, which represented a 7 percent decrease from 2007 (4.41), the largest one-year decrease since 1998 to 1999 (when the rate decreased 15%). This 2008 violent crime rate was also the lowest in the past 25 years. Possible factors related to this overall drop in crime since the 1990s could include declining numbers of young males in high-crime associated age groups, legislation which increased jail and prison time for violent offenses, and the implementation of effective crime prevention programs.

Across jurisdictions, the 2008 violent crime rate ranged from .54 in 4S Ranch to 7.93 in National City (Appendix Table 3 and Appendix Map 1). Over the past year, 16 jurisdictions had lower and 5 had higher violent crime rates, compared to 2007 (4 had numbers too small for valid comparisons). Fallbrook and Carlsbad led local jurisdictions with 39 and 30 percent one-year decreases, respectively, in their violent crime rate, with other declines ranging from 3 percent to 28 percent. Ongoing efforts by individual departments to address violent crime have included problem-solving strategies to identify and target specific high-crime areas, specific groups (e.g., gangs committing disproportionate amount of crime), and specific times (e.g., targeted patrols during high-crime hours).

Figure 1
VIOLENT CRIME RATE LOWEST IN 25 YEARS



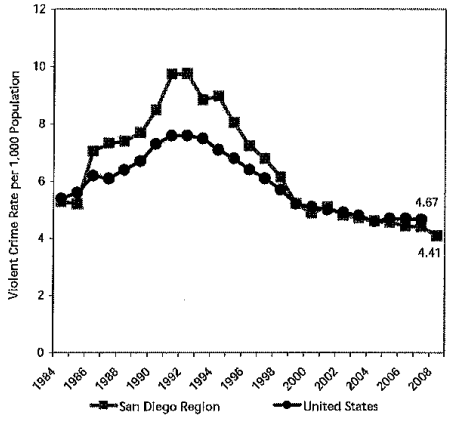
SOURCES: SANDAG; California Department of Finance; U.S. Census 1990; U.S. Census 2000

Annual statistics through 2007 from the FBI were used to compare changes over time in the violent crime rate reported in the San Diego region to those reported across the United States. As Figure 2 shows, the San Diego region experienced a greater rise in violent crime in the late 1980s and early 1990s compared to the nation, returning to a similar violent crime rate after 1998. This increase was possibly related to the prevalence of methamphetamine distribution and use in the region during this time period.

[2] The numbers of violent crimes reported in each jurisdiction for 2004 through 2008 are also presented in Appendix Tables 10 through 14.

In 2007, the violent crime rate in the San Diego region was 4.41, versus 4.67 for the nation as a whole[3].

Figure 2
SAN DIEGO REGION HAD A GREATER INCREASE IN VIOLENT CRIME THAN THE NATION IN LATE 1980s



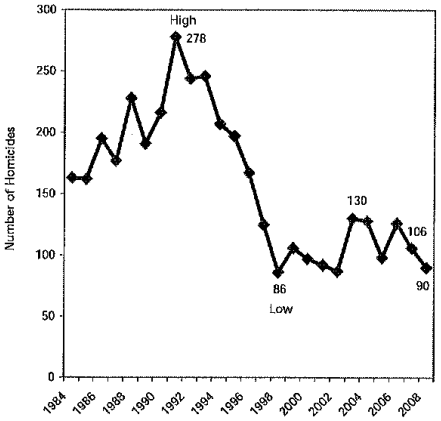
SOURCES: SANDAG; Federal Bureau of Investigation

Each jurisdiction also voluntarily documents violent crimes committed against senior citizens (individuals 60 years of age and older). In 2008, there were 481 violent crimes against senior citizens, a decrease of 5 percent from the previous year, similar to the decline in violent crime overall. These crimes included 13 homicides, 5 rapes, 200 robberies, and 263 aggravated assaults (not shown).

Homicide

Over the past 25 years, the number of homicides in the San Diego region peaked at 278 in 1991 and decreased fairly steadily to a low of 86 in 1998 (Figure 3). Since then, the number of homicides has fluctuated but has not exceeded 130 (in 2003) (Appendix Table 8). In 2008, there was a total of 90 homicides, which was the third lowest number in the past 25 years and a 15 percent decrease from 2007 (106). As reported in SANDAG's CJ Bulletin *San Diego Violent Crime Victims and Suspects in 2007* (available on the SANDAG Web site), in homicide cases across the region for which motive could be determined in 2007, 47 percent were related to gang activity, 19 percent to an argument, 13 percent to domestic violence, 9 percent to other motives, 7 percent to drugs, and 4 percent to robbery. Motive information for 2008 homicides will be available in another report later in the 2009 calendar year.

Figure 3
NUMBER OF HOMICIDES DECREASED TO THIRD LOWEST IN PAST 25 YEARS



SOURCE: SANDAG

Rape

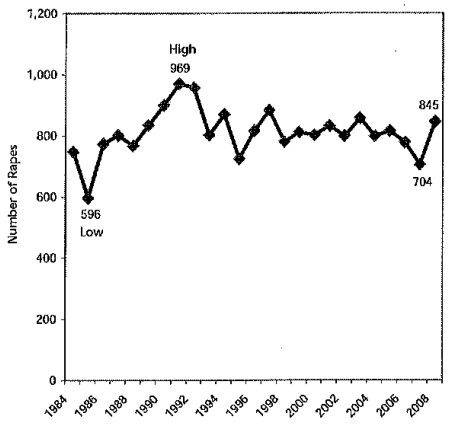
There were 845 rapes reported in the San Diego region in 2008, which was a 20 percent increase from 2007 (704) (Appendix Table 1). Analyses revealed that this increase was the result of a greater number of completed rapes being reported (694 in 2008

[3] Calendar year 2007 represents the most current annual statistics at the national level at the time of this publication. However, preliminary mid-year 2008 national statistics released by the FBI in January 2009 show a 3.5 percent decline in violent crime, compared to the same point in 2007.

versus 529 in 2007, a 31% increase), rather than attempted rape reports (which actually decreased 14% from 175 to 151) (not shown)[4].

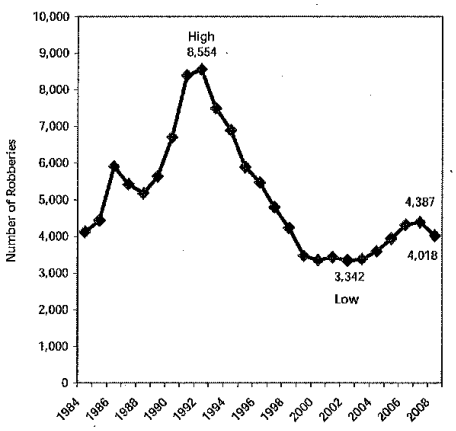
As Figure 4 shows, the number of rapes reported to law enforcement has remained relatively stable over the past 25 years, compared to the number of homicides during the same period of time. The greatest number of rapes reported to law enforcement was 969 in 1991 and the lowest was 596 in 1985 (the second lowest number was 704 in 2007).

Figure 4
LESS VARIABILITY IN NUMBER OF RAPES COMPARED TO OTHER VIOLENT CRIMES



SOURCE: SANDAG

Figure 5
NUMBER OF ROBBERIES DECREASED FOR FIRST TIME IN PAST SIX YEARS



SOURCE: SANDAG

Robbery

Between 2003 and 2007, robbery was the only violent crime to increase in number (30%) across the region, generating increased attention from law enforcement. Specifically, representatives from local agencies increased their collaborative efforts to share intelligence and target enforcement, conducted public information campaigns, and increased crime prevention efforts. In 2008, this upward trend (5 consecutive years of increases) was reversed, with 4,018 robbery incidents reported to law enforcement, an 8 percent decrease from 2007 (4,387) (Figure 5 and Appendix Table 1). Over the past 25 years, the number of robberies has shown 2 declining trends prior to this most recent decrease, with the last beginning in 1993 (after the greatest number, 8,554, was reported in 1992). The lowest number, 3,342, was reported in 2002.

As part of standardized UCR reporting requirements, the type of weapon used during a robbery and the location of the robbery are documented. In 2008, 20 percent of robberies involved a firearm, 11 percent a knife or other cutting instrument, 8 percent another weapon (e.g., bat, stick, or other blunt object), and the majority (61%) were considered strong-arm. Robberies committed with firearms and other weapons both decreased by 24 percent in 2008, from 2007. However, robberies committed with knives decreased only 9 percent and strong-arm robberies actually increased 1 percent (not shown).

[4] For the past 20 years, the proportion of attempted rapes of all reported rapes ranged from 15 percent to 29 percent, with an average of 24 percent. The number of rapes, either attempted or completed, that are reported may be tied in part to education and outreach efforts encouraging victims to do so.

Just under half (49%) of robberies occurred out in the open, on streets or in other public places, 24 percent in commercial establishments, 15 percent in other locations (which include wooded areas, churches, schools, and other public buildings), 8 percent in residences, and 4 percent in banks (not shown).

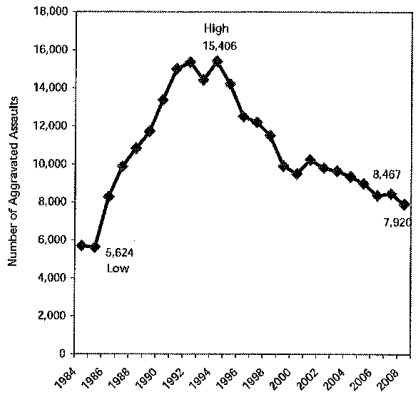
For the 14 jurisdictions with robbery numbers large enough for comparison (30 incidents or more) in 2007 and 2008, 10 experienced a decrease in the number of robberies (ranging from 2% to 46%) and 4 experienced an increase (ranging from 2% to 50%) (Appendix Tables 13 and 14).

Aggravated Assault

As Figure 6 and Appendix Table 1 show, there were fewer aggravated assaults reported in the region in 2008 (7,920), compared to one year earlier (8,467), a decrease of 6 percent. Over the past 25 years, the number of aggravated assaults followed an upward trend from 1985 (5,624) that peaked in 1994 (15,406). This overall increase was due at least in part to 1986 legislation requiring law enforcement agencies to report all domestic violence incidents. Since 1994, there has been an overall decline to 7,920 in 2008, the lowest number since 1985, the year before the legislation was put into place[5].

Like robbery, the type of weapon used in aggravated assaults is documented for reporting purposes. In 2008, 37 percent of aggravated assaults involved the use of another weapon (e.g., bat, stick, or other blunt object); 31 percent hands, feet, or fists; 19 percent a knife or other cutting instrument; and 13 percent a firearm. The number of aggravated assaults in each of these categories decreased over the past year (between 9% and 17%), with the exception of hands, feet, or fists, which increased by 3 percent (not shown).

Figure 6
NUMBER OF AGGRAVATED ASSAULTS DECREASED OVER ONE-YEAR PERIOD



SOURCE: SANDAG

The majority of jurisdictions (15 of 21 with large enough numbers for comparison) also experienced decreases in the number of reported aggravated assaults, ranging from 2 to 37 percent. Of the rest, 3 experienced an increase and 3 had no change (Appendix Tables 13 and 14).

PROPERTY CRIME

With 84,295 property crimes reported (Appendix Tables 1 and 7), 1 in every 37 residents was the victim of a property crime in 2008 and almost 9 in every 10 crimes (87%) reported to law enforcement in the region represented property crime (not shown)[6]. With the fifth consecutive annual decrease, the property crime rate was also at its lowest point in the past 25 years (26.79 from 28.97 in

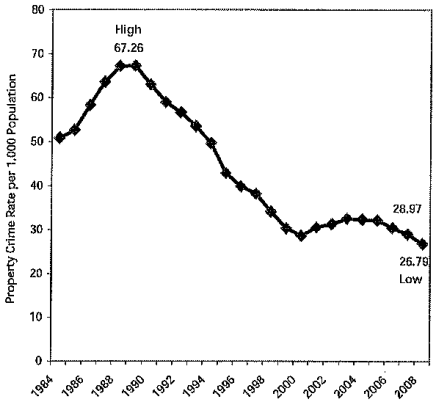
[5] In 2008, there were almost 3 simple assaults for every aggravated assault that was reported (for a total of 21,427 simple assaults). Simple assaults, which are not counted as Part I crimes, include all assaults and attempted assaults which are not of an aggravated nature and do not result in serious injury to the victim.

[6] According to statistics from the 2007 National Crime Victimization Survey, 37 percent of property crime nationwide was reported to law enforcement.

2007) (Figure 7). The highest property crime rate in the past 25 years was reported in 1988 (67.26). Over half (56%) of all property crime in 2008 represented larcenies, 24 percent were motor vehicle thefts, and 20 percent were burglaries (not shown).

Across the region, 15 jurisdictions had a lower property crime rate in 2008, compared to 2007, and 9 had a higher rate. These 2008 rates ranged from 8.95 (in 4S Ranch) to 37.77 (in Del Mar) per 1,000 population (Appendix Table 4 and Appendix Map 2)[7]. When interpreting these statistics, it is important to note that a variety of factors can affect a jurisdiction's crime rate, such as daytime populations and accessibility.

Figure 7
PROPERTY CRIME RATE DECREASED FOR FIFTH YEAR

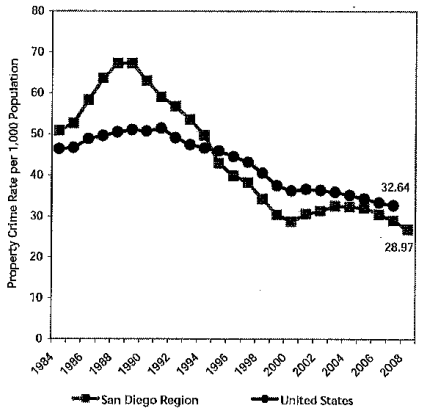


SOURCES: SANDAG; California Department of Finance; U.S. Census 1990; U.S. Census 2000

In terms of dollar value, $258.6 million worth of property was stolen in the San Diego region in 2008, compared to $266.4 million in 2007 (Appendix Table 17). Thirty-five percent (35%) of this property, which was valued at $89.8 million, was recovered in 2008, compared to 40 percent and $107.9 million recovered in 2007 (Appendix Tables 18 and 19).

Figure 8 compares property crime rates in the San Diego region from 1984 through 2008 to national rates from 1984 through 2007 (the most recent annual statistics available, as previously noted)[8]. In 1984, the San Diego region had a higher property crime rate compared to the U.S. overall. The local property crime rate began to decline in the early 1990s, however, falling and remaining below the national average since 1995. In 2007, the property crime rate for the region was 28.97, compared to 32.64 for the nation.

Figure 8
SAN DIEGO REGION HAS HAD A LOWER PROPERTY CRIME RATE THAN THE NATION SINCE 1995



SOURCES: SANDAG; Federal Bureau of Investigation

Burglary

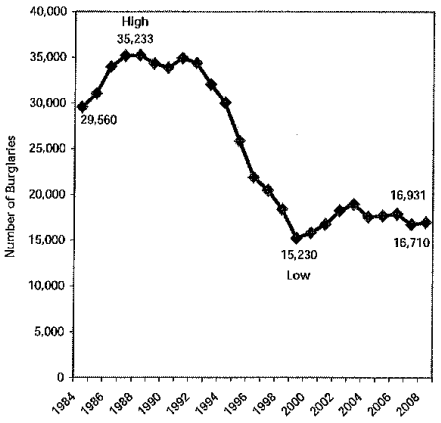
Burglary is the unlawful entry of a structure to commit a felony or theft. The number of burglaries (including residential and non-residential) reported in the region began an upward trend in 1985 (from 29,560 in 1984), reaching a 25-year high of 35,233 in 1988.

[7] The numbers of property crimes reported in each jurisdiction for 2004 through 2008 are also presented in Appendix Tables 10 through 14.

[8] Preliminary mid-year 2008 statistics released in January 2009 by the FBI show a 2.5 percent decline in property crime nationwide compared to the same point in 2007.

Four years later, an eight-year decline began, reaching a low of 15,230 in 1999. Since then, the number of burglaries has fluctuated slightly, with a 1 percent increase from 2007 (16,710) to 2008 (16,931) (Figure 9). In 2008, the number of burglaries which involved forced entry increased by 12 percent from 2007 (from 4,877 to 5,477), while the number involving no forced entry or which were unsuccessful attempts decreased (by 3% and 4%, respectively) (not shown).

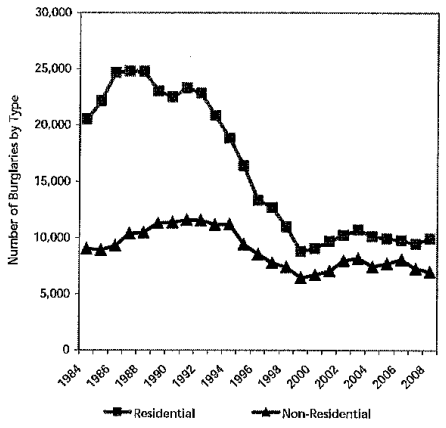
Figure 9
NUMBER OF BURGLARIES INCREASED OVER PAST YEAR



SOURCE: SANDAG

Of the 16,931 burglaries reported in the San Diego region in 2008, over half (59%) were residential, which equates to 1 in every 110 households being burglarized. While the number of residential and non-residential burglaries were both at a 25-year low in 1999, residential burglaries have decreased to a greater degree since 1984 (52%), compared to non-residential burglaries (23%), despite the large increase during the same time period in the number of occupied households in the region (51%, from 719,816 in 1984 to 1,089,451 in 2008)[9] (not shown). One possible factor related to these divergent trends is that residential burglary is considered a strike under California's Three Strikes Law (which was passed in 1994), but non-residential burglary is not, leading more sophisticated criminals to avoid residences when committing this crime. However, over the past year, the number of residential burglaries increased 5 percent (from 9,455 to 9,936), while the number of non-residential burglaries decreased 4 percent (from 7,255 to 6,995) (Figure 10 and Appendix Tables 13 and 14). According to law enforcement, some of this increase could be related in part to more vacant homes, including ones related to foreclosure.

Figure 10
RESIDENTIAL BURGLARIES DECREASED MORE OVER PAST 25 YEARS, BUT UP COMPARED TO PAST YEAR



SOURCE: SANDAG

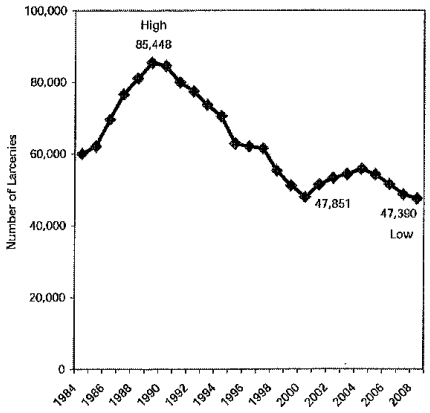
Across the 24 jurisdictions with more than 30 incidents of burglary in 2007 and 2008, 14 reported one-year decreases in the number (ranging from <1% to 20%) and 10 had increases (compared to only 2 reporting one-year increases between 2006 and 2007). The increases ranged from 1 to 63 percent (Appendix Tables 13 and 14).

[9] Comparable statistics regarding the number of business locations are not available.

Larceny

Larceny, or theft, is the most common crime, with 1 in every 66 residents a victim in 2008 (not shown). Beginning in 1985, the number of larcenies reported in the San Diego region began an upward trend, peaking at 85,448 in 1989, and then decreasing to 47,851 in 2000 (Figure 11). Since then, there were 4 years of consecutive increases, followed by 4 consecutive decreases, to a 25-year low of 47,390 in 2008.

Figure 11
LARCENIES DECREASED FOR FOURTH CONSECUTIVE YEAR



SOURCE: SANDAG

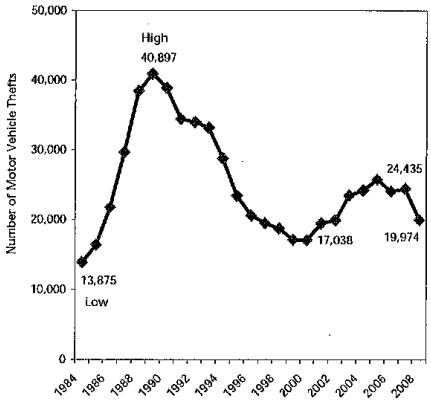
The most common larceny type (historically and in 2008) was theft from inside motor vehicles (45%), with the second most common from buildings (19%). Compared to 2007, both of these types of larcenies, as well as pickpocket, bicycle theft, and other types were down, but shoplifting and theft of motor vehicle parts were both up (3% and 9%, respectively). Most larcenies (61%) in 2008 were petty thefts, involving property valued at $400 or less (not shown).

Despite the fact that the number of larcenies was at a regional low, 13 of the jurisdictions did report one-year increases (which ranged from 2% to 87%), while 11 had decreases (ranging from <1% to 20%) (Appendix Tables 13 and 14).

Motor Vehicle Theft

Beginning in 1985, the number of motor vehicles stolen in the San Diego region also began to increase (from 13,875 in 1984), reaching a high in 1989 of 40,897 (Figure 12). This upward trend was followed by an overall decrease to 17,038 in 2000. Since then, there was a general increase to 24,435 in 2007, followed by an 18 percent one-year decrease to 19,974 vehicles stolen in 2008 (Appendix Table 1). This equates to 1 in every 117 registered motor vehicles. In terms of dollar amount, the value of these stolen vehicles was estimated at over $144 million and represented over half (56%) of the value of total property stolen (not shown).

Figure 12
VEHICLE THEFT SHOWS GREATEST ONE-YEAR DECREASE OF ALL PROPERTY CRIMES



SOURCE: SANDAG

Across the jurisdictions (with numbers large enough for comparison), all but 2 reported one-year decreases in the number of motor vehicle thefts, ranging from 6 percent to 53 percent (Appendix Tables 13 and 14). These decreases may reflect the success of targeting car prowlers at night in specific neighborhoods, as well as efforts undertaken by the Regional Auto Theft Task Force (RATT).

Arson

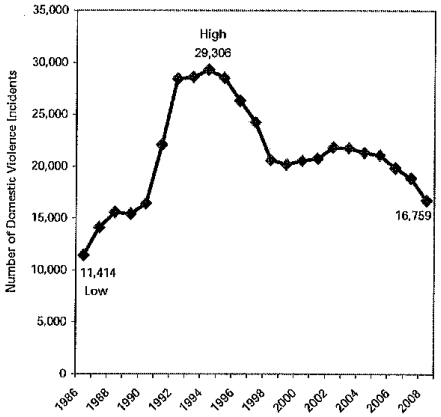
Unlike other FBI Index offenses, when arson is committed in concert with another FBI Index offense, both incidents must be reported, which is why arson is presented separately from other property crime statistics. There were 411 arsons reported in 2008, which was lower than in 2007 (when there were 458) (Appendix Tables 13 and 14). Forty-six percent (46%) of arsons in 2008 were of structures and 54 percent were categorized as mobile and other non-structural property types (not shown).

DOMESTIC VIOLENCE

Law enforcement agencies also track domestic violence incidents, some of which are included in the previously reported numbers in this bulletin. For example, a domestic violence incident could include a Part I violent crime (e.g., aggravated assault) or some type of property crime (e.g., burglary). Since 1986, when mandatory reporting was enacted, the number of domestic violence incidents has varied from a low of 11,414 in that first year to a high of 29,306 in 1994 (Figure 13). In 2008, 16,759 domestic violence incidents were reported. This 2008 number represented the sixth consecutive annual decrease.

Across nine of the jurisdictions[10], five agencies reported one-year increases in the number of domestic violence incidents (ranging from 3% to 19%) and four reported decreases (ranging from 4% to 28%) (Appendix Table 9).

Figure 13
DOMESTIC VIOLENCE DOWN FOR SIXTH CONSECUTIVE YEAR



SOURCE: SANDAG

HATE CRIMES

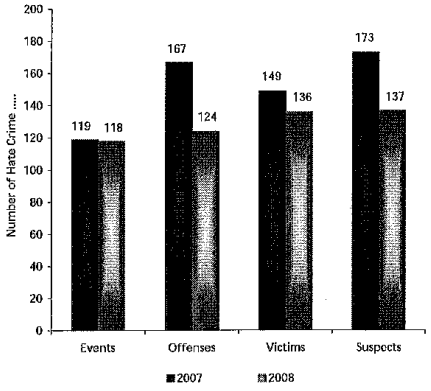
As part of California Penal code, the Attorney General is required to submit an annual report to the Legislature regarding crimes motivated by a bias related to a victim's race, ethnicity, religion, gender, sexual orientation, national origin, or physical or mental disability. For the first time in 2008, SANDAG asked local law enforcement agencies to share hate crime reports that were to be submitted to the State to allow for the reporting of more timely statistics, as well as

[10] The number of domestic violence incidents reported by the Sheriff's Department in 2008 may be an underestimate due to issues currently being investigated. As such, percentage changes are not highlighted in this text for the contract cities or unincorporated areas of the county and future reports will include updated numbers.

more detailed analysis for San Diego County not available in the State report.[11]

According to California Penal code, a hate crime is a criminal act committed in whole or in part because of the actual or perceived characteristics of the victim (described previously). Thus, hate crimes are not separate distinct crimes, but rather traditional offenses motivated by the offender's bias. More than 1 offense may be reported for each hate crime event. In 2008, a total of 118 hate crime events were reported by law enforcement from across the region, which included a total of 124 offenses, 136 victims, and 137 known suspects (Figure 14).

Figure 14
ABOUT ONE HATE CRIME REPORTED EVERY THREE DAYS IN THE SAN DIEGO REGION IN 2008



SOURCE: SANDAG; California Department of Justice, Criminal Justice Statistics Center

Compared to 2007 numbers reported by the California Attorney General's Office for San Diego County, the number of events was almost unchanged, but the number of offenses decreased (by 26%). In 2008, hate crimes were reported by police departments in Chula Vista, El Cajon, Escondido, Oceanside, and San Diego; the Sheriff's Department (for the jurisdictions of Encinitas, Imperial Beach, Poway, San Marcos, Santee, Vista, Fallbrook, and the unincorporated area); and by San Diego State University (SDSU) (not shown).

Other information compiled for this summary includes the following:

- Of the 118 events, almost two-thirds (63%) appeared motivated by the victim's race, ethnicity, or national origin; 22 percent by sexual orientation; and 15 percent by religion. Of the 74 cases related to the victim's actual or perceived race/ethnicity/national origin, 64 percent were described as being anti-Black and 18 percent as anti-Hispanic[12].

- Of the 118 events, the type of victim in more than three-quarters (78%) was an individual (or multiple individuals), 9 percent involved a business or financial institution, 5 percent government property, 5 percent a religious organization, and 3 percent were described as other.

- Of 107 events where location was noted, 35 percent occurred on a highway, road, alley, or street; 20 percent at a residence, home, or driveway; 11 percent in a parking lot or garage; 10 percent at a school or college; 7 percent at a church, synagogue, or temple; and 18 percent at other locations.

- Of the 124 offenses, 58 percent were described as violent, which included 24 simple assaults, 21 aggravated assaults, 21 acts of intimidation, and 6 robberies. For the property-related offenses (42%), 50 were vandalism or the destruction of property, 1 burglary, and 1 larceny (not shown).

[11] These hate crime data should be considered preliminary, dependent upon final verification with the Department of Justice when their data are released.

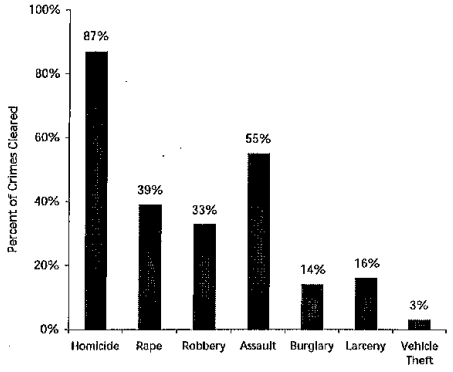
[12] These data are consistent with data from the State for 2007. According to the Attorney General, race/ethnicity/national origin hate crime offenses have consistently been the largest bias motivation category of hate crimes, with anti-Black accounting for the largest percent within this category.

CLEARANCE RATES

A crime is cleared or solved for reporting purposes when at least 1 person is arrested and charged with the offense[13]. Not surprisingly, the clearance rates in 2008 varied by crime type, with violent crimes cleared more frequently than property crimes. Overall, 47 percent of violent crimes that were open for investigation in the region were cleared (with a range across departments of 22% to 66%), compared to 13 percent of property crimes (with a range of 9% to 22%) (Appendix Tables 15 and 16).

As Figure 15 shows, the crimes of homicide and aggravated assault have the highest clearance rates. This is due to the fact that these crimes receive maximum resources given the seriousness of the crime and involvement of individuals with face-to-face contact. While the motor vehicle theft clearance rate is the lowest of the seven Part I crimes, it is important to note that the vehicle recovery rate is considerably higher (56%)[14] (not shown).

Figure 15
2008 REGIONAL CLEARANCE RATES VARY BY CRIME

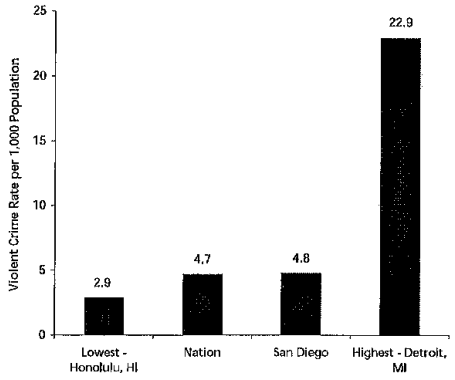


SOURCE: SANDAG

HOW DOES SAN DIEGO COMPARE TO OTHER U.S. CITIES?

National information for crime rates for 31 U.S. cities (rather than counties or regions) with populations of 500,000 or more is currently available for calendar year 2007 (1 year prior to the other statistics presented in this report). In 2007, the City of San Diego[15] was the seventh largest city in the U.S., with a population of almost 1.32 million. As Figures 16 and 17 show, the City of San Diego was one of the safest places to live, compared to other large metropolitan areas in terms of both violent crime (fourth lowest, following Honolulu, HI, San Jose, CA, and El Paso, TX) and property crime (sixth lowest, following New York, NY, San Jose, CA, Los Angeles, CA, Chicago, IL, and El Paso, TX). In 2006, San Diego was ranked fifth safest in both categories (not shown).

Figure 16
CITY OF SAN DIEGO'S 2007 VIOLENT CRIME FOURTH LOWEST IN NATION



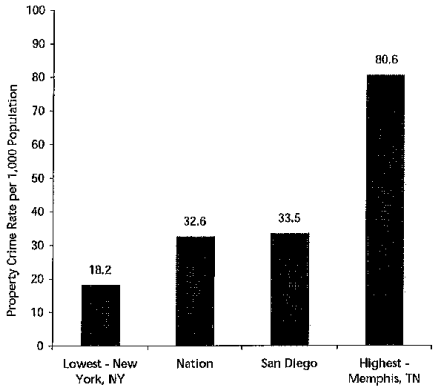
SOURCES: SANDAG; U.S. Department of Justice

[13] It is important to note that a crime can occur in one calendar year, but be cleared in that year or a future year.

[14] Motor vehicles represented 56 percent of stolen property in terms of dollar value, but 91 percent of the value of recovered property in 2008.

[15] In 2007, 46 percent of the region's violent crime and 49 percent of the property crime were reported by the San Diego Police Department.

Figure 17
CITY OF SAN DIEGO'S 2007 PROPERTY CRIME RATE SIXTH LOWEST IN NATION



SOURCES: SANDAG; U.S. Department of Justice

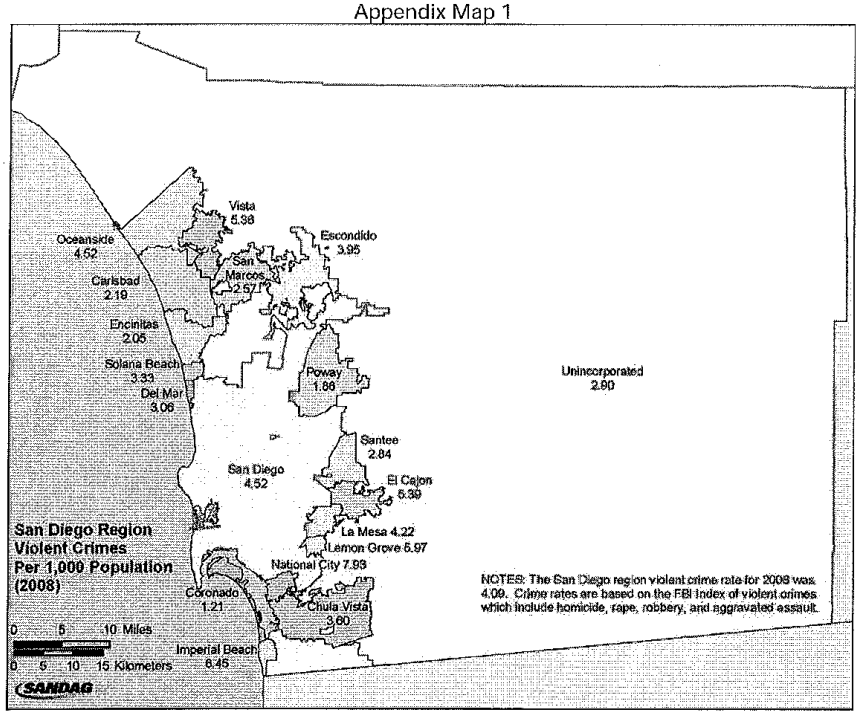
SUMMARY

Compared to 25 years earlier, the San Diego region is a safer place to live in terms of both violent and property crime. Local law enforcement is committed to continuing to effectively collaborate to identify and address crime issues in our communities, which are of growing importance during the economically uncertain times that may lie ahead.

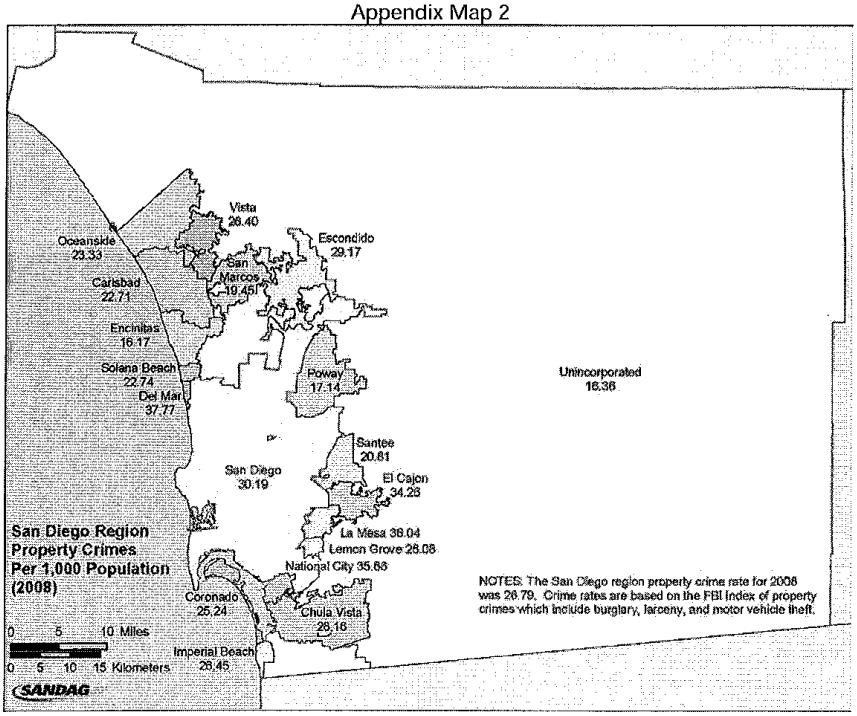
For those interested in more detailed 2008 statistics, please contact Donna Allnutt at (619) 699-6912. For those interested in more recent statistics for a specific area of San Diego County, as well as maps of specific areas, please visit the ARJIS (Automated Regional Justice Information System) Web site at www.arjis.org. The next CJ Bulletin in the 2009 series, *Public Safety Budgets in the San Diego Region, FY 2009*, will include a survey of local law enforcement regarding how recent and anticipated budget cuts may affect service delivery in the region and is scheduled for release this summer.

APPENDIX

Appendix Map 1



Appendix Map 2



Appendix Table 1
NUMBER OF CRIMES BY OFFENSE
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Homicide	128	106	90	-30%	-15%
Rape	797	704	845	6%	20%
Robbery	3,588	4,387	4,018	12%	-8%
Aggravated Assault	9,367	8,467	7,920	-15%	-6%
Violent Crime Total	**13,880**	**13,664**	**12,873**	**-7%**	**-6%**
Burglary	17,545	16,710	16,931	-3%	1%
Larceny Theft	55,669	48,679	47,390	-15%	-3%
Motor Vehicle Theft	24,172	24,435	19,974	-17%	-18%
Property Crime Total	**97,386**	**89,824**	**84,295**	**-13%**	**-6%**
FBI INDEX	**111,266**	**103,488**	**97,168**	**-13%**	**-6%**

SOURCE: SANDAG

Appendix Table 2
FBI INDEX CRIME RATE PER 1,000 POPULATION BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	26.25	27.28	24.90	-5%	-9%
Chula Vista	38.59	35.99	31.76	-18%	-12%
Coronado	26.29	24.47	26.45	1%	8%
El Cajon	49.19	45.69	39.65	-19%	-13%
Escondido	45.12	35.14	33.12	-27%	-6%
La Mesa	43.07	43.87	40.25	-7%	-8%
National City	58.11	42.41	43.58	-25%	3%
Oceanside	41.29	31.11	27.85	-33%	-10%
San Diego	40.32	38.33	34.72	-14%	-9%
Sheriff - Total	26.55	22.71	22.51	-15%	-1%
Del Mar	46.22	51.61	40.83	-12%	-21%
Encinitas	22.43	20.59	18.23	-19%	-11%
Imperial Beach	39.03	30.77	32.91	-16%	7%
Lemon Grove	42.36	29.45	32.06	-24%	9%
Poway	18.28	16.77	19.00	4%	13%
San Marcos	26.10	24.49	22.02	-16%	-10%
Santee	25.83	23.32	23.65	-8%	1%
Solana Beach	27.62	22.12	26.07	-6%	18%
Vista	35.74	28.14	31.75	-11%	13%
Unincorporated	23.46	20.32	19.26	-18%	-5%
4S Ranch	n/a	n/a	9.48	--	--
Alpine	25.28	23.67	21.72	-14%	-8%
Fallbrook	26.16	23.88	18.84	-28%	-21%
Lakeside	26.80	21.50	20.90	-22%	-3%
Ramona	15.18	12.75	15.24	<1%	20%
Spring Valley	28.98	26.27	25.57	-12%	-3%
Valley Center	26.03	25.73	22.66	-13%	-12%
TOTAL	**36.93**	**33.38**	**30.88**	**-16%**	**-7%**

NOTES: The FBI Crime Index includes homicide, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that were determined to have occurred in a city not served by the Sheriff, or a location for which jurisdiction could not be determined. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. Percent changes are based on computed crime rates rounded to the precision level of two decimal places. Populations used to compute crime rates reflect the most current California Department of Finance estimates.

SOURCES: California Department of Finance; SANDAG Estimates August 2008

Appendix Table 3
VIOLENT CRIME RATE PER 1,000 POPULATION BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	2.91	3.14	2.19	-25%	-30%
Chula Vista	4.02	4.04	3.60	-10%	-11%
Coronado	1.54	1.13	1.21	--	--
El Cajon	5.58	5.08	5.39	-3%	6%
Escondido	4.82	4.63	3.95	-18%	-15%
La Mesa	3.57	4.18	4.22	18%	1%
National City	7.52	6.93	7.93	5%	14%
Oceanside	5.92	5.15	4.52	-24%	-12%
San Diego	5.23	4.80	4.52	-14%	-6%
Sheriff - Total	3.63	3.82	3.47	-4%	-9%
Del Mar	2.86	3.95	3.06	--	--
Encinitas	2.40	2.51	2.05	-15%	-18%
Imperial Beach	6.83	5.66	6.45	-6%	14%
Lemon Grove	6.64	6.24	5.97	-10%	-4%
Poway	1.48	2.01	1.86	25%	-7%
San Marcos	3.74	3.59	2.57	-31%	-28%
Santee	3.05	2.66	2.84	-7%	6%
Solana Beach	2.69	1.94	3.33	--	--
Vista	4.95	5.53	5.36	8%	-3%
Unincorporated	3.05	3.39	2.90	-5%	-14%
4S Ranch	n/a	n/a	0.54	--	--
Alpine	3.41	3.24	3.06	-10%	-6%
Fallbrook	2.28	3.71	2.28	<-1%	-39%
Lakeside	2.84	4.32	3.77	33%	-13%
Ramona	2.15	3.14	2.46	14%	-22%
Spring Valley	5.47	4.85	4.53	-17%	-7%
Valley Center	4.18	5.27	4.53	8%	-14%
TOTAL	**4.61**	**4.41**	**4.09**	**-11%**	**-7%**

NOTES: FBI Index violent crimes include homicide, rape, robbery, and aggravated assault. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that were determined to have occurred in a city not served by the Sheriff, or a location for which jurisdiction could not be determined. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. Percent changes are based on computed crime rates rounded to the precision level of two decimal places. Percent changes are not presented if either comparison number used to compute the crime rate equals 30 or less. Populations used to compute crime rates reflect the most current California Department of Finance estimates.

SOURCES: California Department of Finance; SANDAG Estimates August 2008

Appendix Table 4
PROPERTY CRIME RATE PER 1,000 POPULATION BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	23.33	24.14	22.71	-3%	-6%
Chula Vista	34.57	31.94	28.16	-19%	-12%
Coronado	24.75	23.34	25.24	2%	8%
El Cajon	43.61	40.61	34.26	-21%	-16%
Escondido	40.30	30.51	29.17	-28%	-4%
La Mesa	39.50	39.69	36.04	-9%	-9%
National City	50.59	35.47	35.66	-30%	1%
Oceanside	35.37	25.96	23.33	-34%	-10%
San Diego	35.09	33.52	30.19	-14%	-10%
Sheriff - Total	22.92	18.88	19.03	-17%	1%
Del Mar	43.36	47.66	37.77	-13%	-21%
Encinitas	20.03	18.07	16.17	-19%	-11%
Imperial Beach	32.20	25.10	26.45	-18%	5%
Lemon Grove	35.72	23.21	26.08	-27%	12%
Poway	16.80	14.77	17.14	2%	16%
San Marcos	22.36	20.90	19.45	-13%	-7%
Santee	22.78	20.65	20.81	-9%	1%
Solana Beach	24.93	20.18	22.74	-9%	13%
Vista	30.80	22.62	26.40	-14%	17%
Unincorporated	20.41	16.93	16.36	-20%	-3%
4S Ranch	n/a	n/a	8.95	--	--
Alpine	21.87	20.43	18.66	-15%	-9%
Fallbrook	23.87	20.18	16.56	-31%	-18%
Lakeside	23.96	17.18	17.13	-29%	<-1%
Ramona	13.03	9.61	12.78	-2%	33%
Spring Valley	23.51	21.42	21.04	-11%	-2%
Valley Center	21.85	20.46	18.12	-17%	-11%
TOTAL	**32.32**	**28.97**	**26.79**	**-17%**	**-8%**

NOTES: FBI Index property crimes include larceny, burglary, and motor vehicle theft. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that were determined to have occurred in a city not served by the Sheriff, or a location for which jurisdiction could not be determined. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. Percent changes are based on computed crime rates rounded to the precision level of two decimal places. Populations used to compute crime rates reflect the most current California Department of Finance estimates.

SOURCES: California Department of Finance; SANDAG Estimates August 2008

Appendix Table 5
NUMBER OF FBI INDEX CRIMES BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	2,433	2,766	2,585	6%	-7%
Chula Vista	8,052	8,200	7,346	-9%	-10%
Coronado	699	562	611	-13%	9%
El Cajon	4,804	4,446	3,883	-19%	-13%
Escondido	6,331	4,986	4,749	-25%	-5%
La Mesa	2,412	2,469	2,281	-5%	-8%
National City	3,255	2,593	2,667	-18%	3%
Oceanside	7,138	5,498	4,980	-30%	-9%
San Diego	52,217	50,498	46,412	-11%	-8%
Sheriff - Total	22,076	19,471	19,583	-11%	1%
Del Mar	210	235	187	-11%	-20%
Encinitas	1,401	1,303	1,164	-17%	-11%
Imperial Beach	1,085	853	928	-14%	9%
Lemon Grove	1,084	750	821	-24%	9%
Poway	924	853	971	5%	14%
San Marcos	1,745	1,956	1,822	4%	-7%
Santee	1,397	1,287	1,326	-5%	3%
Solana Beach	370	297	352	-5%	19%
Vista	3,361	2,674	3,041	-10%	14%
Unincorporated	10,140	8,983	8,643	-15%	-4%
4S Ranch	n/a	79	159	--	--
Alpine	704	686	639	-9%	-7%
Fallbrook	1,294	1,199	960	-26%	-20%
Lakeside	1,417	1,145	1,130	-20%	-1%
Ramona	536	455	552	3%	21%
Spring Valley	2,046	1,862	1,840	-10%	-1%
Valley Center	548	576	515	-6%	-11%
Other Sheriff	359	280	328	-9%	17%
California Highway Patrol	127	133	186	46%	40%
California State University San Marcos	52	66	65	25%	-2%
San Diego State University	589	618	686	16%	11%
University of California San Diego	648	476	521	-20%	9%
San Diego Harbor Police	347	602	549	58%	-9%
California State Parks	86	104	64	-26%	-38%
TOTAL	**111,266**	**103,488**	**97,168**	**-13%**	**-6%**

NOTES: The FBI Crime Index includes homicide, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that were determined to have occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category.

SOURCE: SANDAG

Appendix Table 6
NUMBER OF VIOLENT CRIMES BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	270	318	227	-16%	-29%
Chula Vista	838	921	832	-1%	-10%
Coronado	41	26	28	--	--
El Cajon	545	494	528	-3%	7%
Escondido	676	657	567	-16%	-14%
La Mesa	200	235	239	20%	2%
National City	421	424	485	15%	14%
Oceanside	1,023	910	808	-21%	-11%
San Diego	6,774	6,331	6,047	-11%	-4%
Sheriff - Total	3,022	3,279	3,022	0%	-8%
Del Mar	13	18	14	--	--
Encinitas	150	159	131	-13%	-18%
Imperial Beach	190	157	182	-4%	16%
Lemon Grove	170	159	153	-10%	-4%
Poway	75	102	95	27%	-7%
San Marcos	250	287	213	-15%	-26%
Santee	165	147	159	-4%	8%
Solana Beach	36	26	45	25%	--
Vista	465	525	513	10%	-2%
Unincorporated	1,317	1,498	1,303	-1%	-13%
4S Ranch	n/a	9	9	--	--
Alpine	95	94	90	-5%	-4%
Fallbrook	113	186	116	3%	-38%
Lakeside	150	230	204	36%	-11%
Ramona	76	112	89	17%	-21%
Spring Valley	386	344	326	-16%	-5%
Valley Center	88	118	103	17%	-13%
Other Sheriff	191	201	214	12%	6%
California Highway Patrol	15	8	18	--	--
California State University San Marcos	3	0	4	--	--
San Diego State University	24	30	37	--	--
University of California San Diego	6	5	6	--	--
San Diego Harbor Police	17	21	22	--	--
California State Parks	5	5	3	--	--
TOTAL	**13,880**	**13,664**	**12,873**	**-7%**	**-6%**

NOTES: FBI Index violent crimes include homicide, rape, robbery, and aggravated assault. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that were determined to have occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. Percent changes are not presented if either comparison number equals 30 or less.

SOURCE: SANDAG

Appendix Table 7
NUMBER OF PROPERTY CRIMES BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	2,163	2,448	2,358	9%	-4%
Chula Vista	7,214	7,279	6,514	-10%	-11%
Coronado	658	536	583	-11%	9%
El Cajon	4,259	3,952	3,355	-21%	-15%
Escondido	5,655	4,329	4,182	-26%	-3%
La Mesa	2,212	2,234	2,042	-8%	-9%
National City	2,834	2,169	2,182	-23%	1%
Oceanside	6,115	4,588	4,172	-32%	-9%
San Diego	45,443	44,167	40,365	-11%	-9%
Sheriff - Total	19,054	16,192	16,561	-13%	2%
Del Mar	197	217	173	-12%	-20%
Encinitas	1,251	1,144	1,033	-17%	-10%
Imperial Beach	895	696	746	-17%	7%
Lemon Grove	914	591	668	-27%	13%
Poway	849	751	876	3%	17%
San Marcos	1,495	1,669	1,609	8%	-4%
Santee	1,232	1,140	1,167	-5%	2%
Solana Beach	334	271	307	-8%	13%
Vista	2,896	2,149	2,528	-13%	18%
Unincorporated	8,823	7,485	7,340	-17%	-2%
4S Ranch	n/a	70	150	--	--
Alpine	609	592	549	-10%	-7%
Fallbrook	1,181	1,013	844	-29%	-17%
Lakeside	1,267	915	926	-27%	1%
Ramona	460	343	463	1%	35%
Spring Valley	1,660	1,518	1,514	-9%	<-1%
Valley Center	460	458	412	-10%	-10%
Other Sheriff	168	79	114	-32%	44%
California Highway Patrol	112	125	168	50%	34%
California State University San Marcos	49	66	61	24%	-8%
San Diego State University	565	588	649	15%	10%
University of California San Diego	642	471	515	-20%	9%
San Diego Harbor Police	330	581	527	60%	-9%
California State Parks	81	99	61	-25%	-38%
TOTAL	**97,386**	**89,824**	**84,295**	**-13%**	**-6%**

NOTES: FBI Index property crimes include larceny, burglary, and motor vehicle theft. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that were determined to have occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category.

SOURCE: SANDAG

Appendix Table 8
NUMBER OF CRIMES BY OFFENSE
San Diego Region, 1999-2008

	Homicide	Rape	Robbery	Aggravated Assault	Residential Burglary	Non-Residential Burglary	Total Burglary	Larceny Over $400	Larceny $400 and Under	Total Larceny	Motor Vehicle Theft	FBI Crime Index	California Crime Index	Population
1999	106	810	3,468	9,915	8,772	6,458	**15,230**	15,820	35,263	**51,083**	17,113	**97,725**	46,642	2,751,000
2000	97	801	3,347	9,504	9,066	6,711	**15,777**	15,457	32,394	**47,851**	17,038	**94,415**	46,564	2,813,833
2001	92	830	3,430	10,237	9,681	7,044	**16,725**	17,164	34,156	**51,320**	19,421	**102,055**	50,735	2,863,657
2002	87	798	3,342	9,805	10,236	7,963	**18,199**	18,568	34,684	**53,252**	19,884	**105,367**	52,115	2,920,010
2003	130	856	3,375	9,646	10,706	8,187	**18,893**	18,179	36,102	**54,281**	23,460	**110,641**	56,360	2,971,805
2004	128	797	3,588	9,367	10,108	7,437	**17,545**	19,293	36,376	**55,669**	24,172	**111,266**	55,597	3,013,014
2005	98	814	3,943	8,996	9,948	7,720	**17,668**	19,892	34,309	**54,201**	25,755	**111,475**	57,274	3,038,074
2006	126	777	4,313	8,362	9,783	8,072	**17,855**	19,657	31,797	**51,454**	24,046	**106,933**	55,479	3,065,077
2007	106	704	4,387	8,467	9,455	7,255	**16,710**	18,750	29,929	**48,679**	24,435	**103,488**	54,809	3,100,132
2008	90	845	4,018	7,920	9,936	6,995	**16,931**	18,418	28,972	**47,390**	19,974	**97,168**	49,778	3,146,274

NOTES: The FBI Crime Index includes homicide, rape, robbery, and aggravated assault in the violent category and burglary, larceny, and motor vehicle theft in the property category. The California Crime Index includes all FBI offenses except larceny.

SOURCES: California Department of Finance; U.S. Census 2000; SANDAG crime statistics; SANDAG Population Estimates August 2008

Appendix Table 9
NUMBER OF DOMESTIC VIOLENCE INCIDENTS BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	360	438	382	6%	-13%
Chula Vista	1,818	1,818	1,613	-11%	-11%
Coronado	58	83	99	71%	19%
El Cajon	672	537	555	-17%	3%
Escondido	898	930	987	10%	6%
La Mesa	365	347	394	8%	14%
National City	624	351	366	-41%	4%
Oceanside	2,070	2,405	1,726	-17%	-28%
San Diego	10,033	8,137	7,829	-22%	-4%
Sheriff - Total	4,407	3,718	2,675	-39%	-28%
Del Mar	14	9	9	--	--
Encinitas	208	177	146	-30%	-18%
Imperial Beach	297	170	168	-43%	-1%
Lemon Grove	191	163	101	-47%	-38%
Poway	204	145	121	-41%	-17%
San Marcos	359	291	224	-38%	-23%
Santee	322	275	174	-46%	-37%
Solana Beach	34	28	20	--	--
Vista	557	502	394	-29%	-22%
Unincorporated	2,221	1,958	1,318	-41%	-33%
TOTAL	**21,351**	**18,874**	**16,759**	**-22%**	**-11%**

NOTES: "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). The individual unincorporated areas in the Sheriff's jurisdiction are not required to report domestic violence to the State Department of Justice. Region total includes a relatively small number of incidents reported by the San Diego Harbor Police, California Highway Patrol, California State Parks, California State University San Marcos, San Diego State University, and University of California San Diego. Percent changes are not presented if either comparison number equals 30 or less.

SOURCE: SANDAG

Appendix Table 10
NUMBER OF CRIMES BY OFFENSE BY JURISDICTION
San Diego Region, 2004

	Homicide	Rape	Robbery	Aggravated Assault	Residential Burglary	Non-Residential Burglary	Total Burglary	Larceny Over $400	Larceny $400 and Under	Total Larceny	Motor Vehicle Theft	Arson	FBI Crime Index	California Crime Index
Carlsbad	2	13	42	213	253	204	457	502	974	1,476	230	8	2,433	957
Chula Vista	15	50	296	477	687	497	1,184	1,252	2,735	3,987	2,043	31	8,052	4,065
Coronado	0	10	15	16	74	41	115	108	347	455	88	1	699	244
El Cajon	7	21	164	353	395	420	815	736	1,618	2,354	1,090	32	4,804	2,450
Escondido	3	22	198	453	412	373	785	1,026	2,268	3,294	1,576	35	6,331	3,037
La Mesa	0	10	72	118	183	210	393	399	886	1,285	534	5	2,412	1,127
National City	5	16	139	261	135	255	390	366	1,178	1,544	900	15	3,255	1,711
Oceanside	9	77	289	648	706	419	1,125	1,181	2,985	4,166	824	33	7,138	2,972
San Diego	62	373	1,650	4,689	4,495	2,810	7,305	9,399	15,769	25,168	12,970	191	52,217	27,049
Sheriff - Total	25	192	709	2,096	2,713	2,119	4,832	3,802	6,711	10,513	3,709	160	22,076	11,563
Del Mar	0	2	3	8	14	15	29	78	63	141	27	0	210	69
Encinitas	2	15	38	95	145	140	285	298	503	801	165	6	1,401	600
Imperial Beach	1	8	48	133	137	99	236	124	332	456	203	23	1,085	629
Lemon Grove	1	7	47	115	83	150	233	115	338	453	228	5	1,084	631
Poway	0	4	10	61	83	107	190	202	359	561	98	13	924	363
San Marcos	1	17	61	171	148	198	346	264	580	844	305	12	1,745	901
Santee	1	16	44	104	103	135	238	260	530	790	204	4	1,397	607
Solana Beach	0	0	17	19	25	47	72	111	98	209	53	1	370	161
Vista	3	28	162	272	473	268	741	567	1,069	1,636	519	16	3,361	1,725
Unincorporated	16	92	275	934	1,496	936	2,432	1,761	2,769	4,530	1,861	80	10,140	5,610
4S Ranch	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alpine	0	2	21	72	99	74	173	119	178	297	139	4	704	407
Fallbrook	1	13	22	77	248	124	372	229	426	655	154	7	1,294	639
Lakeside	3	14	28	105	173	146	319	238	433	671	277	0	1,417	746
Ramona	0	6	2	68	70	60	130	91	161	252	78	1	536	284
Spring Valley	9	12	110	255	242	165	407	273	483	756	497	0	2,046	1,290
Valley Center	1	8	26	53	76	70	146	99	113	212	102	11	548	336
Other Sheriff	0	3	4	184	6	24	30	22	70	92	46	0	359	267
California Highway Patrol	0	0	0	15	0	3	3	2	36	38	71	0	127	89
California State University San Marcos	0	2	0	1	3	4	7	4	38	42	0	0	52	10
San Diego State University	0	9	6	9	19	31	50	162	270	432	83	6	589	157
University of California San Diego	0	2	1	3	32	31	63	157	375	532	47	4	648	116
San Diego Harbor Police	0	0	7	10	0	12	12	167	150	317	1	1	347	30
California State Parks	0	0	0	5	1	8	9	30	36	66	6	3	86	20
TOTAL	**128**	**797**	**3,588**	**9,367**	**10,108**	**7,437**	**17,545**	**19,293**	**36,376**	**55,669**	**24,172**	**525**	**111,266**	**55,597**

NOTES: The FBI Crime Index includes homicide, rape, robbery, and aggravated assault in the violent category and burglary, larceny, and motor vehicle theft in the property category. The California Crime Index (CCI) includes all FBI Index crimes except larceny. "Sheriff-Total" includes the contract cities and the unincorporated area served by the Sheriff, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined. Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. (The Sheriff's area of 4S Ranch began reporting separately in July 2007.)

SOURCE: SANDAG

Appendix Table 11
NUMBER OF CRIMES BY OFFENSE BY JURISDICTION
San Diego Region, 2005

	Homicide	Rape	Robbery	Aggravated Assault	Residential Burglary	Non-Residential Burglary	Total Burglary	Larceny Over $400	Larceny $400 and Under	Total Larceny	Motor Vehicle Theft	Arson	FBI Crime Index	California Crime Index
Carlsbad	2	11	79	164	285	232	517	540	1,108	1,648	246	11	2,667	1,019
Chula Vista	5	66	338	518	626	609	1,235	1,277	2,481	3,758	2,496	23	8,416	4,658
Coronado	0	6	6	10	69	20	89	127	222	349	89	5	549	200
El Cajon	2	40	171	305	296	473	769	658	1,480	2,138	1,136	36	4,561	2,423
Escondido	2	31	186	473	399	402	801	996	2,035	3,031	1,079	37	5,603	2,572
La Mesa	2	10	107	82	190	138	328	453	892	1,345	556	6	2,430	1,085
National City	4	16	182	254	122	254	376	369	1,040	1,409	941	15	3,182	1,773
Oceanside	7	78	264	634	718	347	1,065	1,096	2,750	3,846	746	33	6,640	2,794
San Diego	51	376	1,862	4,314	4,611	2,851	7,462	9,771	14,842	24,613	14,138	233	52,816	28,203
Sheriff - Total	23	170	725	2,189	2,589	2,320	4,909	3,982	6,361	10,343	4,066	151	22,425	12,082
Del Mar	0	0	1	9	24	26	50	87	92	179	37	0	276	97
Encinitas	3	11	45	112	165	159	324	330	394	724	186	7	1,405	681
Imperial Beach	0	3	41	88	99	89	188	111	224	335	267	4	922	587
Lemon Grove	1	6	59	90	93	115	208	102	237	339	258	6	961	622
Poway	1	11	20	63	70	102	172	201	350	551	92	7	910	359
San Marcos	0	15	57	165	121	238	359	318	671	989	282	10	1,867	878
Santee	1	16	30	116	143	138	281	301	499	800	235	9	1,479	679
Solana Beach	0	1	12	11	48	39	87	81	98	179	46	1	336	157
Vista	4	21	190	315	404	367	771	547	1,074	1,621	579	29	3,501	1,880
Unincorporated	13	82	266	1,032	1,413	1,036	2,449	1,900	2,678	4,578	2,042	78	10,462	5,884
4S Ranch	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alpine	1	5	15	54	104	71	175	164	189	353	121	1	724	371
Fallbrook	0	11	43	123	259	203	462	260	499	759	177	7	1,575	816
Lakeside	0	13	34	169	169	138	307	289	426	715	309	0	1,547	832
Ramona	1	7	12	76	58	61	119	116	145	261	84	1	560	299
Spring Valley	7	14	77	227	245	135	380	275	466	741	572	0	2,018	1,277
Valley Center	1	9	6	63	62	101	163	114	116	230	106	13	578	348
Other Sheriff	0	4	4	188	9	11	20	4	44	48	42	0	306	258
California Highway Patrol	0	0	2	18	2	9	11	4	28	32	96	0	159	127
California State University San Marcos	0	1	0	2	1	7	8	9	43	52	2	0	65	13
San Diego State University	0	8	10	11	14	11	25	217	330	547	88	0	689	142
University of California San Diego	0	1	4	7	25	30	55	157	462	619	68	1	754	135
San Diego Harbor Police	0	0	7	10	0	9	9	204	177	381	1	2	408	27
California State Parks	0	0	0	5	1	8	9	32	58	90	7	2	111	21
TOTAL	**98**	**814**	**3,943**	**8,996**	**9,948**	**7,720**	**17,668**	**19,892**	**34,309**	**54,201**	**25,755**	**555**	**111,475**	**57,274**

NOTES: The FBI Crime Index includes homicide, rape, robbery, and aggravated assault in the violent category and burglary, larceny, and motor vehicle theft in the property category. The California Crime Index (CCI) includes all FBI Index crimes except larceny. "Sheriff-Total" includes the contract cities and the unincorporated area served by the Sheriff, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined. Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. (The Sheriff's area of 4S Ranch began reporting separately in July 2007.)

SOURCE: SANDAG

Appendix Table 12
NUMBER OF CRIMES BY OFFENSE BY JURISDICTION
San Diego Region, 2006

	Homicide	Rape	Robbery	Aggravated Assault	Residential Burglary	Non-Residential Burglary	Total Burglary	Larceny Over $400	Larceny $400 and Under	Total Larceny	Motor Vehicle Theft	Arson	FBI Crime Index	California Crime Index
Carlsbad	1	11	77	240	320	267	587	657	991	1,648	220	18	2,784	1,136
Chula Vista	7	70	351	519	687	497	1,184	1,321	2,496	3,817	2,033	41	7,981	4,164
Coronado	0	3	9	11	48	19	67	114	265	379	70	1	539	160
El Cajon	4	28	154	287	270	368	638	618	1,336	1,954	1,020	25	4,085	2,131
Escondido	3	33	235	442	407	351	758	885	1,802	2,687	962	17	5,120	2,433
La Mesa	3	8	111	113	222	225	447	480	979	1,459	591	16	2,732	1,273
National City	2	9	211	302	143	310	453	314	811	1,125	885	12	2,987	1,862
Oceanside	8	48	245	635	682	297	979	999	2,262	3,261	633	21	5,809	2,548
San Diego	68	348	2,164	3,811	4,491	3,255	7,746	9,824	14,301	24,125	13,338	185	51,600	27,475
Sheriff - Total	30	211	737	1,964	2,459	2,366	4,825	3,754	5,656	9,410	4,013	144	21,190	11,780
Del Mar	0	1	7	18	22	32	54	108	82	190	30	0	300	110
Encinitas	3	8	48	104	160	164	324	279	425	704	170	3	1,361	657
Imperial Beach	1	17	34	116	94	75	169	119	223	342	236	3	915	573
Lemon Grove	1	12	65	92	65	146	211	99	220	319	263	9	963	644
Poway	0	13	21	69	84	126	210	207	248	455	119	5	887	432
San Marcos	3	19	75	189	196	288	484	311	607	918	333	14	2,021	1,103
Santee	0	14	44	93	122	148	270	243	342	585	199	8	1,205	620
Solana Beach	1	0	12	13	31	46	77	68	92	160	40	1	303	143
Vista	1	34	152	259	383	346	729	541	981	1,522	587	19	3,284	1,762
Unincorporated	20	92	275	881	1,300	981	2,281	1,766	2,403	4,169	1,993	82	9,711	5,542
4S Ranch	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Alpine	1	4	17	51	102	82	184	127	154	281	123	4	661	380
Fallbrook	2	11	46	84	179	163	342	329	461	790	153	7	1,428	638
Lakeside	2	16	32	150	151	120	271	233	318	551	268	0	1,290	739
Ramona	0	6	16	59	61	76	137	95	144	239	70	4	527	288
Spring Valley	2	14	84	184	256	177	433	268	460	728	638	0	2,083	1,355
Valley Center	4	7	15	57	55	77	132	100	152	252	68	3	535	283
Other Sheriff	0	1	4	130	2	14	16	13	33	46	43	0	240	194
California Highway Patrol	0	0	0	16	2	10	12	2	20	22	76	0	126	104
California State University San Marcos	0	1	0	1	0	6	6	6	33	39	1	0	48	9
San Diego State University	0	7	13	5	20	15	35	152	258	410	119	2	589	179
University of California San Diego	0	0	1	2	30	61	91	176	337	513	75	5	682	169
San Diego Harbor Police	0	0	5	11	1	23	24	334	219	553	2	0	595	42
California State Parks	0	0	0	3	1	2	3	21	31	52	8	1	66	14
TOTAL	**126**	**777**	**4,313**	**8,362**	**9,783**	**8,072**	**17,855**	**19,657**	**31,797**	**51,454**	**24,046**	**488**	**106,933**	**55,479**

NOTES: The FBI Crime Index includes homicide, rape, robbery, and aggravated assault in the violent category and burglary, larceny, and motor vehicle theft in the property category. The California Crime Index (CCI) includes all FBI Index crimes except larceny. "Sheriff-Total" includes the contract cities and the unincorporated area served by the Sheriff, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined. Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. (The Sheriff's area of 4S Ranch began reporting separately in July 2007.)

SOURCE: SANDAG

Appendix Table 13
NUMBER OF CRIMES BY OFFENSE BY JURISDICTION
San Diego Region, 2007

	Homicide	Rape	Robbery	Aggravated Assault	Residential Burglary	Non-Residential Burglary	Total Burglary	Larceny Over $400	Larceny $400 and Under	Total Larceny	Motor Vehicle Theft	Arson	FBI Crime Index	California Crime Index
Carlsbad	2	13	88	215	298	230	528	722	962	1,684	236	10	2,766	1,082
Chula Vista	8	57	396	460	637	456	1,093	1,276	2,514	3,790	2,396	28	8,200	4,410
Coronado	1	6	10	9	46	17	63	105	273	378	95	4	562	184
El Cajon	4	21	184	285	270	314	584	746	1,381	2,127	1,241	15	4,446	2,319
Escondido	4	28	280	345	456	352	808	827	1,601	2,428	1,093	23	4,986	2,558
La Mesa	0	7	125	103	188	192	380	496	859	1,355	499	8	2,469	1,114
National City	6	19	180	219	133	246	379	267	575	842	948	8	2,593	1,751
Oceanside	3	51	257	599	598	241	839	993	2,109	3,102	647	31	5,498	2,396
San Diego	58	296	2,095	3,882	4,500	3,179	7,679	9,162	14,102	23,264	13,224	200	50,498	27,234
Sheriff - Total	20	194	758	2,307	2,266	1,914	4,180	3,477	4,742	8,219	3,793	122	19,471	11,252
Del Mar	0	2	5	11	18	28	46	71	63	134	37	1	235	101
Encinitas	0	9	42	108	151	155	306	302	400	702	136	7	1,303	601
Imperial Beach	0	17	46	94	87	74	161	93	174	267	268	10	853	586
Lemon Grove	1	10	46	102	68	73	141	88	145	233	217	4	750	517
Poway	0	7	19	76	70	113	183	218	257	475	93	3	853	378
San Marcos	2	12	101	172	199	215	414	344	593	937	318	8	1,956	1,019
Santee	0	12	23	112	100	106	206	271	391	662	272	5	1,287	625
Solana Beach	0	2	10	14	33	41	74	80	66	146	51	2	297	151
Vista	4	24	170	327	333	261	594	418	620	1,038	517	6	2,674	1,636
Unincorporated	13	95	291	1,099	1,205	840	2,045	1,580	1,998	3,578	1,862	76	8,983	5,404
4S Ranch	0	0	1	8	16	10	26	20	14	34	10	0	79	45
Alpine	0	5	16	73	92	57	149	149	157	306	137	5	686	380
Fallbrook	1	6	46	133	138	134	272	218	351	569	172	8	1,199	630
Lakeside	3	14	28	185	133	88	221	221	269	490	204	0	1,145	655
Ramona	3	7	22	80	65	68	133	78	80	158	52	2	455	297
Spring Valley	2	24	102	216	222	166	388	229	348	577	553	0	1,862	1,285
Valley Center	0	7	11	100	76	64	140	105	119	224	94	6	576	352
Other Sheriff	0	4	5	192	2	8	10	12	35	47	22	0	280	233
California Highway Patrol	0	0	0	8	1	6	7	2	27	29	89	0	133	104
California State University San Marcos	0	0	0	0	3	5	8	15	40	55	3	0	66	11
San Diego State University	0	9	7	14	28	47	75	121	279	400	113	0	618	218
University of California San Diego	0	1	2	2	28	28	56	135	238	373	42	4	476	103
San Diego Harbor Police	0	0	4	17	3	26	29	353	196	549	3	1	602	53
California State Parks	0	2	1	2	0	2	2	53	31	84	13	4	104	20
TOTAL	**106**	**704**	**4,387**	**8,467**	**9,455**	**7,255**	**16,710**	**18,750**	**29,929**	**48,679**	**24,435**	**458**	**103,488**	**54,809**

NOTES: The FBI Crime Index includes homicide, rape, robbery, and aggravated assault in the violent category and burglary, larceny, and motor vehicle theft in the property category. The California Crime Index (CCI) includes all FBI Index crimes except larceny. "Sheriff-Total" includes the contract cities and the unincorporated area served by the Sheriff, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined. Unincorporated statistics have also been updated to exclude crimes now categorized in the Sheriff's "other" category. (The Sheriff's area of 4S Ranch began reporting separately in July 2007.)

SOURCE: SANDAG

Appendix Table 14
NUMBER OF CRIMES BY OFFENSE BY JURISDICTION
San Diego Region, 2008

	Homicide	Rape	Robbery	Aggravated Assault	Residential Burglary	Non-Residential Burglary	Total Burglary	Larceny Over $400	Larceny $400 and Under	Total Larceny	Motor Vehicle Theft	Arson	FBI Crime Index	California Crime Index
Carlsbad	2	24	51	150	272	235	507	656	1,006	1,662	189	7	2,585	923
Chula Vista	6	55	321	450	633	375	1,008	1,285	2,054	3,339	2,167	27	7,346	4,007
Coronado	0	2	12	14	57	46	103	149	286	435	45	3	611	176
El Cajon	1	35	204	288	260	311	571	629	1,276	1,905	879	16	3,883	1,978
Escondido	4	31	195	337	464	434	898	867	1,538	2,405	879	18	4,749	2,344
La Mesa	0	14	122	103	189	116	305	509	894	1,403	334	10	2,281	878
National City	0	24	183	278	114	251	365	305	719	1,024	793	4	2,667	1,643
Oceanside	5	61	193	549	642	194	836	841	1,959	2,800	536	37	4,980	2,180
San Diego	55	376	2,019	3,597	4,864	2,879	7,743	8,773	13,172	21,945	10,677	190	46,412	24,467
Sheriff - Total	17	208	699	2,098	2,380	2,037	4,417	3,713	5,219	8,932	3,212	90	19,583	10,651
Del Mar	0	3	5	6	11	40	51	68	39	107	15	1	187	80
Encinitas	0	15	33	83	121	154	275	308	361	669	89	3	1,164	495
Imperial Beach	0	12	69	101	105	60	165	109	229	338	243	9	928	590
Lemon Grove	0	17	58	78	106	102	208	78	210	288	172	8	821	533
Poway	0	8	20	67	94	117	211	259	311	570	95	1	971	401
San Marcos	1	8	55	149	163	238	401	324	610	934	274	2	1,822	888
Santee	1	12	34	112	104	118	222	270	486	756	189	3	1,326	570
Solana Beach	0	2	9	34	42	75	117	111	56	167	23	2	352	185
Vista	1	37	154	321	414	343	757	457	863	1,320	451	12	3,041	1,721
Unincorporated	14	88	258	943	1,214	775	1,989	1,708	2,009	3,717	1,634	49	8,643	4,926
4S Ranch	0	0	2	7	23	19	42	43	47	90	18	0	159	69
Alpine	1	9	13	67	87	53	140	145	166	311	98	2	639	328
Fallbrook	3	8	21	84	139	122	261	197	276	473	110	4	960	487
Lakeside	4	10	26	164	117	99	216	211	308	519	191	0	1,130	611
Ramona	0	7	11	71	48	63	111	117	179	296	56	2	552	256
Spring Valley	1	23	86	216	258	121	379	269	357	626	509	0	1,840	1,214
Valley Center	2	9	18	74	70	57	127	107	98	205	80	1	515	310
Other Sheriff	0	6	4	204	6	15	21	21	45	66	27	0	328	262
California Highway Patrol	0	0	0	18	1	5	6	6	16	22	140	0	186	164
California State University San Marcos	0	1	0	3	1	9	10	11	40	51	0	0	65	14
San Diego State University	0	8	10	19	32	59	91	132	336	468	90	3	686	218
University of California San Diego	0	3	1	2	25	28	53	192	238	430	32	4	521	91
San Diego Harbor Police	0	3	6	13	1	14	15	311	201	512	0	1	549	37
California State Parks	0	0	2	1	1	2	3	39	18	57	1	1	64	7
TOTAL	**90**	**845**	**4,018**	**7,920**	**9,936**	**6,995**	**16,931**	**18,418**	**28,972**	**47,390**	**19,974**	**411**	**97,168**	**49,778**

NOTES: The FBI Crime Index includes homicide, rape, robbery, and aggravated assault in the violent category and burglary, larceny, and motor vehicle theft in the property category. The California Crime Index (CCI) includes all FBI Index crimes except larceny. "Sheriff-Total" includes the contract cities and the unincorporated area served by the Sheriff, as well as crimes reported in the Sheriff's new "other" category that includes the Sheriff's detention facilities, courts staffed by the Sheriff, and crimes reported to the Sheriff that occurred in a city not served by the Sheriff or a location for which jurisdiction could not be determined.

SOURCE: SANDAG

Appendix Table 15
VIOLENT CRIME CLEARANCE RATE BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Difference	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	69%	41%	49%	-20%	8%
Chula Vista	34%	33%	35%	1%	2%
Coronado	--	--	--	--	--
El Cajon	39%	45%	36%	-3%	-8%
Escondido	46%	49%	47%	1%	-2%
La Mesa	68%	65%	58%	-9%	-7%
National City	28%	21%	22%	-6%	1%
Oceanside	43%	43%	41%	-2%	-1%
San Diego	53%	48%	49%	-3%	1%
Sheriff - Total	58%	47%	54%	-5%	7%
Del Mar	--	--	--	--	--
Encinitas	49%	41%	45%	-4%	4%
Imperial Beach	58%	51%	52%	-7%	1%
Lemon Grove	58%	49%	43%	-15%	-6%
Poway	45%	44%	63%	18%	19%
San Marcos	55%	37%	58%	3%	21%
Santee	69%	56%	64%	-6%	8%
Solana Beach	--	--	--	--	--
Vista	56%	41%	56%	-1%	14%
Unincorporated	68%	57%	63%	-5%	5%
4S Ranch	n/a	--	--	--	--
Alpine	60%	48%	52%	-8%	4%
Fallbrook	53%	41%	66%	13%	26%
Ramona	93%	61%	51%	-43%	-10%
Valley Center	67%	52%	50%	-17%	-1%
TOTAL	**51%**	**46%**	**47%**	**-3%**	**2%**

NOTES: "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Clearance rates based on reported incidents or cases cleared numbering 30 or less are not computed for this table.

SOURCE: SANDAG

Appendix Table 16
PROPERTY CRIME CLEARANCE RATE BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Difference	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	26%	10%	21%	-5%	11%
Chula Vista	14%	15%	16%	2%	1%
Coronado	11%	12%	22%	10%	9%
El Cajon	15%	16%	16%	1%	0%
Escondido	13%	15%	16%	3%	1%
La Mesa	18%	17%	13%	-5%	-5%
National City	18%	10%	14%	-4%	4%
Oceanside	13%	11%	12%	-1%	1%
San Diego	10%	10%	11%	0%	1%
Sheriff - Total	14%	12%	13%	0%	1%
Del Mar	--	--	--	--	--
Encinitas	15%	12%	12%	-4%	0%
Imperial Beach	11%	10%	11%	0%	1%
Lemon Grove	22%	18%	20%	-2%	2%
Poway	18%	14%	14%	-5%	0%
San Marcos	18%	16%	21%	3%	5%
Santee	15%	14%	19%	4%	5%
Solana Beach	--	--	--	--	--
Vista	14%	12%	13%	-1%	1%
Unincorporated	12%	11%	12%	-1%	1%
4S Ranch	n/a	--	--	--	--
Alpine	13%	9%	9%	-4%	1%
Fallbrook	11%	9%	12%	2%	3%
Ramona	20%	17%	16%	-4%	-1%
Valley Center	11%	13%	16%	4%	2%
TOTAL	**13%**	**11%**	**13%**	**0%**	**1%**

NOTES: "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista). Clearance rates based on reported incidents or cases cleared numbering 30 or less are not computed for this table.

SOURCE: SANDAG

Appendix Table 17
DOLLAR VALUE OF PROPERTY STOLEN BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

	2004	2007	2008	Change 2004-2008	Change 2007-2008
Carlsbad	$4,899,601	$9,329,553	$6,806,737	39%	-27%
Chula Vista	23,490,562	26,510,763	26,022,780	11%	-2%
Coronado	1,243,404	1,290,186	1,195,438	-4%	-7%
El Cajon	11,897,051	12,981,609	11,568,795	-3%	-11%
Escondido	12,453,424	8,870,575	9,580,399	-23%	8%
La Mesa	12,280,454	5,609,481	3,771,133	-69%	-33%
National City	7,167,043	7,379,198	7,974,320	11%	8%
Oceanside	10,404,715	9,031,000	7,860,690	-24%	-13%
San Diego	112,325,318	132,900,129	122,403,091	9%	-8%
Sheriff - Total	51,605,605	48,990,341	56,866,190	10%	16%
Del Mar	997,935	926,695	731,582	-27%	-21%
Encinitas	2,813,560	2,949,443	2,951,825	5%	<1%
Imperial Beach	1,850,147	2,495,396	3,364,688	82%	35%
Lemon Grove	1,894,963	1,975,663	1,630,241	-14%	-17%
Poway	2,088,613	2,358,304	2,500,570	20%	6%
San Marcos	3,395,298	3,849,259	4,919,595	45%	28%
Santee	2,300,273	2,879,318	4,831,353	110%	68%
Solana Beach	1,045,086	1,026,521	1,039,949	<-1%	1%
Vista	6,538,814	5,017,407	5,234,854	-20%	4%
Unincorporated	28,680,916	25,512,335	29,661,533	3%	16%
4S Ranch	n/a	113,801	2,073,069	--	--
Alpine	2,059,404	1,627,260	2,009,602	-2%	23%
Fallbrook	3,148,786	2,325,075	1,987,458	-37%	-15%
Ramona	1,059,615	1,124,762	2,090,144	97%	86%
Valley Center	1,569,641	1,656,217	1,492,089	-5%	-10%
California Highway Patrol	410,608	376,019	1,011,224	146%	169%
California State University San Marcos	19,484	42,517	27,245	40%	-36%
San Diego State University	684,664	1,157,684	1,236,584	81%	7%
University of California San Diego	613,396	616,482	570,645	-7%	-7%
San Diego Harbor Police	743,291	1,163,004	1,494,007	101%	28%
California State Parks	116,514	173,824	239,974	106%	38%
TOTAL	**$250,355,134**	**$266,422,365**	**$258,629,252**	**3%**	**-3%**

NOTES: Dollar amounts are not adjusted for inflation and reflect the reported dollar values associated with stolen items reported by individual jurisdictions. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista).

SOURCE: SANDAG

Appendix Table 18
DOLLAR VALUE OF PROPERTY RECOVERED BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

	2004	2007	2008	Change 2004-2008	Change 2007-2008
Carlsbad	$1,763,787	$1,847,860	$1,152,685	-35%	-38%
Chula Vista	10,671,401	12,967,166	11,133,503	4%	-14%
Coronado	279,693	396,581	179,653	-36%	-55%
El Cajon	6,086,351	5,878,084	4,608,671	-24%	-22%
Escondido	6,844,538	3,819,858	3,776,015	-45%	-1%
La Mesa	2,148,688	2,914,458	1,810,979	-16%	-38%
National City	3,921,863	3,610,678	3,631,295	-7%	1%
Oceanside	4,268,694	4,002,520	3,209,276	-25%	-20%
San Diego	52,094,176	52,937,962	40,326,107	-23%	-24%
Sheriff - Total	21,873,553	18,551,159	18,687,376	-15%	1%
Del Mar	288,053	386,687	189,035	-34%	-51%
Encinitas	1,218,507	1,287,112	622,922	-49%	-52%
Imperial Beach	985,961	1,093,726	1,169,131	19%	7%
Lemon Grove	1,073,563	1,050,067	558,257	-48%	-47%
Poway	591,610	676,197	831,439	41%	23%
San Marcos	1,811,411	1,433,312	1,408,776	-22%	-2%
Santee	911,735	1,058,980	2,557,182	180%	141%
Solana Beach	257,568	353,340	147,434	-43%	-58%
Vista	2,800,825	1,920,983	2,008,070	-28%	5%
Unincorporated	11,934,320	9,290,755	9,195,130	-23%	-1%
4S Ranch	n/a	50,728	127,699	--	--
Alpine	683,332	550,459	754,486	10%	37%
Fallbrook	847,497	837,986	568,874	-33%	-32%
Ramona	497,504	343,046	213,935	-57%	-38%
Valley Center	744,970	681,336	554,593	-26%	-19%
California Highway Patrol	128,740	167,900	456,940	255%	172%
California State University San Marcos	3,265	1,002	2,301	-30%	130%
San Diego State University	131,440	570,510	186,684	42%	-67%
University of California San Diego	139,427	132,411	93,384	-33%	-29%
San Diego Harbor Police	19,861	66,228	588,938	2865%	789%
California State Parks	5,106	14,150	1,109	-78%	-92%
TOTAL	**$110,380,583**	**$107,878,527**	**$89,844,916**	**-19%**	**-17%**

NOTES: Dollar amounts are not adjusted for inflation and reflect the reported dollar values associated with stolen items reported by individual jurisdictions. "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista).

SOURCE: SANDAG

Appendix Table 19
PROPERTY RECOVERY RATE BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Difference	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	36%	20%	17%	-19%	-3%
Chula Vista	45%	49%	43%	-3%	-6%
Coronado	22%	31%	15%	-7%	-16%
El Cajon	51%	45%	40%	-11%	-5%
Escondido	55%	43%	39%	-16%	-4%
La Mesa	17%	52%	48%	31%	-4%
National City	55%	49%	46%	-9%	-3%
Oceanside	41%	44%	41%	0%	-3%
San Diego	46%	40%	33%	-13%	-7%
Sheriff - Total	42%	38%	33%	-9%	-5%
Del Mar	29%	42%	26%	-3%	-16%
Encinitas	43%	44%	21%	-22%	-23%
Imperial Beach	53%	44%	35%	-19%	-9%
Lemon Grove	57%	53%	34%	-22%	-19%
Poway	28%	29%	33%	5%	5%
San Marcos	53%	37%	29%	-24%	-8%
Santee	40%	37%	53%	13%	16%
Solana Beach	25%	34%	14%	-10%	-20%
Vista	43%	38%	38%	-4%	0%
Unincorporated	42%	36%	31%	-11%	-5%
4S Ranch	n/a	45%	6%	--	--
Alpine	33%	34%	38%	4%	4%
Fallbrook	27%	36%	29%	2%	-7%
Ramona	47%	30%	10%	-37%	-20%
Valley Center	47%	41%	37%	-10%	-4%
California Highway Patrol	31%	45%	45%	14%	1%
California State University San Marcos	17%	2%	8%	-8%	6%
San Diego State University	19%	49%	15%	-4%	-34%
University of California San Diego	23%	21%	16%	-6%	-5%
San Diego Harbor Police	3%	6%	39%	37%	34%
California State Parks	4%	8%	0%	-4%	-8%
TOTAL	**44%**	**40%**	**35%**	**-9%**	**-5%**

NOTES: "Sheriff-Total" includes the contract cities and the unincorporated area served by the San Diego County Sheriff's Department. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (6 months of 2007 and all of 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas for which crime data are not individually shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista).

SOURCE: SANDAG

Appendix Table 20
POPULATION BY JURISDICTION
San Diego Region, 2004, 2007, and 2008

				Change	
	2004	2007	2008	2004-2008	2007-2008
Carlsbad	92,695	101,398	103,811	12%	2%
Chula Vista	208,675	227,863	231,305	11%	2%
Coronado	26,591	22,968	23,101	-13%	1%
El Cajon	97,670	97,313	97,934	<1%	1%
Escondido	140,328	141,874	143,389	2%	1%
La Mesa	56,007	56,286	56,666	1%	1%
National City	56,018	61,146	61,194	9%	<1%
Oceanside	172,866	176,755	178,806	3%	1%
San Diego	1,295,147	1,317,625	1,336,865	3%	1%
Sheriff - Total	831,490	857,445	870,112	5%	1%
Del Mar	4,543	4,553	4,580	1%	1%
Encinitas	62,463	63,298	63,864	2%	1%
Imperial Beach	27,799	27,726	28,200	1%	2%
Lemon Grove	25,590	25,467	25,611	<1%	1%
Poway	50,534	50,862	51,103	1%	<1%
San Marcos	66,850	79,863	82,743	24%	4%
Santee	54,084	55,193	56,068	4%	2%
Solana Beach	13,396	13,427	13,500	1%	1%
Vista	94,030	95,020	95,770	2%	1%
Unincorporated	432,201	442,036	448,673	4%	2%
4S Ranch	n/a	16,513	16,767	--	2%
Alpine	27,848	28,977	29,421	6%	2%
Fallbrook	49,471	50,200	50,965	3%	2%
Lakeside	52,872	53,247	54,055	2%	2%
Ramona	35,300	35,685	36,223	3%	2%
Spring Valley	70,598	70,868	71,949	2%	2%
Valley Center	21,053	22,388	22,732	8%	2%
Camp Pendleton	35,527	39,459	43,091	21%	9%
TOTAL	**3,013,014**	**3,100,132**	**3,146,274**	**4%**	**1%**
Occupied Households	1,048,197	1,081,234	1,089,451	4%	1%
Registered Vehicles	2,202,352	2,353,063	2,343,062	6%	<-1%
Female Population	1,508,367	1,556,919	1,577,542	5%	1%

NOTES: Population figures are based on current California Department of Finance estimates. "Sheriff-Total" includes contract cities and the unincorporated area served by the San Diego County Sheriff's Department. Camp Pendleton is not included. "Unincorporated" includes 4S Ranch (2007 and 2008), Alpine, Fallbrook, Lakeside, Ramona, Spring Valley, and Valley Center, as well as the unincorporated areas not shown (Campo, Julian, Pine Valley, Ranchita, and the unincorporated areas of Encinitas, Imperial Beach, Lemon Grove, Poway, San Marcos, Santee, and Vista).

SOURCES: California Department of Finance; SANDAG Estimates August 2008

CRIMINAL STATISTICS REPORTING REQUIREMENTS

April 2014

California Department of Justice
Kamala D. Harris, Attorney General
California Justice Information Services Division
Bureau of Criminal Information and Analysis
Criminal Justice Statistics Center

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Attorney General on the Internet ➜ **http://oag.ca.gov/**
Revised April 2014

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INTRODUCTION

The Department of Justice (DOJ), Bureau of Criminal Information and Analysis (BCIA), Criminal Justice Statistics Center (CJSC) collects, analyzes, and develops statistical reports and information which provide valid measures of crime and the criminal justice process in California, as required by the Penal Code Sections outlined in this publication, *DOJ's Data Collection and Reporting Responsibility*. The goal of the CJSC is to provide accurate, complete, and timely criminal statistical information to the public, local government, criminal justice administrators and planners, the legislature, the Attorney General, the Governor, state agencies, federal agencies, and criminal justice researchers through a variety of publications and services. To provide these services and publications, the CJSC collects and compiles data from more than 1,000 city, county, and state criminal justice agencies in California.

This document provides general guidelines to law enforcement agencies, District Attorneys, Public Defenders, and Probation Departments regarding their requirements to report to the CJSC. For each reporting requirement there is a brief description of what data are collected (introduction), which agencies are required to report the data (who), the statutory code section(s) that require reporting (why), the due date of the report (when), and the form or alternative method required to be used to report the data (how).

For any additional information or clarification, please write or call the Criminal Justice Statistics Center. They can be reached by telephone, FAX, or e-mail:

California Department of Justice

California Justice Information Services Division
Bureau of Criminal Information and Analysis
Criminal Justice Statistics Center
P.O. Box 903427
Sacramento, CA 94203-4270

Telephone: (916) 227-3594
Fax: (916) 227-0427
E-mail: doj.cjsc@doj.ca.gov
Internet: http://oag.ca.gov/

DEPARTMENT OF JUSTICE'S
DATA COLLECTION AND REPORTING RESPONSIBILITY

PC 13010

It shall be the duty of the department:

(a) To collect data necessary for the work of the department from all persons and agencies mentioned in Section 13020 and from any other appropriate source.

(b) To prepare and distribute to all those persons and agencies, cards, forms, or electronic means used in reporting data to the department. The cards, forms, or electronic means may, in addition to other items, include items of information needed by federal bureaus or departments engaged in the development of national and uniform criminal statistics.

(c) To recommend the form and content of records which must be kept by those persons and agencies in order to ensure the correct reporting of data to the department.

(d) To instruct those persons and agencies in the installation, maintenance, and use of those records and in the reporting of data therefrom to the department.

(e) To process, tabulate, analyze and interpret the data collected from those persons and agencies.

(f) To supply, at their request, to federal bureaus or departments engaged in the collection of national criminal statistics data they need from this state.

(g) To present to the Governor, on or before July 1st, an annual report containing the criminal statistics of the preceding calendar year and to present at other times as the Attorney General may approve reports on special aspects of criminal statistics. A sufficient number of copies of all reports shall be prepared to enable the Attorney General to send a copy to all public officials in the state dealing with criminals and to distribute them generally in channels where they will add to the public enlightenment.

(h) To periodically review the requirements of units of government using criminal justice statistics, and to make recommendations for changes it deems necessary in the design of criminal justice statistics systems, including new techniques of collection and processing made possible by automation.

PC 13010.5

The department shall collect data pertaining to the juvenile justice system for criminal history and statistical purposes. This information shall serve to assist the department in complying with the reporting requirement of subdivisions (c) and (d) of Section 13012, measuring the extent of juvenile delinquency, determining the need for and effectiveness of relevant legislation, and identifying long-term trends in juvenile delinquency. Any data collected pursuant to this section may include criminal history information which may be used by the department to comply with the requirements of Section 602.5 of the Welfare and Institutions Code.

PC 13012

The annual report of the department provided for in Section 13010 shall contain statistics showing all of the following:

(a) The amount and the types of offenses known to the public authorities.

(b) The personal and social characteristics of criminals and delinquents.

(c) The administrative actions taken by law enforcement, judicial, penal, and correctional agencies or institutions, including those in the juvenile justice system, in dealing with criminals or delinquents.

(d) The administrative actions taken by law enforcement, prosecutorial, judicial, penal, and correctional agencies, including those in the juvenile justice system, in dealing with minors who are the subject of a petition or hearing in the juvenile court to transfer their case to the jurisdiction of an adult criminal court or whose cases are directly filed or otherwise initiated in an adult criminal court.

(e) The number of citizens' complaints received by law enforcement agencies under Section 832.5. These statistics shall indicate the total number of these complaints, the number alleging criminal conduct of either a felony or misdemeanor, and the number sustained in each category. The report shall not contain a reference to any individual agency but shall be by gross numbers only.

It shall be the duty of the department to give adequate interpretation of the statistics and so to present the information that it may be of value in guiding the policies of the Legislature and of those in charge of the apprehension, prosecution, and treatment of the criminals and delinquents, or concerned with the prevention of crime and delinquency. The report shall also include statistics which are comparable with national uniform criminal statistics published by federal bureaus or departments heretofore mentioned.

PC 13012.5

(a) The annual report published by the department under Section 13010 shall, in regard to the contents required by subdivision (d) of Section 13012, include the following statewide information:

(1) The annual number of fitness hearings held in the juvenile courts under Section 707 of the Welfare and Institutions Code, and the outcomes of those hearings including orders to remand to adult criminal court, cross-referenced with information about the age, gender, ethnicity, and offense of the minors whose cases are the subject of those fitness hearings.

(2) The annual number of minors whose cases are filed directly in adult criminal court under Sections 602.5 and 707 of the Welfare and Institutions Code, cross-referenced with information about the age, gender, ethnicity, and offense of the minors whose cases are filed directly to the adult criminal court.

(3) The outcomes of cases involving minors who are prosecuted in adult criminal courts, regardless of how adult court jurisdiction was initiated, including whether the minor was acquitted or convicted, or whether the case was dismissed and returned to juvenile court, including sentencing outcomes, cross-referenced with the age, gender, ethnicity, and offense of the minors subject to these court actions.

(b) The department's annual report published under Section 13010 shall include the information described in subdivision (d) of Section 13012, as further delineated by this section, beginning with the report due on July 1, 2003, for the preceding calendar year.

CRIMINAL STATISTICS

REPORTING REQUIREMENTS

ADULT PROBATION

Introduction

Data regarding adult probation are to be reported to the DOJ to provide a statistical profile of the probation function for superior and lower courts by county, type of placement, reasons for removal from probation, and the number of persons in supervision caseloads. These data are published annually in *Crime in California* and the *Criminal Justice Profile* series.

Who

Probation Departments

Why

PC 13020. It shall be the duty of every city marshal, chief of police, railroad and steamship police, sheriff, coroner, district attorney, city attorney and city prosecutor having criminal jurisdiction, probation officer, county board of parole commissioners, work furlough administrator, the Department of Justice, Health and Welfare Agency, Department of Corrections, Department of Youth Authority, Youthful Offender Parole Board, Board of Prison Terms, State Department of Health, Department of Benefit Payments, State Fire Marshal, Liquor Control Administrator, constituent agencies of the State Department of Investment, and every other person or agency dealing with crimes or criminals or with delinquency or delinquents, when requested by the Attorney General:

(a) To install and maintain records needed for the correct reporting of statistical data required by him or her.

(b) To report statistical data to the department at those times and in the manner that the Attorney General prescribes.

(c) To give to the Attorney General, or his or her accredited agent, access to statistical data for the purpose of carrying out this title.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting is accomplished manually by submitting form BCIA 726.

ANTI-REPRODUCTIVE-RIGHTS CRIMES (ARRC)

Introduction

Anti-Reproductive-Rights Crimes data are to be reported to the DOJ to provide information on crimes that are committed against reproductive health services providers, clients, assistants, or the facilities where these services are provided or at a place of worship because of the church's beliefs regarding reproductive rights. The data include the location of the crime, victim type (individual/property), race/ethnicity, gender of victims and suspects, weapon involved, and property loss or damage. These data are published annually in *Anti-Reproductive-Rights Crimes in California.*

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13777 (a). . . .the Attorney General shall do each of the following:

(1) Collect and analyze information relating to anti-reproductive-rights crimes, including, but not limited to, the threatened commission of these crimes and persons suspected of committing these crimes or making these threats.

(2) Direct local law enforcement agencies to report to the Department of Justice, in a manner that the Attorney General prescribes, any information that may be required relative to anti-reproductive-rights crimes. . . .

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, or manually by submitting forms BCIA 8370 and 8371.

ARRESTS

Introduction

Arrest information is reported to the DOJ and is maintained in the Monthly Arrest and Citation Register database. This database contains information on felony and misdemeanor level arrests for adults and juveniles. Data elements include name, race/ethnicity, date of birth, sex, date of arrest, offense level, offense type, status of the offense, and law enforcement disposition. This information is used annually in publishing *Crime in California, Homicide in California,* and the *Criminal Justice Profile* series. Age, sex, race/ethnicity, and offense information is forwarded to the FBI for publication in *Crime in the United States.*

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13020. It shall be the duty of every city marshal, chief of police, railroad and steamship police, sheriff, coroner, district attorney, city attorney and city prosecutor having criminal jurisdiction, probation officer, county board of parole commissioners, work furlough administrator, the Department of Justice, Health and Welfare Agency, Department of Corrections, Department of Youth Authority, Youthful Offender Parole Board, Board of Prison Terms, State Department of Health, Department of Benefit Payments, State Fire Marshal, Liquor Control Administrator, constituent agencies of the State Department of Investment, and every other person or agency dealing with crimes or criminals or with delinquency or delinquents, when requested by the Attorney General:

(a) To install and maintain records needed for the correct reporting of statistical data required by him or her.

(b) To report statistical data to the department at those times and in the manner that the Attorney General prescribes.

(c) To give to the Attorney General, or his or her accredited agent, access to statistical data for the purpose of carrying out this title.

PC 13021. Local law enforcement agencies shall report to the Department of Justice such information as the Attorney General may by regulation require relative to misdemeanor violations of Chapter 7.5 (commencing with Section 311) of Title 9 of Part 1 of this code.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, via FTP, CD-ROM, or manually, by submitting form JUS 750.

ARSON

Introduction

Arson data are to be reported to the DOJ to provide information on the type of arson, the number of actual offenses, the number of clearances, and the estimated dollar value of property damaged. These data are published annually in *Crime in California* and the *Criminal Justice Profile* series.

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13020. It shall be the duty of every city marshal, chief of police, railroad and steamship police, sheriff, coroner, district attorney, city attorney and city prosecutor having criminal jurisdiction, probation officer, county board of parole commissioners, work furlough administrator, the Department of Justice, Health and Welfare Agency, Department of Corrections, Department of Youth Authority, Youthful Offender Parole Board, Board of Prison Terms, State Department of Health, Department of Benefit Payments, State Fire Marshal, Liquor Control Administrator, constituent agencies of the State Department of Investment, and every other person or agency dealing with crimes or criminals or with delinquency or delinquents, when requested by the Attorney General:

(a) To install and maintain records needed for the correct reporting of statistical data required by him or her.

(b) To report statistical data to the department at those times and in the manner that the Attorney General prescribes.

(c) To give to the Attorney General, or his or her accredited agent, access to statistical data for the purpose of carrying out this title.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, or manually by submitting form FBI 1-725.

CITIZENS' COMPLAINTS AGAINST PEACE OFFICERS SURVEY

Introduction

Agencies are to report to the DOJ statewide summary information on the number of non-criminal and criminal (misdemeanor and felony) complaints reported by citizens against law enforcement personnel and the number of complaints that were sustained. Data are published annually in *Crime in California.*

Who

Sheriff Departments, Police Departments, District Attorneys, Probation Departments, and other state and local agencies with peace officer powers.

Why

PC 13012. The annual report of the department provided for in Section 13010 shall contain statistics showing all of the following:

(e) The number of citizens' complaints received by law enforcement agencies under Section 832.5. These statistics shall indicate the total number of these complaints, the number alleging criminal conduct of either a felony or misdemeanor, and the number sustained in each category. The report shall not contain a reference to any individual agency but shall be by gross numbers only.

When

Annually – the third week of December.

How

Reporting is accomplished manually by submitting form BCIA 724.

CRIMES AND CLEARANCES

Introduction

Crimes and clearances information is to be reported to the DOJ to provide statistical data on the offenses of criminal homicide, forcible rape, robbery, assault, burglary, larceny-theft, and motor vehicle theft. The data are to include the number of actual offenses as well as the number of clearances. Supplemental data are also collected on the nature of crime and the value of property stolen and recovered. Data are published annually in *Crime in California* and the *Criminal Justice Profile* Series. This information is also forwarded to the FBI for publication in *Crime in the United States.*

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13020. It shall be the duty of every city marshal, chief of police, railroad and steamship police, sheriff, coroner, district attorney, city attorney and city prosecutor having criminal jurisdiction, probation officer, county board of parole commissioners, work furlough administrator, the Department of Justice, Health and Welfare Agency, Department of Corrections, Department of Youth Authority, Youthful Offender Parole Board, Board of Prison Terms, State Department of Health, Department of Benefit Payments, State Fire Marshal, Liquor Control Administrator, constituent agencies of the State Department of Investment, and every other person or agency dealing with crimes or criminals or with delinquency or delinquents, when requested by the Attorney General:

(a) To install and maintain records needed for the correct reporting of statistical data required by him or her.

(b) To report statistical data to the department at those times and in the manner that the Attorney General prescribes.

(c) To give to the Attorney General, or his or her accredited agent, access to statistical data for the purpose of carrying out this title.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, or manually by submitting form FBI 1-720 (Return A) and JUS 729.

DEATH IN CUSTODY

Introduction

Information on persons who die while in the custody of a local or state law enforcement agency is to be reported to the DOJ to provide descriptive statistical information on the circumstances relating to the death. In addition to an agency's initial report of an inmate death, an annual survey will be conducted to verify the total number of inmate deaths per agency per calendar year.

Who

Sheriff Departments, Police Departments, Probation Departments, and other state and local agencies with peace officer powers.

Why

GC 12525. In any case in which a person dies while in the custody of any law enforcement agency or while in custody in a local or state correctional facility in this state, the law enforcement agency or the agency in charge of the correctional facility shall report in writing to the Attorney General, within 10 days after the death, all facts in the possession of the law enforcement agency or agency in charge of the correctional facility concerning the death. These writings are public records within the meaning of subdivision (d) of Section 6252 of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), are open to public inspection pursuant to Sections 6253, 6256, 6257, and 6258. Nothing in this section shall permit the disclosure of confidential medical information that may have been submitted to the Attorney General's office in conjunction with the report except as provided in Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code.

When

Reports are due within 10 days of the date of death. The annual survey will be conducted the first week of February.

How

Reporting an "in custody" death is accomplished manually by submitting form BCIA 713.
Reporting for the annual survey is accomplished manually by submitting form BCIA 8299.

DOMESTIC VIOLENCE -RELATED CALLS FOR ASSISTANCE

Introduction

Domestic violence information is to be reported to the DOJ to provide monthly summary statistical data on the number of domestic violence-related calls received, number of cases involving weapons, and the type of weapon used during the incident. This information is published annually in *Crime in California* and the *Criminal Justice Profile* series.

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13730 (a). Each law enforcement agency shall develop a system, by January 1, 1986, for recording all domestic violence-related calls for assistance made to the department including whether weapons are involved. All domestic violence-related calls for assistance shall be supported with a written incident report, as described in subdivision (c), identifying the domestic violence incident. Monthly, the total number of domestic violence calls received and the numbers of those cases involving weapons shall be compiled by each law enforcement agency and submitted to the Attorney General. . . .

(c) Each law enforcement agency shall develop an incident report form that includes a domestic violence identification code by January 1, 1986. In all incidents of domestic violence, a report shall be written and shall be identified on the face of the report as a domestic violence incident. The report shall include at least all of the following:

(1) A notation of whether the officer or officers who responded to the domestic violence call observed any signs that the alleged abuser was under the influence of alcohol or a controlled substance.

(2) A notation of whether the officer or officers who responded to the domestic violence call determined if any law enforcement agency had previously responded to a domestic violence call at the same address involving the same alleged abuser or victim.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, or manually by submitting form BCIA 715.

HATE CRIME PROSECUTION SURVEY

Introduction

Hate crime data are to be reported to the DOJ to provide information regarding criminal acts to cause physical injury, emotional suffering, or property damage where there is a reasonable cause to believe that the crime was motivated by the victim's race, ethnicity, religion, gender, sexual orientation, or physical or mental disability. These data are published annually in *Hate Crime in California.*

Who

District Attorneys

Why

PC 13023 (a). Subject to the availability of adequate funding, the Attorney General shall direct local law enforcement agencies to report to the Department of Justice, in a manner to be prescribed by the Attorney General, any information that may be required relative to hate crimes.

. . .

(b). On or before July 1 of each year, the Department of Justice shall submit a report to the Legislature analyzing the results of the information obtained from local law enforcement agencies pursuant to this section.

When

Annually – the first week in February.

How

Reporting is accomplished manually by submitting form BCIA 5.

HATE CRIMES

Introduction

Hate Crime data are to be reported to the DOJ to provide information on the location of crime, type of bias-motivation, victim type (individual/property), number of victims/suspects, and victim's/suspect's race. This information is published in *Hate Crime in California*, an annual report to the California Legislature, and provided to the FBI for publication in *Crime in the United States*.

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13023 (a). Subject to the availability of adequate funding, the Attorney General shall direct local law enforcement agencies to report to the Department of Justice, in a manner to be prescribed by the Attorney General, any information that may be required relative to hate crimes.

. . .

(b). On or before July 1 of each year, the Department of Justice shall submit a report to the Legislature analyzing the results of the information obtained from local law enforcement agencies pursuant to this section.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Hate Crime Analysis, Tracking & Evaluation (HATE) System, or manually by submitting forms BCIA 7 and BCIA 8373.

HOMICIDE

Introduction

Homicide data are to be reported to the DOJ to provide information on the number of homicides, the victim/offender relationship, the day and month of the homicide, location, type of weapon used, and precipitating event. Homicide data are published annually in *Homicide in California, Crime in California*, and the *Criminal Justice Profile* series. Data are also reported to the FBI for publication in *Crime in the United States*.

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13014 (b). Every state or local governmental entity responsible for the investigation and prosecution of a homicide case shall provide the department with demographic information about the victim and the person or persons charged with the crime, including age, gender, race, and ethnic background.

PC 13022. Each sheriff and chief of police shall annually furnish the Department of Justice, in the manner prescribed by the Attorney General, a report of all justifiable homicides committed in his or her jurisdiction. In cases where both a sheriff and chief of police would be required to report a justifiable homicide under this section, only the chief of police shall report the homicide.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, or manually by submitting form BCIA 15 along with FBI 1-720 (Return A).

JUVENILE COURT AND PROBATION STATISTICAL SYSTEM (JCPSS)

Introduction

Juvenile justice data are to be reported to the DOJ to provide information on the administration of juvenile justice in California. Information is collected on a juvenile's progress through the juvenile justice system from probation intake to final case disposition. These data are published annually in *Juvenile Justice in California.*

Who

Probation Departments

Why

PC 13020. It shall be the duty of every city marshal, chief of police, railroad and steamship police, sheriff, coroner, district attorney, city attorney and city prosecutor having criminal jurisdiction, probation officer, county board of parole commissioners, work furlough administrator, the Department of Justice, Health and Welfare Agency, Department of Corrections, Department of Youth Authority, Youthful Offender Parole Board, Board of Prison Terms, State Department of Health, Department of Benefit Payments, State Fire Marshal, Liquor Control Administrator, constituent agencies of the State Department of Investment, and every other person or agency dealing with crimes or criminals or with delinquency or delinquents, when requested by the Attorney General:

(a) To install and maintain records needed for the correct reporting of statistical data required by him or her.

(b) To report statistical data to the department at those times and in the manner that the Attorney General prescribes.

(c) To give to the Attorney General, or his or her accredited agent, access to statistical data for the purpose of carrying out this title.

WI 285. All probation officers shall make periodic reports to the Attorney General at those times and in the manner prescribed by the Attorney General, provided that no names or social security numbers shall be transmitted regarding any proceeding under Section 300 or 601.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting is accomplished electronically via the Juvenile Court and Probation Statistical System (JCPSS).

LAW ENFORCEMENT AND CRIMINAL JUSTICE PERSONNEL SURVEY

Introduction

Agencies are to report to the DOJ the number of full time, sworn, and non-sworn male and female law enforcement personnel employed by law enforcement agencies, District Attorneys, Public Defenders, or Probation Departments. Data are published annually in *Crime in California* and the *Criminal Justice Profile* series. Data are also provided to the FBI for publication in *Crime in the United States.*

Who

Sheriff Departments, Police Departments, District Attorneys, Public Defenders, Probation Departments, and other state and local agencies with peace officer powers.

Why

PC 13020. It shall be the duty of every city marshal, chief of police, railroad and steamship police, sheriff, coroner, district attorney, city attorney and city prosecutor having criminal jurisdiction, probation officer, county board of parole commissioners, work furlough administrator, the Department of Justice, Health and Welfare Agency, Department of Corrections, Department of Youth Authority, Youthful Offender Parole Board, Board of Prison Terms, State Department of Health, Department of Benefit Payments, State Fire Marshal, Liquor Control Administrator, constituent agencies of the State Department of Investment, and every other person or agency dealing with crimes or criminals or with delinquency or delinquents, when requested by the Attorney General:

(a) To install and maintain records needed for the correct reporting of statistical data required by him or her.

(b) To report statistical data to the department at those times and in the manner that the Attorney General prescribes.

(c) To give to the Attorney General, or his or her accredited agent, access to statistical data for the purpose of carrying out this title.

When

Annually – varies by the type of agency

How

Reporting is accomplished manually by submitting form JUS 02, BCIA 700, BCIA 701, and BCIA 703.

LAW ENFORCEMENT OFFICERS KILLED OR ASSAULTED

Introduction

Data on peace officers who were killed or assaulted in the line of duty are to be reported to the DOJ to provide information on the type of criminal activity, type of weapon used, type of assignment, time of assault, number with or without personal injury, police assaults cleared, and officers killed by felonious act or by accident or negligence. This information is published annually in *Homicide in California.*

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

PC 13020. It shall be the duty of every city marshal, chief of police, railroad and steamship police, sheriff, coroner, district attorney, city attorney and city prosecutor having criminal jurisdiction, probation officer, county board of parole commissioners, work furlough administrator, the Department of Justice, Health and Welfare Agency, Department of Corrections, Department of Youth Authority, Youthful Offender Parole Board, Board of Prison Terms, State Department of Health, Department of Benefit Payments, State Fire Marshal, Liquor Control Administrator, constituent agencies of the State Department of Investment, and every other person or agency dealing with crimes or criminals or with delinquency or delinquents, when requested by the Attorney General:

(a) To install and maintain records needed for the correct reporting of statistical data required by him or her.

(b) To report statistical data to the department at those times and in the manner that the Attorney General prescribes.

(c) To give to the Attorney General, or his or her accredited agent, access to statistical data for the purpose of carrying out this title.

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, or manually by submitting form FBI 1-705 along with FBI 1-720 (Return A).

VIOLENT CRIMES COMMITTED AGAINST SENIOR CITIZENS

Introduction

Information regarding violent crimes committed against senior citizens is to be reported to the DOJ to provide summary data on the number of persons 60 years of age or older who were victims of homicide, forcible rape, robbery, and aggravated assault.

Who

Sheriff Departments, Police Departments, and other state and local agencies with peace officer powers.

Why

Senate Concurrent Resolution No. 64, Chapter 147, 1982, be it resolved by the Senate of the State of California, the Assembly thereof concurring, that local law enforcement officials are requested to make every attempt to modify their data gathering procedures and computer storage systems to provide information as to the number of victims of violent crimes who are 60 years of age or older.
. . .

When

Reports are due monthly, by the 10th working day of the month.

How

Reporting may be accomplished electronically via the Electronic-Crime and Arrest Reporting System (E-CARS) Plus, or manually by submitting form BCIA 727.

APPENDIX

Database	Reporting Agencies						Frequency	Reporting Statute(s)	Publication Statute(s)	Reporting Form	Electronic Reporting
	SD	PD	Other*	District Attorneys	Public Defenders	Probation Dept.					
Adult Probation						X	Monthly-10th working day	PC 13020	PC 13010 (g)	BCIA 726	N/A
Anti-Reproductive-Rights Crimes (ARRC)	X	X	X				Monthly-10th working day	PC 13777 (a)(2)	PC 13777 (a)(1) and (a)(2)	BCIA 8370, BCIA 8371	X
Arrests	X	X	X				Monthly-10th working day	PC 13020 and PC 13021	PC 13010 (g) and PC 13012 (b)	JUS 750	X
Arson	X	X	X				Monthly-10th working day	PC 13020	PC 13010 (g) and PC 13012 (a)	FBI 1-725	X
Citizens' Complaints Against Peace Officers	X	X	X	X		X	Annually December 20	PC 13012(e)	PC 13010 (g) and PC 13012 (e)	BCIA 724	N/A
Crimes and Clearance	X	X	X				Monthly-10th working day	PC 13020	PC 13010 (g) and PC 13012 (a)	FBI 1-720, JUS 729B/C	X
Death in Custody	X	X	X			X	As needed w/in 10 days of death	GC 12525		BCIA 713	N/A
Death in Custody Survey	X	X	X			X	Annually February 4	GC 12525		BCIA 8299	N/A
Domestic Violence-Related Calls for Assistance	X	X	X				Monthly-10th working day	PC 13730 (a)	PC 13730 (b)	BCIA 715	X
Hate Crime Prosecution Survey				X			Annually February 4	PC 13023	PC 13023	BCIA 5	N/A
Hate Crimes	X	X	X				Monthly-10th working day	PC 13023	PC 13023	BCIA 7, BCIA 8373	X
Homicide	X	X	X				Monthly-10th working day	PC 13014 (b) and PC 13022	PC 13010 (g) and PC 13014	BCIA 15, FBI 1-720	X
Juvenile Court and Probation Statistical System (JCPSS)						X	Monthly-10th working day	PC 13020 and WI 285	PC 13010.5 and PC 13012 (c) & (d)		X
Law Enforcement & Criminal Justice Personnel Survey	X	X	X	X	X	X	Annually, varies by agency type	PC 13020	PC 13010 (g)	JUS 02, BCIA 700, 701, 703	N/A
Law Enforcement Officers Killed or Assaulted	X	X	X				Monthly-10th working day	PC 13020	PC 13010 (g)	FBI 1-705, FBI 1-720	X
Violent Crimes Committed Against Senior Citizens	X	X	X				Monthly-10th working day	Senate Con. Res. 64, Chapter 147, 1982		BCIA 727	X

* State and local agencies with peace officer powers.

Subj: **RE: Audit Request**
Date: 5/15/2017 11:19:37 A.M. Pacific Daylight Time
From: Dave.Schaller@sdsheriff.org
To: Brent.Jordan@sdsheriff.org
CC: AChinnCRS@aol.com

Annette,

Just confirming Brent's statement here. These stats were generated by actual reports generated.

Dave

Dave Schaller, Lieutenant
San Diego Sheriff's Department
San Marcos Station
182 Santar Pl. San Marcos, CA 92069
Dave.schaller@sdsheriff.org
(760) 510-5252

From: Jordan, Brent
Sent: Monday, May 15, 2017 11:18 AM
To: Schaller, Dave
Subject: RE: Audit Request

The SANDAG reports that are attached represent reported crime meaning that they had a case number and written report. None of the statistics provided in the SANDAG report are considered calls for service.

Brent Jordan
Sr. Crime and Intel Analyst
San Diego Sheriff Dept.- San Marcos Command
©858-275-0053

From: Jordan, Brent
Sent: Monday, May 15, 2017 11:06 AM
To: 'Annette'; Schaller, Dave
Subject: RE: Audit Request

Annette,

Since our RMS (Report Management System) doesn't back data past 2007 we can only pull the official numbers that we report to SANDAG (San Diego Association of Government). Please see the attached documents for SANDAG reported domestic violence cases in San Marcos for 2001,2002,2006, and 2007.

SANDAG 2001 (Pg38*)
SANDAG 2002 (Pg50*)
SANDAG 2006 (Pg25)
SANDAG 2006 (Pg25)
*page of the scanned documents

Thanks

Brent Jordan
Sr. Crime and Intel Analyst
San Diego Sheriff Dept.- San Marcos Command
©858-275-0053

From: Annette [mailto:achinncrs@aol.com]
Sent: Thursday, May 11, 2017 6:13 PM
To: Schaller, Dave
Cc: Jordan, Brent
Subject: Re: Audit Request

Thanks so much for forwarding this on to Jordan!

Sent from my iPhone

On May 11, 2017, at 5:42 PM, Schaller, Dave <Dave.Schaller@sdsheriff.org> wrote:

> Annette,
>
> Renae no longer works for the department and Kevin is in Hawaii for his daughter's college graduation. I have included Senior Analyst Brent Jordan, since I suspect this will fall on him.
>
> Dave
>
> **From:** AChinnCRS@aol.com [mailto:AChinnCRS@aol.com]

Subj: RE: Audit Request
Date: 5/16/2017 11:07:05 A.M. Pacific Daylight Time
From: Brent.Jordan@sdsheriff.org
To: achinncrs@aol.com, Dave.Schaller@sdsheriff.org

Annette,

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SANDAG 2001 (Pg38*)
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SANDAG 2006 (Pg25)
SANDAG 2006 (Pg25)
*page of the scanned documents

Thanks

Brent Jordan
Sr. Crime and Intel Analyst
San Diego Sheriff Dept.- San Marcos Command
©858-275-0053

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Sent: Thursday, May 11, 2017 6:13 PM
To: Schaller, Dave
Cc: Jordan, Brent
Subject: Re: Audit Request

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Sent from my iPhone

On May 11, 2017, at 5:42 PM, Schaller, Dave <Dave.Schaller@sdsheriff.org> wrote:

Annette,

Renae no longer works for the department and Kevin is in Hawaii for his daughter's college graduation. I have included Senior Analyst Brent Jordan, since I suspect this will fall on him.

Dave

From: AChinnCRS@aol.com [mailto:AChinnCRS@aol.com]
Sent: Thursday, May 11, 2017 5:35 PM
To: Schaller, Dave; Schaller, Dave
Cc: stang@san-marcos.net
Subject: Fwd: Audit Request

Hi Lieutenant,

I am contacting you because this request was time sensitive and neither Kevin (out of office) or Renae (full inbox) were able to get this message.

Can you please forward to appropriate personal ASAP?

Thank you,

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

phone (916) 939-7901
fax (916) 939-7801

From: AChinnCRS@aol.com
To: renae.flores@sdsheriff.org, kevin.menzies@sdsheriff.org
CC: stang@san-marcos.net
Sent: 5/11/2017 3:34:06 P.M. Pacific Daylight Time
Subj: Audit Request

Hi Renae and Lt. Menzies,

The City received it's draft audit results for the Crime Statistics reporting claim that allows costs for preparing Domestic Violence Reports, and we had an approximately 15% reduction in our claims because the auditor said the County was not able to produce a detailed report to support the number of DV cases from FY 01-02 through FY 06-07. This represents about a loss of about $87,000 to the City. Excellent job on your efforts on the other components - the more recent stats were approved completely (100%) and the time studies were right on target! Thank you!

	Actual County Provided ARJIS Stats (fiscal year)	SCO ALLOWED
FY 01-02	333	274
FY 02-03	360	274
FY 03-04	394	274

FY 04-05	336	274
FY 05-06	350	274
FY 06-07	346	274
FY 07-08	236	236
FY 08-09	266	266
FY 09-10	336	336
FY 10-11	270	270
FY 11-12	264	264
TOTAL	**3,491**	**3,016**

What they said would satisfy them would be a report - like an excel spreadsheet that listed each case number, date, PC section or something to indicate that it was indeed a DV case for those year.
EXAMPLE:

BCS Area	Incident Number	Fiscal Year	Incident Date	Domestic Violence Flag	UCR Index Code	Violation Section	Violation Type	Violation Description
CITY OF SAN MARCOS	70482772	2007	7/1/2007 5:40	1	V	13730(CASE)	PC	DOMESTIC VIOLENCE CASE
CITY OF SAN MARCOS	70482782	2007	7/1/2007 7:00	1	V	13730(CASE)	PC	DOMESTIC VIOLENCE CASE
CITY OF SAN MARCOS	70483392	2007	7/1/2007 14:26	1	V	13730(CASE)	PC	DOMESTIC VIOLENCE CASE

Is this something you or perhaps the Central San Diego stats office could provide to us? The sooner we can get this the better - they said if we get this to them within a week, they can alter the findings to take our supported stats into account and restore those reductions.
City staff also stated that they don't want you to spend excessive time on this - but anything you can do to help is appreciated.
Thank you,

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

phone (916) 939-7901
fax (916) 939-7801

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

http://www.sco.ca.gov

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only

(19) Program Number: 00310
(20) Date Filed ___/___/___
(21) LRS Input ___/___/___

Program **310**

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2001-02
Total Claimed	(07)	(13) $51,013
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $51,013
Due from State	(08)	(17) $51,013
Due to State	(09)	(18)

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	
(24) FORM (04)2.A.2(g)	
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	46,375
(27) FORM (04)2.B.2(g)	
(28) FORM (04)2.C.1(g)	
(29) FORM (04)2.C.2(g)	
(30) FORM (04)2.C.3(g)	
(31) FORM (04)2.D.1(g)	
(32) FORM (04)2.D.2(g)	
(33) FORM (06)	10
(34) FORM (07)	4,638
(35) FORM (09)	
(35) FORM (10)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative **Date**

Liliane Serio — Date Signed 3/28/11

Finance Director — Telephone Number (760) 744-1050

Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2001-02
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Police

Direct Costs — Object Accounts

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information						
2. Monthly Report to DOJ						
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$46,375					$46,375
2. Review and Edit Report						
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$46,375					$46,375

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	10.0%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$4,638
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$51,013

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$51,013**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: **City of San Marcos** **(02) Fiscal Year Costs Were Incurred:** 2001-02

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$106.17		436.80	$46,375					$46,375
(05) Total			**436.80**	**$46,375**					**$46,375**

Patrol Officer Rate

San Diego County Sheriff Office Contract for
Law Enforcement Services FY 01-02

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

The City pays and annual cost of $329.387 for an 8.5 hr shift.

$$\textit{Hourly Rate} = \frac{\$329{,}387}{(8.5 \text{ hrs/day} \times 365 \text{ days/yr})} = \frac{\$329{,}387}{3102.5 \text{ hrs/year}} = \frac{\mathbf{\$106.17}}{\text{Hour}}$$

ATTACHMEI)-1

City of San Marcos

Effective 7/1/01 through 6/30/02

SERVICE CATEGORY		Unit Cost	# of Units	Unit Factor	Beat Factor	Total Net Cost	Annual Hours	Notes
Patrol:								
Sedan	(7 days with relief)	$329,387	15		0.99940	$4,937,844	46,537.50	
Traffic:								
Sedan	(7 days with relief)	$273,540	2		0.97751	$534,776	6,205.00	
	(5 days with relief)	$195,386	1		0.97751	190,992	2,218.50	
	(5 days without relief)	$154,542	1	0.6667	0.97751	100,711	1,479.00	Start Date - 11/2/01
Motorcycle	(5 days NO relief)	$158,885	2		0.97751	310,623	4,437.00	
			Sub-total			$1,137,102		
Custom:								
Special Purpose Detail (1 Sgt, 4 Officers, 1 Clk.)		$541,413	2		1.0000	$1,082,825	22,185.00	1 COPPS (4Dr. Sedan) 1 Street Gang/Narcotics (4 Dr. Sedan)
COPPS Sergeant		$100,014	1	0.625	1.0000	$62,509	22,185.00	Start Date 11/16/01
Credit for COPPS Grant Funding		$48,380	1	0.625	1.0000	($30,237)		COPPS Grant Reimbursement- Start Date 11/16/02
Special Purpose Officer		$94,279	2		1.0000	188,558	4,437.00	School Resource Officers - Subs. Abuse (4 Dr. Sedan)
Special Purpose Officer		$99,956	2		1.0000	199,912	4,437.00	COPPS - (Black & White)
Special Purpose Officer		$94,279	2		1.0000	188,558	4,437.00	COPPS (FAST Grant) (4 Dr. Sedan)
Special Purpose Officer		$94,279	1		1.0000	94,279	2,218.50	COPPS Universal Grant - (4Dr. Sedan)
Special Purpose Officer		$94,279	1		1.0000	94,279	2,218.50	COPPS Universal Grant - (4Dr. Sedan)
			Sub-total			1,880,682		
Liability:						$ 104,325		
Other:								
800 MHZ Radio Equipt.						$0		
Senior Volunteer Patrol Program		$8,283	2			16,566		
Pipeline Cost						29,132		
			Sub-total			$45,698		
			Less:		Crime Prevention Cr.	(82,912)		
			TOTAL AMOUNT			$ 8,022,740		

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only

(19) Program Number: 00310
(20) Date Filed ___/___/___
(21) LRS Input ___/___/___

Program 310

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	**Zip Code** 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐

Fiscal Year of Cost	(06)	(12)	2002-03	(29) FORM (04)2.C.2(g)
Total Claimed	(07)	(13)	$94,160	(30) FORM (04)2.C.3(g)
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)		(31) FORM (04)2.D.1(g)
Less: Estimated Claim Payment Received		(15)		(32) FORM (04)2.D.2(g)
Net Claimed Amount		(16)	$94,160	(33) FORM (06) 10
Due from State	(08)	(17)	$94,160	(34) FORM (07) 8,560
Due to State	(09)	(18)		(35) FORM (09)
				(35) FORM (10)

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	
(24) FORM (04)2.A.2(g)	
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	85,600
(27) FORM (04)2.B.2(g)	
(28) FORM (04)2.C.1(g)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative **Date**

Liliane Serio — Date Signed 3/28/11

Liliane Serio — Telephone Number (760) 744-1050

Finance Director — Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2002-03
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Police

Direct Costs — Object Accounts

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information						
2. Monthly Report to DOJ						
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$85,600					$85,600
2. Review and Edit Report						
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$85,600					$85,600

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	10.0%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$8,560
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$94,160

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$94,160**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2002-03

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$114.50		747.60	$85,600					$85,600
(05) Total			**747.60**	**$85,600**					**$85,600**

Patrol Officer Rate

San Diego County Sheriff Office Contract for
Law Enforcement Services FY 02-03

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

The City pays and annual cost of $355,249 for an 8.5 hr shift.

$$\textit{Hourly Rate} = \frac{\$355{,}249}{(8.5 \text{ hrs/day} \times 365 \text{ days/yr})} = \frac{\$355{,}249}{3102.5 \text{ hrs/year}} = \frac{\mathbf{\$114.50}}{\text{Hour}}$$

ATTACHMENT B
City of San Marcos
Effective 7/1/02 through 6/30/03

SERVICE CATEGORY		Unit Cost	# of Units	Unit Factor	Beat Factor	Total Net Cost	Annual Hours	Notes
Patrol:								
Sedan	(7 days with relief)	$355,249	15		1.00000	$5,328,735	46,537.50	
Traffic:								
Sedan	(7 days with relief)	$290,358	2		0.98314	$570,924	6,205.00	
	(6 days with relief)	$207,398	1		0.98314	203,902	2,218.50	
	(5 days without relief)	$163,122	1		0.98314	160,372	2,218.50	
Motorcycle	(5 days NO relief)	$166,403	2		0.98314	327,195	4,437.00	
			Sub-total			$1,262,393		
Custom:								
Special Purpose Detail		$566,539	2		1.0000	$1,133,078	22,185.00	1 COPPS (4Dr. Sedan)
(1 Sgt, 4 Officers, 1 Clk.)								1 Street Gang/Narcotics (4 Dr. Sedan)
COPPS Sergeant		$106,541	1		1.0000	$106,541	22,185.00	
Credit for COPPS Grant Funding		$48,380	1		1.0000	($48,380)		COPPS Grant Reimbursement
Special Purpose Officer		$98,130	2		1.0000	196,259	4,437.00	School Resource Officers - Subs. Abuse (4 Dr. Sedan)
Special Purpose Officer		$105,596	2		1.0000	211,192	4,437.00	COPPS - (Black & White)
Special Purpose Officer		$98,130	2		1.0000	196,259	4,437.00	COPPS (FAST Grant) (4 Dr. Sedan)
Special Purpose Officer		$98,130	1		1.0000	98,130	2,218.50	COPPS Universal Grant - (4Dr. Sedan)
Special Purpose Officer		$98,130	1		1.0000	98,130	2,218.50	COPPS Universal Grant - (4Dr. Sedan)
			Sub-total			1,991,209		
Liability:						$ 109,781		
Other:								
800 MHZ Radio Equipt.						$0		
Senior Volunteer Patrol Program		$8,284	2			16,568		
			Sub-total			$16,568		
			Less:		Crime Prevention Cr.	(94,888)		
			TOTAL AMOUNT			$ 8,613,798		

03 WED 12:18 FAX 760 744 9520

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only

(19) Program Number: 00310 — Program 310

(20) Date Filed ___/___/___

(21) LRS Input ___/___/___

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐

Fiscal Year of Cost	(06)	(12)	2003-04	(29) FORM (04)2.C.2(g)
Total Claimed	(07)	(13)	$100,302	(30) FORM (04)2.C.3(g)
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)		(31) FORM (04)2.D.1(g)
Less: Estimated Claim Payment Received		(15)		(32) FORM (04)2.D.2(g)
Net Claimed Amount		(16)	$100,302	(33) FORM (06) 10
Due from State	(08)	(17)	$100,302	(34) FORM (07) 9,118
Due to State	(09)	(18)		(35) FORM (09)
				(35) FORM (10)

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	
(24) FORM (04)2.A.2(g)	
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	91,184
(27) FORM (04)2.B.2(g)	
(28) FORM (04)2.C.1(g)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative — **Date**

Date Signed 3/28/11

Liliane Serio — Telephone Number (760) 744-1050

Finance Director — Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2003-04
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department: **Police**

Direct Costs / Object Accounts	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
(04) Reimbursable Components						
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information						
2. Monthly Report to DOJ						
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$91,184					$91,184
2. Review and Edit Report						
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$91,184					$91,184

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	10.0%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$9,118
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$100,302

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$100,302**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2003-04

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$134.43		678.30	$91,184					$91,184
(05) Total			**678.30**	**$91,184**					**$91,184**

Patrol Officer Rate

San Diego County Sheriff Office Contract for
Law Enforcement Services FY 03-04

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

The City pays and annual cost of $355,249 for an 8.5 hr shift.

$$\textit{Hourly Rate} = \frac{\$417{,}060}{(8.5 \text{ hrs/day} \times 365 \text{ days/yr})} = \frac{\$417{,}060}{3102.5 \text{ hrs/year}} = \frac{\mathbf{\$134.43}}{\text{Hour}}$$

ATTACHMENT B
City of Encinitas
Effective 7/1/03 through 6/30/04

SERVICE CATEGORY		Unit Cost	# of Units	Unit Factor	Beat Factor	Total Net Cost	Annual Hours	Notes
Patrol:								
Sedan,	(7 days with relief)	$417,060	13		0.99516	$5,395,536	40,332.50	
Sedan,	(5 days with relief)	$297,900	2		0.99516	592,916	4,437.00	
			Sub-total			$5,988,452		
Traffic:								
Sedan	(7 days with relief)	$341,385	2		0.98362	$671,587	6,205.00	
	(5 days with relief)	$243,847	1		0.98362	$239,852	2,218.50	
Motorcycle	(5 days NO relief)	$196,203	4		0.98362	771,955	8,874.00	
			Sub-total			$1,683,395		
Custom:								
Special Purpose Officer		$117,769	2		1.0000	$235,538	4,437.00	2 COPPS - (Sedans)
Special Purpose Officer		$119,339	1		1.0000	119,339	2,218.50	1 DARE - (Van)
Special Purpose Officer		$117,769	0.80		1.0000	94,215	1,774.80	Street Gang/Narcotics - Sedan
Special Purpose Officer		$125,625	2		1.0000	251,250	4,437.00	SRO (COPPS)(B& W)
Credit for COPPS Grant Funding		$48,380	2		1.0000	(96,759)		COPPS Grant Reimbursement
Community Service Officer		$61,126	2		1.0000	122,252	4,176.00	
			Sub-total			$725,835		
Liability:						$ 96,604		
Other:								
800 MHZ Radio Equipt.						$0		
Senior Volunteer Patrol Prog.		$8,284				8,284		
			Sub-total			$8,284		
			TOTAL AMOUNT			$ 8,502,569		

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only

(19) Program Number: 00310 — Program 310

(20) Date Filed ___/___/___

(21) LRS Input ___/___/___

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐

Fiscal Year of Cost	(06)	(12) 2004-05	(29) FORM (04)2.C.2(g)	
Total Claimed	(07)	(13) $119,899	(30) FORM (04)2.C.3(g)	
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)	(31) FORM (04)2.D.1(g)	
Less: Estimated Claim Payment Received		(15)	(32) FORM (04)2.D.2(g)	
Net Claimed Amount		(16) $119,899	(33) FORM (06)	10
Due from State	(08)	(17) $119,899	(34) FORM (07)	10,900
Due to State	(09)	(18)	(35) FORM (09)	
			(35) FORM (10)	

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	
(24) FORM (04)2.A.2(g)	
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	108,999
(27) FORM (04)2.B.2(g)	
(28) FORM (04)2.C.1(g)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative — **Date**

Liliane Serio — Date Signed 3/28/11

Finance Director — Telephone Number (760) 744-1050

Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2004-05
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department: **Police**

Direct Costs — Object Accounts

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information						
2. Monthly Report to DOJ						
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$108,999					$108,999
2. Review and Edit Report						
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$108,999					$108,999

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	10.0%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$10,900
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$119,899

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$119,899**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2004-05

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$144.58		753.90	$108,999					$108,999
(05) Total			**753.90**	**$108,999**					**$108,999**

Patrol Officer Rate

San Diego County Sheriff Office Contract for
Law Enforcement Services FY 04-05

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

The City pays and annual cost of $355,249 for an 8.5 hr shift.

$$\textit{Hourly Rate} = \frac{\$448{,}574}{(8.5 \text{ hrs/day} \times 365 \text{ days/yr})} = \frac{\$448{,}574}{3102.5 \text{ hrs/year}} = \frac{\mathbf{\$144.58}}{\text{Hour}}$$

ATTACHMENT B
City of Encinitas
Effective 7/1/04 through 6/30/05

SERVICE CATEGORY		Unit Cost	# of Units	Beat Factor	Unit Factor	Total Net Cost	Annual Hours	Notes
Patrol:								
Sedan,	(7 days with relief)	$448,574	13	1.00000		$5,831,462	40,332.50	
Sedan,	(5 days with relief)	$320,409	2	1.00000		640,818	4,437.00	
			Sub-total			$6,472,280		
Traffic:								
Sedan	(7 days with relief)	$362,444	2	0.97497		$706,744	6,205.00	
	(5 days with relief)	$258,888	1	0.97497		$252,408	2,218.50	
Motorcycle	(5 days NO relief)	$209,156	4	0.97497		815,683	6,674.00	
			Sub-total			$1,774,835		
Custom:								
Special Purpose Officer		$127,740	2	1.0000		$255,480	4,437.00	2 COPPS - (Sedans)
Special Purpose Officer		$129,311	1	1.0000		129,311	2,218.50	1 DARE - (Van)
Special Purpose Officer		$127,740	0.80	1.0000		102,192	1,774.80	Street Gang/Narcotics - Sedan
Special Purpose Officer		$135,514	2	1.0000		271,028	4,437.00	SRO (COPPS)(B& W)
Credit for COPPS Grant Funding		$16,127	2	1.0000		(32,253)		COPPS Grant Reimbursement
Community Service Officer		$67,985	2	1.0000		135,970	4,176.00	
			Sub-total			$861,728		
Liability:						$ 93,200		
Other:								
800 MHZ Radio Equipt.						$0		
Senior Volunteer Patrol Prog.		$8,284				8,284		
			Sub-total			$8,284		
			TOTAL AMOUNT			$ 9,210,327		

File:U:Excel/CC/2005PROJCST/ ATTCHB'S 26-Jul-04

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only

(19) Program Number: 00310 — Program 310

(20) Date Filed ___/___/___

(21) LRS Input ___/___/___

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐

Fiscal Year of Cost	(06)	(12)	2005-06	
Total Claimed	(07)	(13)	$132,905	
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)		
Less: Estimated Claim Payment Received		(15)		
Net Claimed Amount		(16)	$132,905	
Due from State	(08)	(17)	$132,905	
Due to State	(09)	(18)		

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	
(24) FORM (04)2.A.2(g)	
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	120,823
(27) FORM (04)2.B.2(g)	
(28) FORM (04)2.C.1(g)	
(29) FORM (04)2.C.2(g)	
(30) FORM (04)2.C.3(g)	
(31) FORM (04)2.D.1(g)	
(32) FORM (04)2.D.2(g)	
(33) FORM (06)	10
(34) FORM (07)	12,082
(35) FORM (09)	
(35) FORM (10)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative — **Date**

Date Signed 3/28/11

Liliane Serio — Telephone Number (760) 744-1050

Finance Director — Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim		Fiscal Year
City of San Marcos	Reimbursement	X	2005-06
	Estimated		(see FAM-27 for estimate)

Claim Statistics

(03) Department	Police

Direct Costs — Object Accounts

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information						
2. Monthly Report to DOJ						
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$120,823					$120,823
2. Review and Edit Report						
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$120,823					$120,823

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	10.0%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$12,082
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$132,905

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$132,905**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: **City of San Marcos** **(02) Fiscal Year Costs Were Incurred:** 2005-06

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$155.08		779.10	$120,823					$120,823
(05) Total			**779.10**	**$120,823**					**$120,823**

Patrol Officer Rate

San Diego County Sheriff Office Contract for
Law Enforcement Services FY 05-06

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

The City pays and annual cost of $355,249 for an 8.5 hr shift.

$$\textit{Hourly Rate} = \frac{\$481{,}129}{(8.5 \text{ hrs/day} \times 365 \text{ days/yr})} = \frac{\$481{,}129}{3102.5 \text{ hrs/year}} = \frac{\mathbf{\$155.08}}{\text{Hour}}$$

ATTACHMENT B
City of Encinitas
Effective 7/1/05 through 6/30/06

SERVICE CATEGORY		Unit Cost	# of Units	Boat Factor	Unit Factor	Total Net Cost	Annual Hours	Notes
Patrol:								
Sedan,	(7 days with relief)	$481,129	13	1.00000		$6,254,677	40,332.50	
Sedan,	(5 days with relief)	$343,664	2	1.00000		687,328	4,437.00	
			Sub-total			$6,942,005		
Traffic:								
Sedan	(7 days with relief)	$391,166	2	0.98987		$774,407	6,205.00	
	(5 days with relief)	$279,404	1	0.98987		$276,674	2,218.50	
Motorcycle	(5 days no relief)	$225,214	4	0.98987		891,730	8,874.00	
			Sub-total			$1,942,711		
Custom:								
Special Purpose Officer		$137,238	2	1.0000		$274,476	4,437.00	2 COPPS - (Sedans)
Special Purpose Officer		$138,669	1	1.0000		138,669	2,218.50	1 DARE - (Van)
Special Purpose Officer		$137,236	0.80	1.0000		109,790	1,774.80	Street Gang/Narcotics - Sedan
Special Purpose Officer		$145,583	2	1.0000		291,166	4,437.00	SRO (COPPS)(E& W)
Community Service Officer		$70,696	2	1.0000		141,392	4,176.00	
			Sub-total			$955,493		
Liability:						$ 97,029		
Other:								
800 MHZ Radio Equipt.						$0		
Senior Volunteer Patrol Prog.		$8,545	1			8,545		
			Sub-total			$8,545		
			TOTAL AMOUNT			$ 9,945,783		

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only	
(19) Program Number: 00310	Program
(20) Date Filed ___/___/___	310
(21) LRS Input ___/___/___	

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2006-07
Total Claimed	(07)	(13) $140,170
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $140,170
Due from State	(08)	(17) $140,170
Due to State	(09)	(18)

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	
(24) FORM (04)2.A.2(g)	
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	127,427
(27) FORM (04)2.B.2(g)	
(28) FORM (04)2.C.1(g)	
(29) FORM (04)2.C.2(g)	
(30) FORM (04)2.C.3(g)	
(31) FORM (04)2.D.1(g)	
(32) FORM (04)2.D.2(g)	
(33) FORM (06)	10
(34) FORM (07)	12,743
(35) FORM (09)	
(35) FORM (10)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative **Date**

Liliane Serio — Date Signed 3/28/11

Finance Director — Telephone Number (760) 744-1050

Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2006-07
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department: **Police**

Direct Costs / Object Accounts	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
(04) Reimbursable Components						
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information						
2. Monthly Report to DOJ						
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$127,427					$127,427
2. Review and Edit Report						
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$127,427					$127,427

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	10.0%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$12,743
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$140,170

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$140,170**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2006-07

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$162.68		783.30	$127,427					$127,427
(05) Total			**783.30**	**$127,427**					**$127,427**

Patrol Officer Rate

San Diego County Sheriff Office Contract for
Law Enforcement Services FY 06-07

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

The City pays and annual cost of $504,714 for an 8.5 hr shift.

$$\textit{Hourly Rate} = \frac{\$504{,}714}{(8.5 \text{ hrs/day} \times 365 \text{ days/yr})} = \frac{\$504{,}714}{3102.5 \text{ hrs/year}} = \frac{\mathbf{\$162.68}}{\text{Hour}}$$

ATTACHMENT B
City of Encinitas
Effective 7/1/06 through 6/30/07

SERVICE CATEGORY		Unit Cost	# of Units	Beat Factor	Unit Factor	Total Net Cost	Annual Hours	Notes
Patrol:								
Sedan,	(7 days with relief)	$504,714	13	1.00000		$6,561,280	40,332.50	
Sedan,	(5 days with relief)	$360,510	2	1.00000		721,020	4,437.00	
			Sub-total			$7,282,300		
Traffic:								
Sedan	(7 days with relief)	$407,175	2	0.99606		$811,142	6,205.00	
	(5 days with relief)	$290,839	1	0.99606		$289,694	2,218.50	
Motorcycle	(5 days NO relief)	$232,497	4	0.99606		926,323	8,874.00	
			Sub-total			$2,027,159		
Custom:								
Special Purpose Officer		$143,116	2	1.0000		$286,232	4,437.00	2 COPPS - (Sedans)
Special Purpose Officer		$144,720	1	1.0000		144,720	2,218.50	1 DARE - (Van)
Special Purpose Officer		$143,116	0.80	1.0000		114,493	1,774.80	Street Gang/Narcotics - Sedan
Special Purpose Officer		$149,608	2	1.0000		299,217	4,437.00	SRO (COPPS)(B& W)
Community Service Officer		$66,226	2	1.0000		132,452	4,176.00	
Community Service Officer		$67,105	1.5	1.0000		100,658	3,132.00	Red Light Project - (4 Dr) 7/1/06
			Sub-total			$1,077,772		
Liability:						$ 96,101		
Other:								
800 MHZ Radio Equipt.						$0		
Senior Volunteer Patrol Prog.		$9,871	1			9,871		
			Sub-total			$9,871		
			TOTAL AMOUNT			$ 10,493,203		

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only

(19) Program Number: 00310 — Program: 310

(20) Date Filed ____/____/____

(21) LRS Input ____/____/____

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2007-08
Total Claimed	(07)	(13) $99,860
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $99,860
Due from State	(08)	(17) $99,860
Due to State	(09)	(18)

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	60
(24) FORM (04)2.A.2(g)	60
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	46,676
(27) FORM (04)2.B.2(g)	8,436
(28) FORM (04)2.C.1(g)	
(29) FORM (04)2.C.2(g)	
(30) FORM (04)2.C.3(g)	
(31) FORM (04)2.D.1(g)	
(32) FORM (04)2.D.2(g)	
(33) FORM (06)	81
(34) FORM (07)	44,628
(35) FORM (09)	
(35) FORM (10)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative — **Date**

Liliane Serio — Date Signed 3/08/11

Liliane Serio — Telephone Number (760) 744-1050

Finance Director — Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2007-08
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Police

Direct Costs — Object Accounts

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information	$60					$60
2. Monthly Report to DOJ	$60					$60
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$46,676					$46,676
2. Review and Edit Report	$8,436					$8,436
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$55,232					$55,232

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	80.8%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$44,628
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$99,860

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$99,860**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☒ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Detective Extract demographic information from existing local records as required by state statute to report information to DOJ.	$80.18		0.75	$60					$60
(05) Total			**0.75**	**$60**					**$60**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☒ **Homicide Monthly Report to DOJ** ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Detective Report the demographic information about the homicide victim and the person or persons charged with the crime to the DOJ.	$80.18		0.75	$60					$60
(05) Total			**0.75**	**$60**					**$60**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$76.38		611.10	$46,676					$46,676
(05) Total			**611.10**	**$46,676**					**$46,676**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☒ **Domestic Violence Review & Edit Report**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Sergeant Review and edit Domestic Violence Reports	$91.55		92.15	$8,436					$8,436
(05) Total			**92.15**	**$8,436**					**$8,436**

INDIRECT COST RATE PROPOSAL

San Marcos

Sheriff

Fiscal Year
2007-08

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$10,806,946		$2,950,124	$7,856,822
Overtime				
Benefits				
Total	$10,806,946		$2,950,124	$7,856,822
Services & Supplies				
Ancillary Support	$1,759,454		$1,759,454	
Supplies	$216,231		$216,231	
Vehicles	$769,056		$769,056	
Space	$320,531		$320,531	
Management Support	$540,458		$540,458	
Liability	$112,645		$112,645	
Less: Beat Factor	-$152,537		-$152,537	
Adjustments	-$169,282		-$169,282	
Total	$3,396,556		$3,396,556	
Capital Expenditures				
Total				
Total Expenditures	**$14,203,502**		**$6,346,680**	**$7,856,822**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs	**$14,203,502**		**$6,346,680**	**$7,856,822**

ICRP RATE = **80.8%**
(Rate is Based on Salaries)

$6,346,680 = Total Allowable Indirect Costs
$7,856,822 Total Direct Salaries

San Marcos
Sheriff
Fiscal Year
2007-08

Name/Position	100% Admin. or Support Staff Annual Salary
Sergeant (7.917)	$1,305,083
Detective (5)	$721,584
Station Support Staff	$827,313
Detective Sergeant (.556)	$96,144

TOTAL INDIRECT SALARIES **$2,950,124**

ATTACHMENT B
City of San Marcos
Effective 7/1/07 through 6/30/08
MODIFIED COST CENTER

SERVICE CATEGORY	Staff Cost	# of Staff	Unit Factor	Total Net Cost	Notes
Deputy Patrol	$137,479.10	32.000		4,399,331.20	
Deputy Traffic	$137,479.10	6.000		824,874.60	
Deputy Motor	$147,735.66	2.000		295,471.32	
Deputy SPO	$137,479.10	17.000		2,337,144.70	
CSO	$ 57,342.16	-		-	
Sergeant	$164,852.60	7.917		1,305,083.08	
Station Support Staff				827,313.17	
Detective	$144,316.81	5.000		721,584.03	
Detective Sgt	$173,058.98	0.556		96,143.88	
				10,806,945.97	
Ancillary Support				1,759,454.11	
Supplies				216,230.95	
Vehicles				769,055.92	
Space				320,531.36	
Management Support				540,457.54	
Liability				112,645.15	
Less: Beat Factor				(152,537.00)	
				3,565,838.03	
Adjustments:	CCCA: Contract City Cooperative Adjustment			(169,282.00)	
		TOTAL AMOUNT		$ 14,203,502.00	

ATTACHMENT B
City of San Marcos
Effective 7/1/06 through 6/30/07

SERVICE CATEGORY		Unit Cost	# of Units	Beat Factor	Unit Factor	Total Net Cost	Annual Hours	Notes
Patrol:								
Sedan	(7 days with relief)	$504,714	15	0.97014		$7,344,646	46,537.50	
	(7 days with relief) (Without OH)	$284,398	3	0.97014		827,718	9,307.50	
			Sub-total			$8,172,364		
Traffic:								
Sedan	(7 days with relief)	$407,175	2	0.98576		$802,754	6,205.00	
	(5 days with relief)	$290,839	1	0.98576		286,698	2,218.50	
	(5 days without relief)	$228,750	1	0.98576		225,493	2,218.50	
Motorcycle	(5 days NO relief)	$232,497	2	0.98576		458,372	4,437.00	
			Sub-total			$1,773,317		
Custom:								
Special Purpose Detail		$813,490	2	1.0000		$1,626,979	22,185.00	1 COPPS (4Dr. Sedan)
(1 Sgt, 4 Officers, 1 Clk.)								1 Street Gang Narcotics (4 Dr. Sedan)
COPPS Sergeant		$155,895	1	1.0000		$155,895	2,218.50	
Special Purpose Officer		$149,608	3	1.0000		448,825	6,655.50	School Resource Officers - Subs. Abuse (Black & White)
Special Purpose Officer		$149,608	5	1.0000		748,042	11,092.50	COPPS (Black & White)
Special Purpose Officer		$143,116	1	1.0000		143,116	2,218.50	COPPS Universal Grant - (4Dr. Sedan)
			Sub-total			3,122,857		
Liability:						$ 119,370		
Other:								
800 MHZ Radio Equipt.						$0		
Senior Volunteer Patrol Program		$9,871	2			19,742		
			Sub-total			$19,742		
			Less:	Crime Prevention Cr.		(155,911)		
			TOTAL AMOUNT			$ 13,051,739		

ATTACHMENT A

CONTRACT LAW ENFORCEMENT PROGRAM

SERVICE COSTS
FY 2007/2008 (Estimate)

SERVICE CATEGORY	SALARY & BENEFITS (Prorate if partial year)	START UP COSTS (Full)	RADIO USAGE (Prorate if partial year)
STAFF:			
Deputy Patrol	$137,479.10	$6,940.00	$705.70
Deputy Traffic	$137,479.10	$13,860.00	$705.70
Deputy Motor	$147,735.66	$13,860.00	$705.70
Deputy SPO	$137,479.10	$6,940.00	$705.70
CSO	$57,342.16	$2,090.00	$705.70
Sergeant	$164,852.60	$6,940.00	$705.70
Lieutenants	$176,373.75	$6,940.00	$705.70
Captains	$190,359.75	$6,940.00	$705.70
Admin Sec II	$64,933.26	$0.00	$0.00
Admin Sec I	$54,714.63	$0.00	$0.00
Intermediate Clerk	$52,932.73	$0.00	$0.00
Payroll Clerk	$61,333.00	$0.00	$0.00
Evidence Clerk	$52,932.73	$0.00	$0.00
Senior Clerk	$61,333.41	$0.00	$0.00
Dept. Aide	$34,483.37	$0.00	$0.00
Dispatchers	$63,380.02	$0.00	$0.00
Detective	$144,316.81	$6,940.00	$705.70
Detective Sgt	$173,058.98	$6,940.00	$705.70

AUTO:	Cost per auto (Prorate if partial year)
Patrol Sedan	$18,942.00
Patrol 4x4	$18,823.00
Traffic Sedan	$19,051.00
Motorcycle	$4,783.00
Supervisory Sedan	$7,350.00
Detective Sedan & Det. Supervisor	$6,136.00
SPO - Sedan 4 Dr	$6,136.00
SPO - Sedan 2 Dr	$7,350.00
SPO - B&W	$12,628.00
SPO - Van	$7,740.00
CSO - Van	$5,257.00
CSO - Sedan 4 Dr	$6,136.00

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only	
(19) Program Number: 00310	Program 310
(20) Date Filed ___/___/___	
(21) LRS Input ___/___/___	

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2008-09
Total Claimed	(07)	(13) $84,597
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $84,597
Due from State	(08)	(17) $84,597
Due to State	(09)	(18)

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	60
(24) FORM (04)2.A.2(g)	60
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	36,992
(27) FORM (04)2.B.2(g)	6,995
(28) FORM (04)2.C.1(g)	
(29) FORM (04)2.C.2(g)	
(30) FORM (04)2.C.3(g)	
(31) FORM (04)2.D.1(g)	
(32) FORM (04)2.D.2(g)	
(33) FORM (06)	92
(34) FORM (07)	40,490
(35) FORM (09)	
(35) FORM (10)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative **Date**

Liliane Serio — Date Signed 3/28/11

Liliane Serio — Telephone Number (760) 744-1050

Finance Director — Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2008-09
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Police

Direct Costs — Object Accounts

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information	$60					$60
2. Monthly Report to DOJ	$60					$60
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$36,992					$36,992
2. Review and Edit Report	$6,995					$6,995
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$44,107					$44,107

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	91.8%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$40,490
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$84,597

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$84,597**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☒ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Detective Extract demographic information from existing local records as required by state statute to report information to DOJ.	$79.94		0.75	$60					$60
(05) Total			**0.75**	**$60**					**$60**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☒ **Homicide Monthly Report to DOJ** ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Detective Report the demographic information about the homicide victim and the person or persons charged with the crime to the DOJ.	$79.94		0.75	$60					$60
(05) Total			**0.75**	**$60**					**$60**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$78.64		470.40	$36,992					$36,992
(05) Total			**470.40**	**$36,992**					**$36,992**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos (02) Fiscal Year Costs Were Incurred: 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☒ **Domestic Violence Review & Edit Report**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Sergeant Review and edit Domestic Violence Reports	$98.61		70.93	$6,995					$6,995
(05) Total			**70.93**	**$6,995**					**$6,995**

INDIRECT COST RATE PROPOSAL

San Marcos

Sheriff

Fiscal Year
2008-09

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$10,622,113		$2,926,835	$7,695,278
Overtime				
Benefits				
Total	$10,622,113		$2,926,835	$7,695,278
Services & Supplies				
Ancillary Support	$1,786,125		$1,786,125	
Supplies	$256,133		$256,133	
Vehicles	$761,221		$761,221	
Space	$295,702		$295,702	
Management Support	$488,453		$488,453	
Liability	$110,997		$110,997	
Less: Beat Factor	-$119,932		-$119,932	
Adjustments	$557,837		$557,837	
Total	$4,136,536		$4,136,536	
Capital Expenditures				
Total				
Total Expenditures	**$14,758,649**		**$7,063,371**	**$7,695,278**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs	**$14,758,649**		**$7,063,371**	**$7,695,278**

ICRP RATE = **91.8%**
(Rate is Based on Salaries)

$7,063,371 = Total Allowable Indirect Costs
$7,695,278 Total Direct Salaries

San Marcos
Sheriff
Fiscal Year
2008-09

Name/Position	100% Admin. or Support Staff Annual Salary
Sergeant (7.37)	$1,308,186
Detective (5)	$719,461
Station Support Staff	$800,574
Detective Sergeant (.556)	$98,614

TOTAL INDIRECT SALARIES **$2,926,835**

ATTACHMENT B
City of San Marcos
Effective 7/1/08 through 6/30/09
Final

SERVICE CATEGORY	Staff Cost	# of Staff	Unit Factor	Total Net Cost	Notes
Deputy Patrol	$137,074.80	32.000		4,386,393.62	
Deputy Traffic	$137,074.80	6.000		822,448.80	
Deputy Motor	$146,619.29	2.000		293,238.57	
Deputy SPO	$137,074.80	16.000		2,193,196.81	(1 SRO Cancelled 7/1/08)
CSO	$ 59,898.58	-		-	
Sergeant	$177,504.82	7.370		1,308,186.21	
Detective	$143,892.29	5.000		719,461.45	
Detective Sgt	$177,504.82	0.556		98,613.79	
Station Staff				800,573.90	
Subtotal				10,622,113.16	
Ancillary Support				1,786,124.51	
Supply				256,133.29	
Vehicles				761,221.30	
Space				295,701.65	
Management Support				488,452.92	
Liability				110,996.84	
Less: Beat Factor				(119,931.94)	
				3,578,698.56	
Adjustments:	CCCA: Contract City Cooperative Agreement			557,837.28	
	TOTAL AMOUNT			$ 14,758,649.00	

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ORIGINAL 14,913,677. +

REVISED 14,758,649. -

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SAVINGS 155,028.G1

Claim for Payment
Pursuant to Government Code Section 17561
CRIME STATISTICS REPORTS FOR THE DOJ

For State Controller Use Only

(19) Program Number: 00310
(20) Date Filed ____/____/____
(21) LRS Input ____/____/____

Program **310**

(01) Claimant Identification Number	9837815
(02) Claimant Name	City of San Marcos
Mailing Address	1 Civic Center Drive
Street Address or P.O. Box	
City	San Marcos
State CA	Zip Code 92069

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2009-10
Total Claimed	(07)	(13) $103,323
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $103,323
Due from State	(08)	(17) $103,323
Due to State	(09)	(18)

(22) FORM (04)1.A(g)	
(23) FORM (04)2.A.1)(g)	58
(24) FORM (04)2.A.2(g)	58
(25) FORM (04)2.A,3(g)	
(26) FORM (04)2.B.1(g)	46,255
(27) FORM (04)2.B.2(g)	8,239
(28) FORM (04)2.C.1(g)	
(29) FORM (04)2.C.2(g)	
(30) FORM (04)2.C.3(g)	
(31) FORM (04)2.D.1(g)	
(32) FORM (04)2.D.2(g)	
(33) FORM (06)	89
(34) FORM (07)	48,713
(35) FORM (09)	
(35) FORM (10)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, statues of 1995, Chapter 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative **Date**

Date Signed 3/28/14

Liliane Serio — Telephone Number (760) 744-1050

Finance Director — Email Address LSerio@ci.san-marcos.ca.us

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Form FAM-27

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of San Marcos	Reimbursement [X]	2009-10
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Police

Direct Costs — Object Accounts

(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel	(g) Total
1. ONE-TIME ACTIVITY						
A. Revise Policies and Procedures						
2. ON-GOING ACTIVITIES						
Reimbursable Period: FY 2001-02 through FY 2009-10						
A. Homicide Reports (PC 13014)						
1. Extract Demographic Information	$58					$58
2. Monthly Report to DOJ	$58					$58
3. Verify/provide Additional Explaination						
B. Domestic Violence Related Calls for Assistance (PC 13730)						
1. Write Incident Report	$46,255					$46,255
2. Review and Edit Report	$8,239					$8,239
Reimbursable Period: FY 2004-05 beginning 01/01/05 through FY 2009-10						
C. Hate Crime Reports (PC 13023)						
1. Extract Information from PD Records						
2. Monthly/ Annual Report to DOJ						
3. Verify/provide Additional Explaination						
Reimbursable Period: FY 2001-02 through FY 2004-05 (ending 12/31/04)						
D. Firearm Reports (PC 12031)						
1. Extract Information from PD Records						
2. Report to Attorney General						
(05) Total Direct Costs	$54,610					$54,610

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	89.2%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$48,713
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$103,323

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$103,323**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2009-10

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☒ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Detective Extract demographic information from existing local records as required by state statute to report information to DOJ.	$77.48		0.75	$58					$58
(05) Total			**0.75**	**$58**					**$58**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2009-10

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☒ **Homicide Monthly Report to DOJ** ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Detective Report the demographic information about the homicide victim and the person or persons charged with the crime to the DOJ.	$77.48		0.75	$58					$58
(05) Total			**0.75**	**$58**					**$58**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2009-10

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☒ **Domestic Violence - Write Incid. Report** ☐ Domestic Violence Review & Edit Report

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Deputy Write & type Domestic Violence Report as required by State Statutes.	$76.48		604.80	$46,255					$46,255
(05) Total			**604.80**	**$46,255**					**$46,255**

MANDATED COSTS
CRIME STATISTICS REPORTS FOR THE DOJ
CLAIM SUMMARY

FORM AA-2

(01) Claimant: City of San Marcos **(02) Fiscal Year Costs Were Incurred:** 2009-10

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

☐ Policies and Procedures

B. On-Going Costs

☐ Homicide Report Demographic Info ☐ Hate Crime Extract Info ☐ Fire Arm Report extract info

☐ Homicide Monthly Report to DOJ ☐ Hate Crime Report to DOJ ☐ Firearem Report to DOJ

☐ Homicide Addidtional Info & Explanation ☐ Hate Crime Additional Info

☐ Domestic Violence - Write Incid. Report ☒ **Domestic Violence Review & Edit Report**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Sergeant Review and edit Domestic Violence Reports	$90.34		91.20	$8,239					$8,239
(05) Total			**91.20**	**$8,239**					**$8,239**

INDIRECT COST RATE PROPOSAL

San Marcos

Sheriff

Fiscal Year
2009-10

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$10,216,271		$2,769,425	$7,446,846
Overtime				
Benefits				
Total	$10,216,271		$2,769,425	$7,446,846
Services & Supplies				
Ancillary Support	$1,789,014		$1,789,014	
Supplies	$296,832		$296,832	
Vehicles	$757,427		$757,427	
Space	$319,446		$319,446	
Management Support	$520,069		$520,069	
Liability	$116,618		$116,618	
Less: Beat Factor	-$10,578		-$10,578	
Adjustments	$87,325		$87,325	
Total	$3,876,153		$3,876,153	
Capital Expenditures				
Total				
Total Expenditures	$14,092,424		$6,645,578	$7,446,846
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs	$14,092,424		$6,645,578	$7,446,846

ICRP RATE = **89.2%**
(Rate is Based on Salaries)

$6,645,578 = Total Allowable Indirect Costs
$7,446,846 Total Direct Salaries

San Marcos
Sheriff
Fiscal Year
2009-10

100% Admin. or Support Staff

Name/Position	Annual Salary
Detective (5)	$697,321
Sergeant (8)	$1,300,917
Station Staff	$771,187

TOTAL INDIRECT SALARIES **$2,769,425**

ATTACHMENT B
City of San Marcos
Effective 7/1/09 through 6/30/10

SERVICE CATEGORY	Staff Cost	# of Staff	Unit Factor	Total Net Cost	Notes
Deputy Patrol	$133,298.08	32.000		4,265,538.65	
Deputy Traffic	$133,298.08	6.000		799,788.50	
Deputy Motor	$142,547.37	2.000		285,094.74	
Deputy SPO	$133,298.08	15.000		1,999,471.24	(1 SRO Cancelled)
Detective	$139,464.27	5.000		697,321.36	
CSO	$60,212.77	-		-	
Sergeant	$174,513.35	7.455		1,300,917.68	
Detective Sgt	$174,513.35	0.556		96,951.86	
Station Staff				771,187.12	
Subtotal				10,216,271.15	
Ancillary Support				1,789,013.60	
Supply				296,831.92	
Vehicles				757,426.57	
Space				319,446.39	
Management Support				520,068.63	
Liability				116,618.68	
Less: Beat Factor				(10,578.20)	
				3,788,827.57	
Adjustments:	CCCA: Contract City Cooperative Agreement			87,324.54	
	TOTAL AMOUNT			$ 14,092,423.26	

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and

Claims

CITY OF RIALTO

Audit Report

INTERAGENCY CHILD ABUSE AND NEGLECT INVESTIGATION REPORTS PROGRAM

Penal Code sections 11165.9, 11166, 11166.2, 11166.9, 11168 (formerly 11161.7), 11169, 11170, and 11174.34 (formerly 11166.9) as added and/or amended by various legislation

July 1, 1999, through June 30, 2012

BETTY T. YEE

California State Controller

March 2019

BETTY T. YEE
California State Controller

March 5, 2019

The Honorable Deborah Robertson, Mayor
City of Rialto
150 South Palm Avenue
Rialto, CA 92375

Dear Ms. Robertson:

The State Controller's Office (SCO) audited the costs claimed by the City of Rialto for the legislatively mandated Interagency Child Abuse and Neglect Investigation Reports Program for the period of July 1, 1999, through June 30, 2012.

The city claimed $996,998 for the mandated program. Our audit found that $292,512 is allowable ($294,204 less a $1,692 penalty for filing a late claim) and $704,486 is unallowable because the city claimed estimated and overstated costs, claimed unallowable activities, overstated the number of Suspected Child Abuse Reports cross-reported and investigated, overstated the number of Child Abuse Investigation Report Forms prepared and submitted to the California Department of Justice, and overstated the indirect cost rates and related indirect costs. The State made no payments to the city. The State will pay $292,512, contingent upon available appropriations. Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the city 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 city. 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. You may obtain IRC information on the Commission's website at 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

JIM L. SPANO, CPA
Chief, Division of Audits

JLS/as

cc: Jessica Brown, Director of Finance
City of Rialto
William Wilson, Captain
Administrative Support Services Bureau
Rialto Police Department
Jennifer Krutak, Crime Analyst
Crime Analysis Unit
Rialto Police Department
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
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

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Attachment—City's Response to Draft Audit Report

Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Rialto for the legislatively mandated Interagency Child Abuse and Neglect (ICAN) Investigation Reports Program for the period of July 1, 1999, through June 30, 2012.

The city claimed $996,998 for the mandated program. Our audit found that $292,512 is allowable ($294,204 less a $1,692 penalty for filing a late claim) and $704,486 is unallowable because the city claimed estimated and overstated costs, claimed unallowable activities, overstated the number of Suspected Child Abuse Reports (SCARs) cross-reported and investigated, overstated the number of Child Abuse Investigation Report Forms (SS 8583 forms) prepared and submitted to the California Department of Justice (DOJ), and overstated the indirect cost rates and related indirect costs. The State made no payments to the city. The State will pay $292,512, contingent upon available appropriations.

Background

Various statutory provisions; Title 11, *California Code of Regulations,* section 903; and the SS 8583 form require cities and counties to perform specific duties for reporting child abuse to the State, as well as record-keeping and notification activities that were not required by prior law, thus mandating a new program or higher level of service.

Penal Code (PC) sections 11165.9, 11166, 11166.2, 11166.9, 11168 (formerly 11161.7), 11169, 11170, and 11174.34 (formerly 11166.9) were added and/or amended by various legislation:

- Statutes of 1977, Chapter 958;
- Statutes of 1980, Chapter 1071;
- Statutes of 1981, Chapter 435;
- Statutes of 1982, Chapters 162 and 905;
- Statutes of 1984, Chapters 1423 and 1613;
- Statutes of 1985, Chapter 1598;
- Statutes of 1986, Chapters 1289 and 1496;
- Statutes of 1987, Chapters 82, 531, and 1459;
- Statutes of 1988, Chapters 269, 1497, and 1580;
- Statutes of 1989, Chapter 153;
- Statutes of 1990, Chapters 650, 1330, 1363, and 1603;
- Statutes of 1992, Chapters 163, 459, and 1338;
- Statutes of 1993, Chapters 219 and 510;
- Statutes of 1996, Chapters 1080 and 1081;
- Statutes of 1997, Chapters 842, 843, and 844;
- Statutes of 1999, Chapters 475 and 1012; and
- Statutes of 2000, Chapter 916.

The ICAN Investigation Reports Program addresses statutory amendments to California's mandatory child abuse reporting laws. A child abuse reporting law was first added to the Penal Code in 1963, and initially required medical professionals to report suspected child abuse to local law enforcement or child welfare authorities. The law was regularly expanded to include more professions required to report suspected child abuse (now termed "mandated reporters"), and in 1980, California reenacted and amended the law, entitling it the "Child Abuse and Neglect Reporting Act." As part of this program, the DOJ maintains the Child Abuse Centralized Index (CACI), which has tracked reports of child abuse statewide since 1965. A number of changes to the law have occurred, including a reenactment in 1980 and substantive amendments in 1997 and 2000.

The Act, as amended, provides for reporting of suspected child abuse or neglect by certain individuals, identified by their profession as having frequent contact with children. The Act provides rules and procedures for local agencies, including law enforcement, that receive such reports. The Act provides for cross-reporting among law enforcement and other child protective agencies, and to licensing agencies and District Attorney's (DA) offices. The Act requires reporting to the DOJ when a report of suspected child abuse is "not unfounded." The Act requires an active investigation before a report can be forwarded to the DOJ. As of January 1, 2012, the Act no longer requires law enforcement agencies to report to the DOJ, and now requires reporting only of "substantiated" reports by other agencies. The Act imposes additional cross-reporting and recordkeeping duties in the event of a child's death from abuse or neglect. The Act requires agencies and the DOJ to keep records of investigations for a minimum of 10 years, and to notify suspected child abusers that they have been listed in the CACI. The Act imposes certain due process protections owed to persons listed in the CACI, and provides certain other situations in which a person would be notified of his or her listing in the CACI.

On December 19, 2007, the Commission on State Mandates (Commission) adopted a statement of decision finding that the test claim statutes impose a partially reimbursable state-mandated program upon local agencies within the meaning of article XIII B, section 6 of the California Constitution and Government Code (GC) section 17514. The Commission approved the test claim for the reimbursable activities described in the program's parameters and guidelines, section IV, performed by city and county police or sheriff's departments, county welfare departments, county probation departments designated by the county to receive mandated reports, DAs' offices, and county licensing agencies. The Commission outlined reimbursable activities relating to the following categories:

- Distributing the SCAR form;
- Reporting between local departments;
- Reporting to the DOJ;
- Providing notifications following reports to the CACI;
- Retaining records; and
- Complying with due process procedures offered to persons listed in the CACI.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on December 6, 2013. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated ICAN Investigation Reports 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.

The audit period was July 1, 1999, through June 30, 2012.

To achieve our audit objective, we:

- Reviewed the annual mandated cost claims filed by the city for the audit period and identified the material cost components of each claim to determine whether there were any errors or any unusual or unexpected variances from year to year. Reviewed the activities claimed to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key city staff, and discussed the claim preparation process with city staff to determine what information was obtained, who obtained it, and how it was used;
- Interviewed city staff to determine which employee classifications were involved in performing the reimbursable activities;
- Interviewed city staff to determine allowable average time increments (ATIs) for specific reimbursable activities (see Findings 1, 2, and 3);
- Reviewed and analyzed the SCAR data compiled by the Rialto Police Department's subject matter expert to determine the total eligible number of SCARs cross-reported to Child Protective Services (CPS) and the DA's office for each fiscal year of the audit period that were allowable for reimbursement by excluding the SCARs that were other agency-generated and cases that were non-mandate-related. We calculated the number of law enforcement agency (LEA)-generated SCARs using data from fiscal year (FY) 2003-04, FY 2007-08, and FY 2010-11. We used these three fiscal years to calculate a weighted average percentage of LEA-generated SCARs. Consistent with the American Institute of Certified Public Accountants' (AICPA) Audit Sampling Guide, we projected the results by applying the weighted average percentage of 50.40% to the total number of mandate-related SCARs to determine the total allowable number of LEA-generated SCARs for all fiscal years (FY 1999-2000 through FY 2011-12) that were cross-reported to CPS and the DA's office (see Finding 1);
- Reviewed and analyzed the SCAR data compiled by the Rialto Police Department's subject matter expert to determine the eligible number of SCARs investigated that were allowable for reimbursement in each

fiscal year of the audit period, by excluding the SCARs that were LEA-generated and cases that were non-mandate-related. We calculated the number of other agency-generated SCARs using data from FY 2003-04, FY 2007-08, and FY 2010-11. We used these three fiscal years to calculate a weighted average percentage of other agency-generated SCARs. Consistent with the AICPA Audit Sampling Guide, we projected the results by applying weighted average percentages (24.00% for fully-investigated SCARs and 25.60% for partially-investigated SCARs) to the total number of mandate-related SCARs to determine the total allowable number of other agency-generated SCARs for all fiscal years in the audit period (see Finding 2);

- Reviewed and analyzed the SCAR data compiled by the Rialto Police Department's subject matter expert to determine the total eligible number of SS 8583 forms prepared and sent to the DOJ for each fiscal year of the audit period that were allowable for reimbursement, by excluding the SCAR cases that were determined to be unfounded, cases that were only partially investigated, and non-mandate-related cases. We calculated the number of LEA-generated and other agency-generated SCAR cases that were determined to be substantiated or inconclusive, in which a SS 8583 form was prepared and sent to the DOJ using data from FY 2003-04, FY 2007-08, and FY 2010-11. We used the data from these three years to calculate an average percentage of LEA-generated (79.37%) and other agency-generated (76.67%) SCARs that were determined to be substantiated or inconclusive. Consistent with the AICPA Audit Sampling Guide, we projected the results by applying these weighted average percentages to the total allowable number of LEA-generated and other agency-generated SCARs for FY 1999-00 through FY 2011-12 to determine the allowable number of LEA-generated and other agency-generated SS 8583 forms that were prepared and forwarded to the DOJ (see Finding 3);
- Traced productive hourly rate (PHR) calculations to supporting documentation for each classification claimed. For fiscal years in which the department did not claim costs, we calculated an allowable PHR using the supporting documentation that was provided;
- Reviewed and analyzed the benefit rates claimed for each fiscal year. We recomputed the benefit rates and verified that they were properly supported;
- Traced the indirect costs rates claimed to supporting documentation, and determined that the indirect cost rates were improperly computed for all fiscal years of the audit period excluding FY 1999-2000. We recomputed the claimed indirect cost rates, as the city had included salaries and benefits costs for 16 classifications that were not 100% indirect in its indirect cost rate proposals (ICRPs) (see Finding 4); and
- Verified that costs claimed were not funded by another source, based on discussions with the Rialto Police Department's Finance Director.

GC sections 12410, 17558.5, and 17561 provide the legal authority to conduct this audit. 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 limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the city'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 found that the city did not claim costs that were funded by another source; however, it did claim unsupported and ineligible costs as quantified in the accompanying Schedule and described in the Findings and Recommendations section of this report.

For the audit period, the City of Rialto claimed $996,998 for costs of the legislatively mandated ICAN Investigation Reports Program. Our audit found that $292,512 is allowable ($294,204 less a $1,692 penalty for filing a late claim) and $704,486 is unallowable. The State made no payments to the city. The State will pay $292,512, contingent upon available appropriations.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the city 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

We have not previously conducted an audit of the city's legislatively mandated ICAN Investigation Reports Program.

Views of Responsible Officials

We issued a draft audit report on January 22, 2019. Jessica Brown, Director of Finance, responded by letter dated February 4, 2019 (Attachment), disagreeing with the audit results. This final audit report includes the city's response.

Restricted Use

This audit report is solely for the information and use of the City of Rialto, 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.

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

March 5, 2019

Schedule—
Summary of Program Costs
July 1, 1999, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
July 1, 1999, through June 30, 2000				
Direct costs – salaries and benefits:				
Policies and procedures	$ 365	$ 365	$ -	
Training	631	631	-	
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	2,992	932	(2,060)	Finding 1
Reporting to DOJ				
Complete an investigation	22,749	7,638	(15,111)	Finding 2
Prepare and submit reports to DOJ	11,747	2,257	(9,490)	Finding 3
Total direct costs	38,484	11,823	(26,661)	
Indirect costs	16,591	5,098	(11,493)	Finding 4
Subtotal	55,075	16,921	(38,154)	
Less late filing penalty[2]	-	(1,692)	(1,692)	
Total program costs	$ 55,075	15,229	$ (39,846)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 15,229		
July 1, 2000, through June 30, 2001				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 3,088	$ 958	$ (2,130)	Finding 1
Reporting to DOJ				
Complete an investigation	23,480	7,949	(15,531)	Finding 2
Prepare and submit reports to DOJ	12,157	2,314	(9,843)	Finding 3
Total direct costs	38,725	11,221	(27,504)	
Indirect costs	18,892	5,151	(13,741)	Finding 4
Total program costs	$ 57,617	16,372	$ (41,245)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 16,372		
July 1, 2001, through June 30, 2002				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 3,275	$ 1,021	$ (2,254)	Finding 1
Reporting to DOJ				
Complete an investigation	25,241	8,596	(16,645)	Finding 2
Prepare and submit reports to DOJ	12,975	2,481	(10,494)	Finding 3
Total direct costs	41,491	12,098	(29,393)	
Indirect costs	21,512	5,953	(15,559)	Finding 4
Total program costs	$ 63,003	18,051	$ (44,952)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 18,051		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
July 1, 2002, through June 30, 2003				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 2,658	$ 836	$ (1,822)	Finding 1
Reporting to DOJ				
Complete an investigation	20,875	6,934	(13,941)	Finding 2
Prepare and submit reports to DOJ	10,169	2,018	(8,151)	Finding 3
Total direct costs	33,702	9,788	(23,914)	
Indirect costs	17,241	4,623	(12,618)	Finding 4
Total program costs	$ 50,943	14,411	$ (36,532)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 14,411		
July 1, 2003, through June 30, 2004				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 4,033	$ 1,283	$ (2,750)	Finding 1
Reporting to DOJ				
Complete an investigation	30,214	10,339	(19,875)	Finding 2
Prepare and submit reports to DOJ	16,110	3,070	(13,040)	Finding 3
Total direct costs	50,357	14,692	(35,665)	
Indirect costs	29,165	7,937	(21,228)	Finding 4
Total program costs	$ 79,522	22,629	$ (56,893)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 22,629		
July 1, 2004, through June 30, 2005				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 5,053	$ 1,607	$ (3,446)	Finding 1
Reporting to DOJ				
Complete an investigation	38,090	12,914	(25,176)	Finding 2
Prepare and submit reports to DOJ	20,274	3,841	(16,433)	Finding 3
Total direct costs	63,417	18,362	(45,055)	
Indirect costs	34,240	9,304	(24,936)	Finding 4
Total program costs	$ 97,657	27,666	$ (69,991)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 27,666		
July 1, 2005, through June 30, 2006				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 4,890	$ 1,537	$ (3,353)	Finding 1
Reporting to DOJ				
Complete an investigation	37,131	12,553	(24,578)	Finding 2
Prepare and submit reports to DOJ	19,367	3,703	(15,664)	Finding 3
Total direct costs	61,388	17,793	(43,595)	
Indirect costs	36,417	10,160	(26,257)	Finding 4
Total program costs	$ 97,805	27,953	$ (69,852)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 27,953		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
July 1, 2006, through June 30, 2007				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 4,581	$ 1,419	$ (3,162)	Finding 1
Reporting to DOJ				
Complete an investigation	33,845	11,531	(22,314)	Finding 2
Prepare and submit reports to DOJ	18,121	3,391	(14,730)	Finding 3
Total direct costs	56,547	16,341	(40,206)	
Indirect costs	32,649	8,903	(23,746)	Finding 4
Total program costs	$ 89,196	25,244	$ (63,952)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 25,244		
July 1, 2007, through June 30, 2008				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 2,941	$ 919	$ (2,022)	Finding 1
Reporting to DOJ				
Complete an investigation	21,870	7,473	(14,397)	Finding 2
Prepare and submit reports to DOJ	11,687	2,199	(9,488)	Finding 3
Total direct costs	36,498	10,591	(25,907)	
Indirect costs	24,515	6,362	(18,153)	Finding 4
Total program costs	$ 61,013	16,953	$ (44,060)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 16,953		
July 1, 2008, through June 30, 2009				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 4,386	$ 1,334	$ (3,052)	Finding 1
Reporting to DOJ				
Complete an investigation	32,434	11,112	(21,322)	Finding 2
Prepare and submit reports to DOJ	17,361	3,229	(14,132)	Finding 3
Total direct costs	54,181	15,675	(38,506)	
Indirect costs	39,790	9,526	(30,264)	Finding 4
Total program costs	$ 93,971	25,201	$ (68,770)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 25,201		
July 1, 2009, through June 30, 2010				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 4,002	$ 1,192	$ (2,810)	Finding 1
Reporting to DOJ				
Complete an investigation	29,516	10,024	(19,492)	Finding 2
Prepare and submit reports to DOJ	15,811	2,912	(12,899)	Finding 3
Total direct costs	49,329	14,128	(35,201)	
Indirect costs	35,319	8,971	(26,348)	Finding 4
Total program costs	$ 84,648	23,099	$ (61,549)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 23,099		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference[1]
July 1, 2010, through June 30, 2011				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 4,884	$ 1,437	$ (3,447)	Finding 1
Reporting to DOJ				
Complete an investigation	34,942	11,987	(22,955)	Finding 2
Prepare and submit reports to DOJ	18,888	3,476	(15,412)	Finding 3
Total direct costs	58,714	16,900	(41,814)	
Indirect costs	44,258	11,366	(32,892)	Finding 4
Total program costs	$ 102,972	28,266	$ (74,706)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 28,266		
July 1, 2011, through June 30, 2012				
Direct costs – salaries and benefits:				
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	$ 5,483	$ 1,645	$ (3,838)	Finding 1
Reporting to DOJ				
Complete an investigation	20,594	13,733	(6,861)	Finding 2
Prepare and submit reports to DOJ	11,052	3,984	(7,068)	Finding 3
Total direct costs	37,129	19,362	(17,767)	
Indirect costs	26,447	12,076	(14,371)	Finding 4
Total program costs	$ 63,576	31,438	$ (32,138)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 31,438		
Summary: July 1, 1999, through June 30, 2012				
Direct costs – salaries and benefits:				
Policies and procedures	$ 365	$ 365	-	
Training	631	631		
Reporting between local departments				
Cross-reporting to county welfare and DA's Office	52,266	16,120	(36,146)	Finding 1
Reporting to DOJ				
Complete an investigation	370,981	132,783	(238,198)	Finding 2
Prepare and submit reports to DOJ	195,719	38,875	(156,844)	Finding 3
Total direct costs	619,962	188,774	(431,188)	
Indirect costs	377,036	105,430	(271,606)	Finding 4
Subtotal	996,998	294,204	(702,794)	
Less late filing penalty[2]	-	(1,692)	(1,692)	
Total program costs	$ 996,998	292,512	$ (704,486)	
Less amount paid by the State[3]		-		
Allowable costs claimed in excess of amount paid		$ 292,512		

[1] See the Findings and Recommendations section.

[2] The city filed its FY 1999-2000 initial reimbursement claim after the due date specified in GC section 17560. Pursuant to GC section 17561, subdivision (d)(3), the state assessed a late filing penalty equal to 10% of allowable costs, with no maximum penalty amount (for claims filed on or after September 30, 2002).

[3] Payment amount current as of December 12, 2018.

Findings and Recommendations

FINDING 1— Unallowable salaries and benefits – Cross-reporting from Law Enforcement to the County Welfare and District Attorney's Office cost component

The city claimed $52,266 in salaries and benefits for the Cross-reporting to County Welfare and DA's Office cost component during the audit period. During testing, we found that $16,120 is allowable and $36,146 is unallowable. Costs claimed are unallowable because the city misinterpreted the program's parameters and guidelines. As a result, the city overstated the number of SCARs that it cross-reported, and estimated and overstated the number of hours performing the mandated activity.

The following table summarizes the claimed, allowable, and adjusted salaries and benefits costs for the Cross-reporting cost component for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
1999-2000	$ 2,992	$ 932	$ (2,060)
2000-01	3,088	958	(2,130)
2001-02	3,275	1,021	(2,254)
2002-03	2,658	836	(1,822)
2003-04	4,033	1,283	(2,750)
2004-05	5,053	1,607	(3,446)
2005-06	4,890	1,537	(3,353)
2006-07	4,581	1,419	(3,162)
2007-08	2,941	919	(2,022)
2008-09	4,386	1,334	(3,052)
2009-10	4,002	1,192	(2,810)
2010-11	4,884	1,437	(3,447)
2011-12	5,483	1,645	(3,838)
Total	$ 52,266	$ 16,120	$ (36,146)

Number of SCARs Cross-reported

Claimed

For the audit period, the city claimed the SCAR case count totals in the city's SCAR summary document. The SCAR summary document identifies the total number of SCAR cases that the city worked on during each fiscal year of the audit period. For FY 1999-2000 through FY 2001-02, the number of SCAR cases identified on the SCAR summary document was based on estimates.

From FY 1999-2000 to FY 2001-02, the city was transitioning to new dispatch and records management systems that did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying both the Computer Aided Dispatch (CAD) System and the Records Management System (RMS). The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components.

Allowable

Our audit found that the SCAR case count totals in the SCAR summary document were inaccurate counts to use for this cost component. The SCAR summary document included SCARs generated by other agencies and cross-reported to the Rialto Police Department, without identifying which SCARs were other agency-generated versus generated by the Rialto Police Department. We also found that the SCAR summary document included non-mandate-related cases.

The city did not maintain copies of the SCARs that were initiated by the Rialto Police Department and cross-reported to CPS and the DA's office. In addition, during the course of the audit, the city was unable to access historical electronic records for an extended period of time due to a system upgrade. Consequently, we requested and the city was able to provide detailed SCAR case listings for FY 2003-04, FY 2007-08, and FY 2010-11. We worked with the city to devise a reasonable methodology for approximating the number of other agency-generated SCARs and non-mandate-related cases for each fiscal year to exclude from the total population. We calculated a weighted average based on the results of our testing.

For testing purposes, we judgmentally selected a non-statistical sample from the SCAR case listings by selecting every fourth case until a sample size of 20% was attained, totaling 151 SCAR cases (66 out of 328 in FY 2003-04, 37 out of 186 in FY 2007-08, and 48 out of 242 in FY 2010-11) out of 756 to review. Based on our review of the FY 2003-04 SCAR cases, we found that of the 66 cases sampled, 13 were non-mandate and 53 were mandate-related; of the 53 mandate-related SCAR cases, 27 were LEA-generated and 26 were other agency-generated. For FY 2007-08, we found that of the 37 cases sampled, five were non-mandate and 32 were mandate-related; of the 32 mandate-related SCAR cases, 14 were LEA-generated and 18 were other agency-generated. For FY 2010-11, we found that of the 48 cases sampled, eight were non-mandate and 40 were mandate-related; of the 40 mandate-related SCAR cases, 22 were LEA-generated and 18 were other agency-generated.

We calculated weighted averages using the total number of LEA-generated SCAR cases. The weighted average of LEA-generated SCAR cases for these fiscal years was 50.40%. The weighted average of non-mandate-related cases for these fiscal years was 17.22%. We applied the weighted average percentage of 17.22% (non-mandate-related SCAR cases) to the total number of SCAR cases claimed by fiscal year to calculate the total number of non-mandate-related SCAR cases. We subtracted the total number of non-mandate-related SCARs from the total number of SCARs claimed to calculate the number of mandate-related SCAR cases by fiscal year. We applied the weighted average percentage of 50.40% (LEA-generated SCAR cases) to the number of mandate-related SCAR cases to calculate the total number of LEA-generated SCAR cases that were mandate-related. These calculations allowed us to determine the total allowable number of LEA-generated SCAR cases that were cross-reported from the Rialto Police Department to CPS and the DA's office.

After performing these calculations, we determined that 1,416 SCAR cases (out of 3,396 total SCAR cases) were LEA-generated during the audit period. Therefore, the allowable number of SCARs cross-reported for the audit period totals 1,416.

The following table summarizes the total claimed, non-mandate and mandate-related cases; the percent of LEA-generated SCARs and the allowable number of LEA-generated SCARs cross-reported; and the audit adjustment per fiscal year:

Fiscal Year	Claimed Number of SCARs Cross-reported (a)	Non-mandate-related Cases 17.22% (b) = (a) * 17.22%	Mandate-related Cases (c) = (a) - (b)	Percent of LEA-generated SCARs (d)	Allowable Number of LEA-generated SCARs Cross-reported (e) = (c) * (d)	Audit Adjustment (f) = (e) - (a)
1999-2000	249	43	206	50.40%	104	(145)
2000-01	257	44	213	50.40%	107	(150)
2001-02	265	46	219	50.40%	110	(155)
2002-03	224	39	185	50.40%	93	(131)
2003-04	326	56	270	50.40%	136	(190)
2004-05	319	55	264	50.40%	133	(186)
2005-06	314	54	260	50.40%	131	(183)
2006-07	293	50	243	50.40%	122	(171)
2007-08	186	32	154	50.40%	78	(108)
2008-09	256	44	212	50.40%	107	(149)
2009-10	223	38	185	50.40%	93	(130)
2010-11	242	42	200	50.40%	101	(141)
2011-12	242	42	200	50.40%	101	(141)
Total	3,396	585	2,811		1,416	(1,980)

Time Increments

Claimed

The city did not have actual time records to support the time increments claimed. For the audit period, the city estimated that it took a Police Officer classification 10 minutes (0.17 hours) to call CPS and cross-report each occurrence of suspected child abuse or severe neglect, and it took a Sergeant classification six minutes (0.10 hours) to review each written report before sending it to CPS and the DA's office. Reviewing written reports before sending them to CPS and the DA's office is not a mandate-related activity. Therefore, costs claimed for the Sergeant to review written reports before sending them to CPS and the DA's office are unallowable.

Allowable

Based on interviews conducted with Police Department staff, we found the estimated time for a Police Officer classification to call CPS and cross-report each occurrence of suspected child abuse or severe neglect is 10 minutes (0.17 hours). However, during our audit, the city requested that we re-evaluate the classifications claimed for the cross-reporting activity. The city requested that we include the Police Record Assistant I/II classification in the cross-reporting activity. The city explained that the

Police Record Assistant I/II is responsible for sending the written reports to CPS and the DA's office. We conducted interviews with a Police Records Supervisor and a Police Records Assistant II from the Rialto Police Department. They explained that it took a Police Records Assistant I/II classification, on average, six minutes to mail/fax/email written reports to CPS and the DA's office. We determined that the time increment of six minutes to mail/fax/email written reports to CPS and the DA's office is allowable.

Hours Adjustment

The following table summarizes the claimed, allowable, and adjusted hours based on the adjustments made to the number of LEA-generated SCARs cross-reported and to ATIs for the audit period:

Fiscal Year	Hours Claimed (a)	Hours Allowable (b)	Audit Adjustment (c) = (b) - (a)
1999-2000	66.40	28.08	(38.32)
2000-01	68.53	28.89	(39.64)
2001-02	70.67	29.70	(40.97)
2002-03	59.73	25.11	(34.62)
2003-04	86.93	36.72	(50.21)
2004-05	85.07	35.91	(49.16)
2005-06	83.73	35.37	(48.36)
2006-07	78.13	32.94	(45.19)
2007-08	49.60	21.06	(28.54)
2008-09	68.27	28.89	(39.38)
2009-10	59.47	25.11	(34.36)
2010-11	64.53	27.27	(37.26)
2011-12	64.53	27.27	(37.26)
Total	905.59	382.32	(523.27)

Criteria

The parameters and guidelines (section IV – Reimbursable Activities) require claimed costs to be supported by source documents. The parameters and guidelines state, 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. 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.

The parameters and guidelines (section IV-B.2.c) allow ongoing activities related to costs for reporting between local departments, as follows:

> Cross-Reporting of Suspected Child Abuse or Neglect from the Law Enforcement Agency to the County Welfare and Institutions Code Section 300 Agency, County Welfare, and the District Attorney's Office:
>
> City and county police or sheriff's departments shall:
>
> 1) Report by telephone immediately, or as soon as practically possible, to the agency given responsibility for investigation of cases under Welfare and Institutions Code section 300 and to the district attorney's office every known or suspected instance of child abuse reported to it, except acts or omissions coming within Penal Code section 11165.2(b), which shall be reported only to the county welfare department (Penal Code section 11166(i) (As added by Stats. 1980, ch. 1071; amended by Stats. 1981, ch. 435; Stats. 1982, ch. 905; Stats. 1984, ch. 1423; Stats. 1986, ch. 1289; Stats. 1987, ch. 1459; Stats. 1988, chs. 269 and 1580; Stats. 1990, ch. 1603; Stats. 1992, ch. 459; Stats. 1993, ch. 510; Stats. 1996, chs. 1080 and 1081; and Stats. 2000, ch. 916 (AB 1241)). Renumbered at subdivision (j) by Statutes 2004, chapter 842 (SB 1313), and renumbered again at subdivision (k) by Statutes 2005, chapter 42 (AB 299)).
>
> 2) Report to the county welfare department every known or suspected instance of child abuse reported to it which is alleged to have occurred as a result of the action of a person responsible for the child's welfare, or as the result of the failure of a person responsible for the child's welfare to adequately protect the minor from abuse when the person responsible for the child's welfare knew or reasonably should have known that the minor was in danger of abuse.
>
> 3) Send a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it is required to make a telephone report under Penal Code section 11166.
>
> As of January 1, 2006, initial reports may be made by fax or electronic transmission, instead of by telephone, and will satisfy the requirement for a written report within 36 hours (Ibid).

The parameters and guidelines (section V.A.1. – Claim Preparation and Submission – Actual Costs Claims, Direct Cost Reporting) state, in part:

> 1. Salaries and Benefits
>
> Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

Recommendation

The ICAN Investigation Reports Program was suspended from FY 2015-16 through FY 2017-18. If the program becomes active again, we recommend that the city follow the mandated program claiming

instructions and the parameters and guidelines to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

FINDING 1 – UNALLOWABLE SALARIES AND BENEFITS – CROSS-REPORTING FROM LAW ENFORCEMENT TO THE COUNTY WELFARE AND DISTRICT ATTORNEY'S OFFICE COST COMPONENT

On January 8, 2019, during the audit exit conference call, Captain William Wilson of the City of Rialto Police Department mentioned concerns he had regarding references and misstatements made [in] the Draft Audit Report referencing systems used to query the data examined for this audit as well as the city's document availability. SCO Audit Manager Lisa Kearney advised the City of Rialto to submit language that best reflects the systems and available data when responding to the SCO's official draft report so that it can be corrected and incorporated into the final report issued by the SCO.

The following are city's proposed corrections for Finding 1:

CITY'S PROPOSED CHANGE TO PAGE 11, SECOND PARAGRAPH, UNDER "CLAIMED" SUBHEADER (changes reflect the system names queried for this audit; changes from SCO original language are in **bold** for ease of identification):

"From FY 1999-2000 to FY 2001-02, the city was transitioning to **new dispatch and records management systems,** which did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying **both the Computer Aided Dispatch (CAD) System and the Records Management System (RMS)**. The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components."

CITY'S PROPSED CHANGE TO PAGE 12, SECOND PARAGRAPH, UNDER "ALLOWABLE" SUB-HEADER

"In April 2017, the city was asked to begin providing SCAR case listings for us to randomly select for review. Due to a system upgrade preventing the city from accessing these historical electronic records, the audit was set back nearly five months before records could be fully accessed and submitted to us by the city. In the interest of time and to remain on track with audit deadlines, we selected FY 2003-04, FY 2007-08, and FY 2010-11 to serve as a representative sample of the audit period. The city was able to provide detailed SCAR case listings for each of these three fiscal years. We worked with the city to devise a reasonable methodology for approximating the number of other agency-generated SCARs and non-mandate-related cases for each fiscal year to exclude from the total population. Both parties agreed that we would calculate a weighted average based on the results of our testing as there was insufficient time and staffing to obtain detailed SCAR case listings for the remaining years."

CITY'S PROPOSED CHANGE TO POSITION TITLE, PAGE 14, FIRST PARTIAL PARAGRAPH – Change "Police Records

Supervisor II" to "Police Records Supervisor"
The following are city's objections to Finding 1:

CITY'S OPPOSITION TO FINDING 1 – SERGEANT'S REVIEW TIME UNALLOWABLE

The City claimed time for the Sergeant to review written reports that are cross-reported to the County Welfare (hereinafter "CPS") and the District Attorney's Office (hereinafter "DA"). According to the draft report, "reviewing written reports before sending them to CPS and the DA's office is not a mandate-related activity. Therefore, costs claimed for the Sergeant to review written reports before sending them to CPS and the DA's office are unallowable."

The City disagrees with this finding as reviewing a written report is:

1) **Eligible** – Parameters and Guidelines, Section IV.B.3.a.1, allows for "… this activity includes review of the initial Suspected Child Abuse Report (Form 8572) … and making a report of the findings of those interviews, which may be reviewed by a supervisor."

   It is clear from the language of the Parameters and Guidelines that the Commission found report review a reasonably necessary activity and intended to allow for the reimbursement of supervisor review time for written reports. Further, nowhere in the Parameters and Guidelines, nor the Statement of Decision, does it specify what type of document is eligible or ineligible for supervisory review.

2) **Reasonably Necessary** – Pursuant to Government Code Section 17557(a) and Section 1183.7(d) of the Commission's regulations, a reasonably necessary activity is defined as, "…those activities necessary to comply with the statutes, regulations and other executive orders found to impose a state mandated program."

It is the City's position, that any written document that is required to be cross-reported as a part of the child abuse investigation to CPS or the DA satisfies a mandated activity under Section IV.B.3.a.1 and therefore, should be allowed for reimbursement of claimed costs for sergeant's review/approval of any written report for such investigations.

CITY'S OPPOSITION TO FINDING 1 – ALLOWABLE TIME INCREMENT TO SEND REPORT

On November 21, 2018, the SCO conducted interviews with police records staff to inquire on the clerical steps a Police Records Assistant I/II takes to process a written report for the purpose of sending to CPS and the DA. Employees interviewed identified the following key steps:

1) Pull and process electronic report written by officer

2) Prepare copies of report (per officer instructions) – includes watermarking documents for confidentiality purposes per California Penal Code 11142-43 prior to release

3) Release documents via fax/email/mail

Discussions immediately following the interviews between the City of Rialto and the SCO yielded an agreed average of six minutes per

activity (steps 1-3 listed above) for a total of 18 minutes to process a written report to send to CPS and the DA. During subsequent conversations, the SCO reduced the total amount of time to six minutes stating that only step three involved the activity of physically sending the report, and therefore, steps one and two did not apply. The SCO has stated during discussions with the City that the "plain language" of the Parameters and Guidelines, Section IV.B.2.c.3, says "send a written report within 36 hours of receiving the information concerning the incident to any agency to which it is required to make a telephone report under Penal Code Section 11166" strictly limits reimbursement to sending the report (the physical activity of transmitting the document).

The City disagrees with this interpretation and contends that:

1) **Steps one and two are <u>necessary</u> in order to complete step three** – the physical act of sending a report cannot be completed without first pulling it over via the electronic system and processing the document(s) that will be faxed/emailed/mailed (to include scanning, if applicable, prior to emailing)

2) **Reasonably Necessary** – Pursuant to Government Code Section 17557(a) and Section 1183.7(d) of the Commission's regulations, a reasonably necessary activity is defined as, "… those activities necessary to comply with the statutes, regulations and other executive orders found to impose a state mandated program."

3) **Actual Costs to Completed Mandated Activity –** Page 3 of the Parameters and Guidelines states, "Actual costs are those costs actually incurred to implement the mandated activities." Steps one and two (aforementioned paragraph) are actual costs incurred to complete step three, the physical act of sending the written report.

Therefore, it is the City's position that all three steps are inclusive of the process to send a written report to CPS and the DA. Accordingly, the SCO should allow costs for this activity at 18 minutes for Police Records Assistant I/II.

<u>SCO Comment</u>

The audit adjustment and the recommendation for the Cross-reporting cost component remain unchanged.

We will address the city's response in the same order that it was presented.

The fourth paragraph on page 11 of this audit report has been revised per the city's request.

The second paragraph on page 12 of this audit report has been revised to reflect minor edits requested by the city.

The position title of "Police Records Supervisor II," cited in the draft audit report, has been amended to "Police Records Supervisor" in the first partial paragraph on page 14 of this audit report, per the city's request.

The parameters and guidelines (section IV-B.2.c) allow ongoing activities related to costs for reporting between local departments, as follows:

> Cross-Reporting of Suspected Child Abuse or Neglect from the Law Enforcement Agency to the County Welfare and Institutions Code Section 300 Agency, County Welfare, and the District Attorney's Office:
>
> City and county police or sheriff's departments shall:
>
> 1) Report by telephone immediately, or as soon as practically possible, to the agency given responsibility for investigation of cases under Welfare and Institutions Code section 300 and to the district attorney's office every known or suspected instance of child abuse reported to it, except acts or omissions coming within Penal Code section 11165.2(b), which shall be reported only to the county welfare department (Penal Code section 11166(i) (As added by Stats. 1980, ch. 1071; amended by Stats. 1981, ch. 435; Stats. 1982, ch. 905; Stats. 1984, ch. 1423; Stats. 1986, ch. 1289; Stats. 1987, ch. 1459; Stats. 1988, chs. 269 and 1580; Stats. 1990, ch. 1603; Stats. 1992, ch. 459; Stats. 1993, ch. 510; Stats. 1996, chs. 1080 and 1081; and Stats. 2000, ch. 916 (AB 1241)). Renumbered at subdivision (j) by Statutes 2004, chapter 842 (SB 1313), and renumbered again at subdivision (k) by Statutes 2005, chapter 42 (AB 299)).
> 2) Report to the county welfare department every known or suspected instance of child abuse reported to it which is alleged to have occurred as a result of the action of a person responsible for the child's welfare, or as the result of the failure of a person responsible for the child's welfare to adequately protect the minor from abuse when the person responsible for the child's welfare knew or reasonably should have known that the minor was in danger of abuse.
> 3) Send a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it is required to make a telephone report under Penal Code section 11166.
>
> As of January 1, 2006, initial reports may be made by fax or electronic transmission, instead of by telephone, and will satisfy the requirement for a written report within 36 hours (Ibid).

The city disagrees with the SCO's interpretation that the time it took a Sergeant classification six minutes (0.10 hours) to review/approve each written report before sending it to CPS and the DA's office is not a mandate-related activity. The city contends that any written document that is required to be cross-reported as part of the child abuse investigation to CPS or the DA's office is a mandated activity under section IV.B.3.a.1 and should be allowed for reimbursement. Section IV.B.3.a.1 of the parameters and guidelines is applicable to the Reporting to the State DOJ: Complete an Investigation cost component and is irrelevant to the Cross-reporting cost component. The reimbursable activities for the Cross-reporting cost component identified in the parameters and guidelines are noted above (1 through 3). The six minutes (0.10 hours) claimed for a Sergeant classification to review and approve each written report before it is sent to CPS and the DA's office are ineligible activities within the Cross-reporting cost component. As a result, the costs claimed for time spent by a Sergeant classification to review and approve each written report before it is sent to CPS and the DA's office is out of scope of the reimbursable activities, and is unallowable for reimbursement under this cost component.

The city also disagrees with the SCO's interpretation that the time it took a Police Records Assistant I/II classification to process a written report for purposes of sending it to CPS and the DA's office—totaling six minutes (0.10 hours) for pulling down and processing the electronic report written by an officer and six minutes (0.10 hours) for preparing copies of the written report (per officer instructions), which includes watermarking the documents for confidentiality purposes per PC section 11142-43 prior to release—are not mandate-related activities. The city contends that these time increments should be allowed. The reimbursable activities for the Cross-reporting cost component identified in the parameters and guidelines are noted above (1 through 3). The steps to pull down and process the electronic report, and to prepare copies, are ineligible activities within the Cross-reporting cost component. Therefore, they are out of scope of the reimbursable activities. Additionally, the city did not claim costs for these activities or time associated with performing these activities during the audit period. As a result, there is no impact on the costs claimed, and, therefore there is nothing to "restore."

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

FINDING 2— Unallowable salaries and benefits – Reporting to the State Department of Justice: Complete an Investigation for Purposes of Preparing the SS 8583 Report Form cost component

The city claimed $370,981 in salaries and benefits for the Complete an Investigation for Purposes of Preparing the SS 8583 Report Form cost component during the audit period. During testing, we found that $132,783 is allowable and $238,198 is unallowable. Costs claimed are unallowable because the city misinterpreted the program's parameters and guidelines. As a result, the city estimated and overstated the number of hours spent performing the mandated activity, and neglected to base costs on the actual number of eligible SCARs investigated.

The following table summarizes the claimed, allowable, and adjusted salaries and benefits costs related to the Complete an Investigation for Purposes of Preparing the SS 8583 Report Form cost component for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
1999-2000	$ 22,749	$ 7,638	$ (15,111)
2000-01	23,480	7,949	(15,531)
2001-02	25,241	8,596	(16,645)
2002-03	20,875	6,934	(13,941)
2003-04	30,214	10,339	(19,875)
2004-05	38,090	12,914	(25,176)
2005-06	37,131	12,553	(24,578)
2006-07	33,845	11,531	(22,314)
2007-08	21,870	7,473	(14,397)
2008-09	32,434	11,112	(21,322)
2009-10	29,516	10,024	(19,492)
2010-11	34,942	11,987	(22,955)
2011-12	20,594	13,733	(6,861)
Total	$ 370,981	$ 132,783	$ (238,198)

Number of SCARs

Claimed

For the audit period, the city claimed the SCAR case count totals in the city's SCAR summary document. The SCAR summary document identifies the total number of SCAR cases that the city worked on during each fiscal year of the audit period. For FY 1999-2000 through FY 2001-02, the number of SCARs identified in the SCAR summary document was based on estimates.

From FY 1999-2000 to FY 2001-02, the city was transitioning to new dispatch and records management systems that did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying both the CAD System and the RMS. The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components.

Allowable

This component provides reimbursement for costs associated with completing an initial investigation of SCARs for the purposes of preparing and submitting the SS 8583 report form to the DOJ. Reimbursable activities are limited to reviewing the SCAR, conducting initial interviews, and writing a report of the interviews, which may be reviewed by a supervisor.

Our audit found that the SCAR case count totals in the SCAR summary document were inaccurate counts to use for this cost component. The SCAR summary document included LEA-generated SCARs investigated by the Rialto Police Department, without identifying which SCARs were LEA-generated versus other agency-generated. We also found that the SCAR summary document included non-mandate-related cases.

The city did not maintain copies of the SCARs that were initiated by the Rialto Police Department and cross-reported to CPS and the DA's office or copies of SCARs that were cross-reported by other mandated reporters to the Rialto Police Department. In addition, during the course of the audit, the city was unable to access historical electronic records for an extended period of time due to a system upgrade. There was a lack of time and staffing to search the master case files (electronic and paper) for each record to retrieve a copy of the SS 8583 Report Form. Consequently, we requested and the city was able to provide detailed SCAR case listings for FY 2003-04, FY 2007-08, and FY 2010-11. We worked with the city to devise a reasonable methodology for approximating the number of LEA-generated SCARs and non-mandate-related cases for each fiscal year to exclude from the total population. We calculated a weighted average based on the results of our testing.

For testing purposes, we judgmentally selected a non-statistical sample from the SCAR case listings by selecting every fourth case until a sample size of 20% was attained, totaling 151 SCAR cases (66 out of 328 in

FY 2003-04, 37 out of 186 in FY 2007-08, and 48 out of 242 in FY 2010-11) out of 756 to review. Based on our review of the FY 2003-04 SCAR cases, we found that of the 66 cases sampled, 13 were non-mandate-related and 53 were mandate-related; of the 53 mandate-related SCAR cases, 27 were LEA-generated, 12 were other agency-generated SCARs that were fully investigated, and 14 were other agency-generated SCARs that were only partially investigated. For FY 2007-08, we found that out of the 37 cases sampled, five were non-mandate-related and 32 were mandate-related; of the 32 mandate-related SCAR cases, 14 were LEA-generated, 14 were other agency-generated that were fully investigated, and four were other agency-generated SCARs that were only partially investigated. For FY 2010-11, we found that of the 48 cases sampled, eight were non-mandate-related and 40 were mandate-related; of the 40 mandate-related SCAR cases, 22 were LEA-generated, four were other agency-generated SCARs that were fully investigated, and 14 were other agency-generated SCARs that were only partially investigated.

Number of SCARS – Fully Investigated

We calculated a weighted average using the number of other agency-generated SCAR cases that were investigated, totaling 30 (12 for FY 2003-04, 14 for FY 2007-08, and four for FY 2010-11). We divided this amount by the number of mandate-related SCAR cases, totaling 125 (53 for FY 2003-04, 32 for FY 2007-08, and 40 for FY 2010-11). The weighted average for other agency-generated SCAR cases that were investigated during these fiscal years was 24.00%. The weighted average for non-mandate-related cases was 17.22%. We applied the weighted average percentage of 17.22% (non-mandate-related cases) to the number of SCAR cases claimed by fiscal year to calculate the total number of non-mandate-related SCAR cases. We subtracted the total number of non-mandate-related SCARs from the total number of SCARs claimed to calculate the number of mandate-related SCAR cases by fiscal year. We applied the weighted average percentage of 24.00% (other agency-generated SCAR cases that were fully investigated) to the total number of mandate-related SCAR cases by fiscal year to calculate the number of other agency-generated, mandate-related SCAR cases that were fully investigated. These calculations allowed us to determine the total allowable number of other agency-generated SCAR cases that were fully investigated by the Rialto Police Department.

After performing these calculations, we determined that 673 other agency-generated SCAR cases (out of 3,396 total SCAR cases) were fully investigated during the audit period. Therefore, the allowable number of other agency-generated SCARs investigated for the audit period totals 673.

The following table summarizes the total claimed, non-mandate and mandate-related cases; the percent of other agency-generated SCARs that were fully investigated and the allowable number of other agency-generated SCARs that were fully investigated; and the audit adjustment per fiscal year:

Fiscal Year	Claimed Number of SCARs Investigated (a)	Non-mandate-related Cases 17.22% (b) = (a) * 17.22%	Mandate-related Cases (c) = (a) - (b)	Percent of Other Agency-generated SCARS Fully Investigated (d)	Allowable Number of Other Agency-generated SCARs Fully Investigated (e) = (c) * (d)	Audit Adjustment (f) = (e) - (a)
1999-2000	249	43	206	24.00%	49	(200)
2000-01	257	44	213	24.00%	51	(206)
2001-02	265	46	219	24.00%	53	(212)
2002-03	224	39	185	24.00%	44	(180)
2003-04	326	56	270	24.00%	65	(261)
2004-05	319	55	264	24.00%	63	(256)
2005-06	314	54	260	24.00%	62	(252)
2006-07	293	50	243	24.00%	58	(235)
2007-08	186	32	154	24.00%	37	(149)
2008-09	256	44	212	24.00%	51	(205)
2009-10	223	38	185	24.00%	44	(179)
2010-11	242	42	200	24.00%	48	(194)
2011-12	242	42	200	24.00%	48	(194)
Total	3,396	585	2,811		673	(2,723)

Number of SCARs – Partially Investigated

Based on follow-up discussions with Police Department staff, we determined that for some of the SCAR cases where a full initial investigation was not performed, preliminary investigative activities did occur. The city suggested re-evaluating cases that were determined to be unallowable; we agreed to the city's suggestion. Based on supplemental case note information provided by the city, as well as discussions with Police Department staff, we determined that some of the cases that were originally determined to be unallowable should in fact be eligible for time spent conducting a partial initial investigation, to review the referral.

We calculated a weighted average using the total number of other agency-generated SCAR cases that were only partially investigated, totaling 32 (14 for FY 2003-04, four for FY 2007-08, and 14 for FY 2010-11). We divided this amount by the number of mandate-related SCAR cases, totaling 125 (53 for FY 2003-04, 32 for FY 2007-08, and 40 for FY 2010-11). The weighted average for other agency-generated SCAR cases that were only partially investigated for these fiscal years was 25.60%. The weighted average for non-mandate-related cases was 17.22%. We applied the weighted average percentage of 17.22% (non-mandate-related cases) to the total number of SCAR cases claimed by fiscal year to calculate the total number of non-mandate-related SCAR cases. We subtracted the total number of non-mandate-related SCARs from the total number of SCARs claimed to calculate the number of mandate-related SCAR cases by fiscal year. We applied the weighted average of 25.60% (other agency-generated SCAR cases that were only partially investigated) to the number of mandate-related SCAR cases to calculate the number of other agency-generated, mandate-related SCAR cases that were only partially

investigated. These calculations allowed us to determine the total allowable number of other agency-generated SCAR cases that were only partially investigated.

After performing these calculations, we determined that 719 other agency-generated SCAR cases (out of 3,396 total SCAR cases) were only partially investigated during the audit period. Therefore, the allowable number of other agency-generated SCARs that were only partially investigated for the audit period totals 719.

The following table summarizes the total claimed, non-mandate and mandate-related cases; the percent of other agency-generated SCARs that were only partially investigated and the allowable number of SCARs that were only partially investigated; and the audit adjustment per fiscal year:

Fiscal Year	Claimed Number of SCARs Investigated (a)	Non-mandate-related Cases 17.22% (b) = (a) * 17.22%	Mandate-related Cases (c) = (a) - (b)	Percent of Other Agency-generated SCARs – Partial Investigation Only (d)	Allowable Number of Other Agency-generated SCARs – Partial Investigation Only (e) = (c) * (d)	Audit Adjustment (f) = (e) - (a)
1999-2000	249	43	206	25.60%	53	(196)
2000-01	257	44	213	25.60%	55	(202)
2001-02	265	46	219	25.60%	56	(209)
2002-03	224	39	185	25.60%	47	(177)
2003-04	326	56	270	25.60%	69	(257)
2004-05	319	55	264	25.60%	68	(251)
2005-06	314	54	260	25.60%	67	(247)
2006-07	293	50	243	25.60%	62	(231)
2007-08	186	32	154	25.60%	39	(147)
2008-09	256	44	212	25.60%	54	(202)
2009-10	223	38	185	25.60%	47	(176)
2010-11	242	42	200	25.60%	51	(191)
2011-12	242	42	200	25.60%	51	(191)
Total	3,396	585	2,811		719	(2,677)

Time Increments

Claimed

The city claimed between 1.15 hours and 2.30 hours per case for a Police Officer classification to perform the initial investigation of every SCAR claimed, and between 35 minutes (0.58 hours) and 2.40 hours per case (for a cumulative total of 5.51 hours for the audit period) for a Sergeant classification to review and approve the written reports.

Allowable

The city provided a time study to support time spent by a Police Officer classification to perform the initial investigation on SCAR cases. The time study supported 2.24 hours for completing the initial investigation. The time study also included time increments of 1.04 hours for writing, editing, and forwarding reports; six minutes (0.10 hours) for reviewing unfounded reports; and seven minutes (0.12 hours) for reviewing substantiated and inconclusive reports. As discussed in Finding 3, the city claimed the time increments of 1.04 hours for writing, editing, and forwarding reports and

six to seven minutes for reviewing unfounded, substantiated, and inconclusive reports under the wrong cost component. During discussions with Police Department staff members, we advised them that time increments for these activities should not be claimed under the Forwarding the SS 8583 Report Forms to the Department of Justice cost component. However, we informed Police Department staff that we would reclassify these time increments to the correct cost component. As a result, the time increment of 2.24 hours for the Police Officer classification to perform the initial investigation and 1.04 hours to write and edit reports, and a combined total of 13 minutes (0.21 hours) for the Sergeant classification to review substantiated, inconclusive, and unfounded reports are allowable and applicable to those other agency-generated SCARs for which the Rialto Police Department completed and documented an investigation, totaling 673 SCARs during the audit period.

Additional Time Increment for SCARs – Review of Referral Only

Based on the information above, we determined that it was reasonable to allow partial investigation time for reviewing the Suspected Child Abuse Report (SS 8572 form) for SCAR cases that we determined were mandate-related and referred by CPS or other mandated reporters, for which the Police Department began but did not complete or document a full initial investigation. Based on interviews with Police Department staff, it takes the Police Officer classification 16 minutes (0.27 hours) on average to review a SS 8572 form. We determined that 16 minutes (0.27 hours) to perform this activity is allowable.

Hours Adjustment

The following table summarizes the claimed, allowable, and adjusted hours based on adjustments made to the number of SCAR cases that were referred by CPS and other mandated reporters, for which the Police Department completed and documented an investigation; the number of SCAR cases for which the Police Department reviewed the SS 8572 form but did not complete or document an investigation; and the allowable ATIs per SCAR case for the audit period:

Fiscal Year	Hours Claimed (a)	Hours Allowable (b)	Audit Adjustment (c) = (b) - (a)
1999-2000	563.52	185.90	(377.62)
2000-01	581.63	193.44	(388.19)
2001-02	600.17	201.15	(399.02)
2002-03	516.64	168.65	(347.99)
2003-04	730.24	245.48	(484.76)
2004-05	714.56	238.23	(476.33)
2005-06	708.39	235.34	(473.05)
2006-07	656.32	219.16	(437.16)
2007-08	416.64	139.66	(276.98)
2008-09	573.44	192.57	(380.87)
2009-10	499.52	166.25	(333.27)
2010-11	542.08	181.29	(360.79)
2011-12	277.76	181.29	(96.47)
Total	7,380.91	2,548.41	(4,832.50)

Criteria

The parameters and guidelines (section IV – Reimbursable Activities) require claimed costs to be supported by source documents. The parameters and guidelines state, 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. 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.

The parameters and guidelines (section IV – B.3.a.1.) allow ongoing activities related to costs for reporting to the DOJ. For the following reimbursable activities:

> From July 1, 1999 to December 31, 2011, city and county police or sheriff's departments, county probation departments if designated by the county to receive mandated reports, and county welfare departments shall: (Pursuant to amendments to Penal Code section 11169(b) enacted by Statutes 2011, chapter 468 (AB 717), the mandate to report to DOJ for law enforcement agencies only ends on January 1, 2012. In addition, the duty for all other affected agencies is modified to exclude an "inconclusive" report.)
>
> 1) Complete an investigation for purposes of preparing the report
>
> Complete an investigation to determine whether a report of suspected child abuse or severe neglect is unfounded, substantiated or inconclusive, as defined in Penal Code section 11165.12, for purposes of preparing and submitting the state "Child Abuse Investigation Report" Form SS 8583 [emphasis added], or subsequent designated form, to the Department of Justice. (Penal Code section 11169(a) (Stats. 1997, ch. 842, § 5 (SB 644); Stats. 2000, ch. 916 (AB 1241); Stats. 2011, ch. 468, § 2 (AB 717)); Code of Regulations, Title 11, section 903; "Child Abuse Investigation Report" Form SS 8583.) Except as provided in paragraph below, this activity includes review of the initial Suspected Child Abuse Report (Form 8572), conducting initial interviews with parents, victims, suspects, or witnesses, where applicable, and making a report of the findings of those interviews, which may be reviewed by a supervisor.
>
> ***Reimbursement is not required in the following circumstances:***
>
> i. Investigative activities conducted by a mandated reporter to complete the Suspected Child Abuse Report (Form SS 8572) pursuant to Penal Code section 11166(a).
>
> ii. In the event that the mandated reporter is employed by the same child protective agency required to investigate and submit the "Child Abuse Investigation Report" Form SS 8583 or subsequent designated form to the Department of Justice, pursuant to Penal Code section 11169(a), reimbursement is not required if the investigation required to complete the Form SS 8572 is also sufficient to make the determination required under section

11169(a), and sufficient to complete the essential information items required on the Form SS 8583, pursuant to Code of Regulations, title 11, section 903 (Register 98, No. 29).

iii. Investigative activities undertaken subsequent to the determination whether a report of suspected child abuse is substantiated, inconclusive, or unfounded, as defined in Penal Code section 11165.12, for purposes of preparing the Form SS 8583, including the collection of physical evidence, the referral to a child abuse investigator, and the conduct of follow-up interviews.

The parameters and guidelines (section V.A.1. – Claim Preparation and Submission – Actual Costs Claims, Direct Cost Reporting) state:

1. Salaries and Benefits

   Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

Recommendation

The ICAN Investigation Reports Program was suspended from FY 2015-16 through FY 2017-18. If the program becomes active again, we recommend that the city follow the mandated program claiming instructions and parameters and guidelines to ensure that claimed costs include only eligible costs are based on actual costs, and are properly supported.

City's Response

FINDING 2 – UNALLOWABLE SALARIES AND BENEFITS – REPORTING TO THE STATE DEPARTMENT OF JUSTICE: COMPLETE AN INVESTIGATION FOR PURPOSES OF PREPARING SS 8583 REPORT FORM COST COMPONENT

As previously discussed in response to Finding 1, the City mentioned concerns about misstatements made [in] the Draft Audit Report referencing systems used to query the data examined for this audit as well as the city's document availability to which SCO Audit Manager Lisa Kearney suggested providing revised language to best reflect systems and available data when responding to the SCO's official draft report so that it can be corrected and incorporated into the final report issued by the SCO.

The following are city's proposed corrections for Finding 2:

CITY'S PROPOSED CHANGE TO PAGE 16, SECOND PARAGRAPH, UNDER "CLAIMED" SUBHEADER (changes reflect the system names queried for this audit; changes from SCO original language are in **bold** for ease of identification):

"From FY 1999-2000 to FY 2001-02, the city was transitioning to **new dispatch and records management systems,** which did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying **both the Computer**

Aided Dispatch (CAD) System and the Records Management System (RMS). The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components."

CITY'S PROPSED CHANGE TO PAGE 17, THIRD PARAGRAPH, UNDER "ALLOWABLE" SUB-HEADER

"In April 2017, the city was asked to begin providing SCAR case listings for us to randomly select for review. Due to a system upgrade preventing the city from accessing these historical electronic records, the audit was set back nearly five months before records could be fully accessed and submitted to us by the city. In the interest of time and to remain on track with audit deadlines, we selected FY 2003-04, FY 2007-08, and FY 2010-11 to serve as a representative sample of the audit period. The city as able to provide detailed SCAR case listings for each of these three fiscal years. We worked with the city to devise a reasonable methodology for approximating the number of LEA-generated SCARs and non-mandate-related cases for each fiscal year to exclude from the total population. Both parties agreed that we would calculate a weighted average based on the results of our testing as there was insufficient time and staffing to obtain detailed SCAR case listings for the remaining years."

The following are city's objections to Finding 2:

CITY'S OPOSITION TO FINDING 2 – NUMBER OF SCARS – FULLY INVESTIGATED

The SCO denied investigative costs for all substantiated/inconclusive Law Enforcement Generated (hereinafter "LEA-generated") cases that were fully investigated for purposes of reporting to the Department to of Justice (hereinafter "DOJ"). The SCO contends that these cases do not qualify for investigation or reporting writing (including supervisor review) despite the fact that almost 100% of the LEA-generated cases claimed were founded or inconclusive, therefore, requiring reporting to the DOJ. The SCO based the denial of costs on the following claiming wording of the Parameters and Guidelines (Section IV.B.3.a.1):

> ii. In the event that the mandated reporter is employed by the same child protective agency required to investigate and submit the "Child Abuse Investigation Report" Form SS 8583 or subsequent designated form to the Department of Justice, pursuant to Penal Code section 11169(a), reimbursement is not required if the investigation required to complete the Form SS 8572 is also sufficient to make the determination required under section 11169(a), and sufficient to complete the essential information items required on the Form SS 8583…"

The City firmly believes that it has adequately proven, through actual source documents and police staff interviews outlining investigative procedures, that the level of investigation performed to complete the SS 8583 exceeded that which was needed to cross report to CPS. A significant amount of time is spent to fully investigate an allegation of child abuse as is demonstrated with officer on-scene time logs, multiple officers assisting with the investigation, numerous parties being interviewed to determine the outcome of the allegation, written crime reports, etc. This level of effort would not have been required to simply

fill out the cross reporting form to notify CPS of a suspected child abuse that has been fully investigated, and in some instances, where the investigation has not yet begun.

The main objective of cross reporting to CPS (SS 8572) is to make the county aware of the alleged child abuse in order for CPS to assess if there is potential harm to the alleged victim(s) in the home.

The SS 8572 form is not required to be 100% completed to be accepted by CPS; only the reporting party and victim's basic information need to be included. An investigation does not need to be started or completed to obtain this information. As explained by Captain Wilson (and verified during subsequent officer interviews), the level of investigation required to complete SS 8572 is typically not sufficient to complete SS 8583. The SS 8572 generally involves talking to one person and gathering basic components of information. There are no requirements to first contract involved parties or conclude investigative findings before submitting the form.

However, in order to complete the SS 8583, and be accepted by the Department of Justice, a basic patrol level investigation must be completed. The SS 8583 has specific requirements that cannot be answered without first contacting parties involved:

- Section A – requires officer indicate if investigation is substantiated or inconclusive, this cannot be determined without completing an investigation (not required for SS 8572)
- Section C – officer must indicate if suspect was properly notified per PC 11169(b) regarding agency's requirement to notify DOJ of the subject being a suspected child abuse offender; investigation must be completed first (not required for SS 8572)
- Requires suspect's demographic information – date of birth, height, weight, eye color, hair color, social security number, driver's license number, and relationship to victim (most of these fields are not contained on SS 8572)

For a full list of the California Department of Justice's reporting components under SS 8583 that are not required to complete SS 8572, refer to http://ag.ca.gov/childabuse/pdf/8583guide.pdf. **The main requirement that exceeds SS 8572 is that a full, active, investigation must be completed** (pgs 2-4). A full investigation requires contact [with] not only a victim, but description/nature of injuries (not required under SS 8572). This guide further states that the form SS 8583 is to be sent to the DOJ only after the following four elements have been satisfied:

a) made investigative contacts

b) determined child abuse was not unfounded

c) confirmed the suspected abuse or neglect is reportable to the DOJ as stipulated in previously mentioned statutes

d) completed the investigation.

None of these elements are required for cross reporting. Therefore, to disallow all investigative costs for 100% of LEA-generated cases determined to be substantiated or inconclusive is unreasonable given that the source documents provided clearly support all the mandated

activities were performed in furtherance of Parameters and Guidelines Section IV.B.3.a.1.

The SCO accepted the merits of the City's arguments and advised it was allowing costs during the December 4, 2018, status conference call. These allowed investigative costs were at the agreed amount of 1.74 hours. However, the very next day, the decision was reversed via email with no explanation other than "after further review of the parameters and guidelines, the statement of decision, and the documentation we have to date, it is unclear that an investigation did in fact occur on LEA-generated cases (white cases)."

The City is aware that all decisions made to allow costs must be supported by the Parameters and Guidelines and Commission's Statement of Decision. Therefore, it is difficult to understand how those very same guidelines used to support the SCO allowing costs for LEA-generated cases on December 4, 2018, also justify denying costs on December 5, 2018. Despite numerous requests for specifics on what evidence is lacking in our documentation, the SCO has failed to provide them. The City can better assess the SCO's position if the SCO can point the City to specific sections of the Parameters and Guidelines and Statement of Decision that support their denial along with explanation of their interpretation of same language.

The City affirms it has provided actual evidence from CAD logs[1], written crime reports, officer interviews, and discussions supported by Captain [William] Wilson and Crime Analyst Jennifer Krutak that actual, eligible costs were incurred for the reimbursement components including:

- actual officer on-scene time to conduct the preliminary investigation
- number of officers on-scene conducting the preliminary investigation
- size and complexity of the written report
- number of parties interviewed including relationship to case and summary of statements

The City contends that all these factors demonstrate that the level of effort and time to conduct an investigation to complete SS 8583 exceeds that which would have been required to simply gather basic information to complete SS 8572 mandated reporter form.

Accordingly, it is the City's position that LEA-generated cases, determined to be substantiated or inconclusive, which have been allowed for forwarding the SS 8583 form to the DOJ (that showed more than one party was interviewed, as previously agreed by SCO on December 4, 2018) should also be allowed full investigative time, associated report writing time and supervisor review/approval.

CITY'S OPPOSITION TO FINDING 2 – NUMBER OF SCARS – PARTIALLY INVESTIGATED

[1] A CAD log (synonymous for call for service record) is used as a police department's first form of documentation when an officer is assigned to handle a patrol investigation. This is an entry to the Computer Aided Dispatch (CAD) system which logs basic information about a call for service: nature of alleged crime, officer assigned to investigation, date/time of call, location(s) involved, reporting/referring party, disposition of investigation as determined by officer. There is a corresponding CAD log for every investigation (substantiated/unfounded). Substantiated cases are followed by a formal written crime report in the Records Management System (RMS). Unfounded cases are closed out in the CAD system with no report to follow.

The SCO denied associated investigative costs stating, on page 21 of the draft report, that "the Police Department began but did not complete or document a full initial investigation" however, did allow time to review each referral. These reports were investigated by officers and determined to be unfounded. Because they were unfounded, no formal report was written to document the investigation once the call for service was closed. The SCO audit analysis spreadsheet identified these records in blue (calls for service).

The City would like to clarify, for the record, that the police department fully investigates all allegations of known or suspected child abuse. The SCO's statement that "a full initial investigation was not performed" is completely false, contradicts police policies and procedures, and is a violation of Penal Code statutes. It is impossible for an officer to determine the case as unfounded without completing an investigation.

Throughout this audit, there has been disagreement between the City and the SCO on what constitutes acceptable source documentation to support that an investigation took place in order for costs to be deemed allowable. The fact that the SCO is unwilling to accept the police department's call for service documents as adequate investigative support does not mean that "a full initial investigation was not performed."

The City explained that the process for documenting an unfounded incident varies significantly from a substantiated investigation, and the call for service record is procedural for serving as the only form of documentation. The only source document for these unfounded investigations is the CAD log (call for service record) created during the officer's initial investigation.

Despite lengthy review and discussions with police department staff on the procedures for documenting unfounded incidents in CAD, including confirmation from Support Services Captain William Wilson that a CAD log for an unfounded incident indicates that a preliminary investigation did, in fact occur, the SCO concluded to deny investigative costs.

The City disagrees with this conclusion for the following reasons:

1) **City produced actual and contemporaneously prepared documents** – Per the Parameters and Guidelines, "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…may include, but are not limited to, employee time records or time logs…" The City believes that CAD logs provided for review meet this criteria and:
    - are electronic records created at the time the investigation took place
    - are valid source documentation to support investigative costs incurred by the City
    - are legal documents produced for Public Records Act and subpoena requests as well as used for official court purposes
    - provide actual officer on-scene time logs (defined as an example in the Commission's source documentation definition of the Parameters and Guidelines)

2) **City provided specific examples to support [that] an investigation occurred –** The records originally determined to be unallowable by the SCO were re-evaluated through a collaborative

process in November 2018. Each unallowed record was discussed in order for the city to present arguments as to why the record should be allowed for investigation time.

The City believes it provided ample justification to support that an investigation took place at the patrol level despite the minimal narrative comments contained in the CAD logs. Officer interviews conducted by the SCO, as well as clarification provided by Captain William Wilson and Crime Analyst Jennifer Krutak, further explained possible reasons why CAD log narratives would be minimal or lacking.

The following are examples of cases that were referred by other mandated reporters to the Rialto Police Department that were allowed for review of referral only but denied investigation time (redacted copies of the CAD logs are attached):

Record # 148: CPS referral – mother addicted to meth/not caring for children; officer made contact with alleged suspect and both children; determined "no signs of any abuse going on in house"

Record # 108: CPS referral – allegations of physical abuse/four children in home; officer comments indicate "advisal only, kids chk'd C4 custody battle between families"; in order for officer to give an advisal to the family and ascertain there was a custody issue and not abuse, he would have had to make contact with the subjects in the home (also contacted children based on comment in call)

Record # 24: CPS referral – mother on drugs/not feeding child/living in filthy conditions; officer made contact with alleged suspect and child; determined "no signs of neglect"

Record # 44: Hospital referral – child admitted with leg fracture; officer made contact with parent and doctor; determined "appears to be no sign of child abuse, no bruising, no sign of abuse, just fracture"

Record # 64: Hospital referral – child admitted with large bump on head; officer made contact with child, parent and doctor; determined "it is my opinion that the injury happened as explained…Dr. Thomas was also in agreement with my findings…I did not see any reason for CPS notification.

Although full incident reports were not written for the above allegations, there is still sufficient information documented in the CAD logs to determine that contact was made with at least one party, satisfying the investigation requirements of the mandate, providing this activity did take place.

3) **City followed Level 2 Investigation accepted by the Commission on State Mandates –** The Rialto Police Department's practice not to document unfounded investigations of child abuse with a formal incident report complies with the Commission's ruling to accept varying levels of investigation presented by the test claimant, LA County, in the Statement of Decision adopted on December 6, 2013.

   Pages 24-25 of the Statement of Decision describe three basic types of investigation. In the Level 2 Investigation (most common), "Patrol Officer Investigation, No Child Abuse," LA County outlined eight steps for initiating/completing an investigation of child abuse where the outcome was deemed no child abuse/unfound:

a. Officer receives, prints or transcribes child abuse reports (SCARs or calls-for-service) from the public, cross-reporting agency department, and mandated reporters

b. Officer processes child abuse report into agency's tracking system

c. Officer reviews report and assigns for appropriate follow-up investigation

d. Patrol officer receives call-for-service and acknowledges call

e. Patrol officer conducts preliminary interview with child/children

f. Patrol officer conducts preliminary interviews with parents, siblings, witnesses, and/or suspect(s)

g. Patrol officer enters findings into agency's systems (ends call in computer aided system and documents findings)

h. Supervising officer reviews investigation findings and approves closure of the report indicating no child abuse.

**it should be noted that step H does not apply to the Rialto Police Department – the patrol officer is authorized to close the report in the computer aided system without the supervisor review using his/her discretion of the proper use of call disposition (unfounded, necessary action taken, etc.)*

Steps a – g are the same procedures the Rialto Police Department follows for investigating and documenting its unfounded allegations of child abuse, where the computer aided dispatch record serves as the final source document (no written report follows).

A comparison of Level 2 (No Child Abuse) and Level 3 (Reported CACI Investigation) investigations, Step 7, shows that the only difference is in documentation where a Level 3 investigation (determined to be substantiated or inconclusive) requires an officer to write a report; this is <u>not</u> required for Level 2 investigation (unfounded) that ends at the closure of the CAD call.

In addition to the above, the Parameters and Guidelines, Section IV.B.3.a.1, state that the time to "Complete an investigation to determine whether a report of suspected child abuse or severe neglect is unfounded, substantiated or inconclusive" is reimbursable. This activity includes, "…conducting initial interviews with parents, victims, suspects or witnesses, **<u>where applicable,</u>** and making a report of the finding of those interviews."

The wording above "where applicable," shows that an investigation may or may not require interview with parties. Although the City of Rialto still affirms that officers contacted at least one party for all mandate-related cases claimed for investigative costs, to require documented proof that an interview <u>always</u> occurred contradicts the statement above by the Commission.

The key point to consider is that the Commission only requires that a documentation of the investigative finding take place at the closure of the call (Level 2 Investigation, Step 7). The officer's call disposition and/or call notes, however minimal, meet this very objective; the disposition of unfounded reflects the officer's observations, interviews and overall conclusions as a result of conducting an investigation. Not

having a detailed narrative report should not nullify reimbursement for the eligible preliminary investigative procedure.

Accordingly, it is the City's position that records allowed for review of referral only should be eligible for full investigative time as the City has provided ample source documentation to support that an initial investigation, in compliance with the mandate, occurred. It would be impossible, and negligent, for an officer to conclude an outcome of unfounded without first contacting involved parties to gather necessary facts to make a determination of the allegation of abuse. The fact that an unfounded investigation is not documented identically as a substantiated investigation (allowed by SCO) does not negate that the investigative activity took place, and therefore, costs should be allowed.

CITY'S OPPOSITION TO FINDING 2 – ALLOWABLE TIME INCREMENTS – PAGE 20

The SCO accepted the City's time study supporting 2.24 hours for completing an initial investigation and applied this to SCARs allowed for full investigation (673 cases total). The SCO also allowed review of referral as this is a mandate activity and [the SCO] believes the time spent to review the referral is inclusive of the investigation time of 2.24 hours.

The City disagrees with this interpretation for the following reasons:

1) **Intake of referral occurs <u>before</u> investigation begins** – either by reading SS 8572 submitted by other mandated reporter or talking to mandated reporter over the phone

2) Officer interviews with SCO indicated review of referral takes place prior to officer being assigned to handle child abuse investigation

3) It is clear from the Rialto Police Department Memorandum dated May 22, 2014 (copy attached) and officer interviews that the time spent to review and log the SCAR referral was not part of the initial time study documenting investigation time, but is a separate, allowable, activity.

   Instructions provided to complete time study were specific to logging time spent to:

   a. conduct an investigation
   b. write report
   c. complete SS 8583 form
   d. supervisor review/approval

The City asserts that including the time increment for accepting/reviewing the SCAR referral as part of the 2.24 hours of allowable time for those cases fully investigated is inappropriate and unfair. A more equitable conclusion is to allow the time increment for accepting/reviewing the SCAR referral to be added to the 2.24 hours for all cases allowed for investigation (review time plus investigation time).

CITY'S OPPOSITION TO FINDING 2 – ADDITIONAL TIME INCREMENT FOR SCARS – REVIEW OF REFERRAL ONLY

The SCO determined that 16 minutes is allowable to perform the mandated activity of an officer to review the Suspected Child Abuse Report (SS 8572 form) referral. This time was based on interviews conducted with officers whose responses yielded the following:

- Officer 1 – takes 10 to 15 minutes to review SCAR form (this averages to 13 minutes)
- Officer 2 – takes 20 to 25 minutes to review SCAR form (this averages to 23 minutes)
- **Combined average to review SCAR form = 17.5 minutes**

Based on the above factual data, the City requests that the SCO correct the allowable review of referral time from 16 minutes to 17.5 minutes based on the combined average determined as a result of the interview statements provided by both officers.

SCO Comment

The audit adjustment and recommendation for the Complete an Investigation cost component remain unchanged.

We will address the city's response in the same order that it was presented.

The second paragraph on page 21 of this audit report has been revised per the city's request.

The fifth paragraph on page 21 of this audit report has been revised to reflect minor edits requested by the city.

The city strongly disagrees with the denial of investigative costs for LEA-generated cases. The city argues that the SCO's claiming instructions and parameters and guidelines clearly specify that reimbursement is allowable if the level of investigation performed to complete the SS 8583 Report Form exceeds that which is required to complete the SS 8572 Form. The city claims that the documentation provided to support other agency-generated cases was determined to be allowable by the SCO while equivalent documentation to support LEA-generated cases was denied. In addition, the city asserts that the investigative steps taken by police officers were the same for LEA-generated cases that the SCO determined were unallowable and other-agency generated cases that were allowable.

The city maintains that—through actual source documents, including CAD logs and written crime reports, police officer interviews, and discussions with Captain William Wilson and Crime Analyst Jennifer Krutak—the city has demonstrated that the level of investigation exceeded the basic requirements needed to complete the SS 8572 Form, and that the level of investigation required to complete a SS 8572 Form is not sufficient to complete the SS 8583 Report Form. The city contends that it incurred eligible costs for LEA-generated cases and reimbursement should be allowed for full investigative and report writing time and supervisory review and approval. The city is requesting the following:

- 1.74 hours for a Police Officer classification to perform the initial investigation on LEA-generated cases

- 1.04 hours for a Police Officer classification to write a report on LEA-generated cases that were investigated

- Seven minutes (0.12 hours) for a Sergeant classification to review and approve the written reports

The Commission's Statement of Decision, pages 40 through 42, discusses in detail what activities are and are not reimbursable when a mandated reporter (Police Department, County Welfare, and Probation Department) is also the investigating agency. Per PC section 11166(a), a mandated reporter is already compelled by the nature of his/her duty to report instances of suspected child abuse via the SS 8572 form. No higher level of service is mandated and, therefore, the duty to investigate under PC section 11166(a) is not reimbursable. Furthermore, the level of investigation performed by the mandated reporter to gather the necessary information for completing the SS 8572 form is frequently sufficient to complete form SS 8583 Report Form.

Page 41 of the Statement of Decision states the following:

> The precise scope of this investigative duty is not specified, but all mandated reporters are expected to employ the Form SS 8572 to report suspected child abuse… This duty is triggered whenever the mandated reporter, in his or her professional capacity or within the scope of his or her employment, has knowledge of or observes a child whom the mandated reporter knows or reasonably suspects has been the victim of child abuse or neglect. Given the scope of employment within a law enforcement agency, county probation department, or county welfare agency generally includes investigation and observation for crime prevention, law enforcement and child protection purposes, information may be obtained by an employee which triggers the requirements of 11166(a), and ultimately leads to an investigation and report to DOJ under section 11169(a). Ultimately, some of the same information to satisfy the reporting requirements of section 11169 and the DOJ regulations may be obtained in the course of completing a mandated reporter's (non-reimbursable) duties under section 11166(a)

Page 42 of the Statement of Decision states the following:

> The test claim statement of decision approved only Code of Regulations, title 11, section 903 as amended by Register 98, No. 29, which adopted the Form SS 8583, and required that only "certain information items…must be completed." Those information items, as discussed above, impose a very low standard of investigation for reporting to DOJ regarding instances of known or suspected child abuse.

The Statement of Decision emphasizes that a mandated reporter who is an employee of a child protective agency already has a greater responsibility to investigate when he/she has suspicions of child abuse. The Statement of Decision states, "[t]herefore, the regulations and statutes approved in the test claim statement of decision impose very little beyond what would otherwise be expected of a mandated reporter." The threshold of what makes the SS 8583 Report Form retainable is relatively low. Investigative work performed to identify suspects or gather proof for criminal charges is not necessary to complete the SS 8583 Report Form.

The Statement of Decision also states:

> [t]herefore, any investigation conducted by an employee of a county law enforcement agency, county welfare department, or county probation department, *prior to the completion of a Form SS 8572 under section 11166(a),* is not reimbursable under this mandated program. If the Form SS 8572 is *completed by an employee of the same agency, and the information contained in the* Form SS 8572 *is sufficient to make the determination and complete the essential information items required by section 11169 and the regulations*, then no further investigation is reimbursable.

Additionally, the Commission, when crafting the Statement of Decision, was aware of the potential of over-claiming when a mandated reporter is also the investigating agency. Page 40 of the Statement of Decision states, "the parameters and guidelines must be crafted to avoid over-claiming when the mandated reporter in a particular case is also an employee of the child protective agency that will complete the investigation under section 11169."

The city did not provide supporting documentation for all of its costs claimed, which is not consistent with the rules in place when the claims were filed. The documentation requirements for the city's mandated cost claims are contained within the parameters and guidelines adopted by the Commission on December 6, 2013.The parameters and guidelines require that all costs claimed be traceable to source documents that show evidence of the validity of such costs and their relationship to this mandate.

The city is responsible for maintaining documentation for the period the claims were subject to audit. However, the Rialto Police Department staff advised us that some of the supporting documentation has been destroyed, (specifically SS 8572 forms) as the term specified in the record retention policy for these forms had expired. Additionally, the city was unable to retrieve copies of the SS 8583 Report Forms, due to a lack of time and staffing necessary to search the master case files (electronic and paper) for each record. The city contends that the documentation provided to support the LEA-generated cases is equivalent to the documentation provided and accepted to support eligible reimbursement costs for other agency-generated cases.

However, the SCO is not required to make a determination on other agency-generated cases because the SS 8572 Forms are completed by another mandated reporter and cross-reported to the Rialto Police Department. The city is the mandated reporter for LEA-generated cases and must complete the SS 8572 Forms for these cases. Although the term specified in the city's record retention policy had expired for maintaining copies of the SS 8572 Forms, the city advised us that there was a possibility of obtaining copies of the SS 8572 Forms from CPS. However, the SCO did not receive copies of the SS 8572 Forms from CPS. As the SS 8572 Forms were not available to review, the SCO is unable to make a determination regarding whether the SS 8572 Forms were in fact completed and cross-reported to CPS and the DA's office.

Additionally, if the SS 8572 Forms were completed and cross-reported to CPS and the DA's office, SCO is unable to confirm that an investigation

occurred prior to the completion of the SS 8572 Forms. Costs are ineligible for reimbursement if an investigation occurred prior to completion of the SS 8572 Forms. Costs are also ineligible for reimbursement if information obtained by the mandated reporter through the completion of the SS 8572 Forms was sufficient to make the determination and complete the essential information items required by PC section 11169.

Without being able to review the SS 8572 Forms completed by the city, the SCO is unable to determine whether the city was able to obtain sufficient information to make a determination and complete the essential information items required by PC section 11169. In addition, although the investigative steps performed by the city's police officers may have been the same for both the LEA-generated and other agency-generated cases, the city did not provide completed SS 8583 Report Forms for our review. For this particular component, the reimbursable activity is to complete an investigation *"for purposes of"* [emphasis added] preparing an SS 8583 Report Form.

Although the city provided additional documentation with the actual CAD logs, written crime reports, police officer interviews, and discussions with Captain William Wilson and Crime Analyst Jennifer Krutak, the city was unable to provide SS 8572 Forms and SS 8583 Report Forms—as required by the mandate for reporting purposes—for the SCO to review. As a result, we were unable to confirm whether the city performed eligible reimbursable activities on LEA-generated cases. Therefore, costs associated with investigation, report writing, and supervisory review and approval of LEA-generated cases are ineligible for reimbursement.

The city disagrees with the denial of the associated investigative costs for the SCAR cases that were determined to be partially investigated. The city contends that the SCAR cases that the SCO identified as "partially investigated" were investigated by officers and determined to be unfounded. The city maintains that no formal report was written to document the investigation once the call for service was closed. The city asserts that although the SCO is unwilling to accept the police department's call for service documents as adequate investigative support does not mean a full investigation was not performed.

The city maintains that the process for documenting an unfounded incident varies significantly from substantiated investigation, and the call for service record is procedural for serving as the only form of documentation. The city contends that the only source document for these unfounded investigations is the CAD log (call for service record) created during the officer's initial investigation. The city argues that it has provided ample justification to support that an investigation took place, and provided examples of other agency-generated cases referred to the Rialto Police Department, which the SCO allowed as partially-investigated SCAR cases. The city is seeking full reimbursement for investigative costs related to these SCAR cases determined to be partially investigated. The city maintains that there is sufficient information documented in the CAD logs to show that an investigation occurred and, therefore, costs should be allowable.

For this particular component, the reimbursable activity is to complete an investigation "*for purposes of*" [emphasis added] preparing an SS 8583 Report Form. The documentation provided does not support that the city prepared a written report to document the findings of the interviews. Although unfounded reports are not filed with the DOJ, one of the reimbursable activities in this cost component is making a report of the findings of the interviews. The city asserts that the no formal reports are written for unfounded cases. During our interviews conducted on November 29 and 30, 2018, with Captain William Wilson and Crime Analyst Jennifer Krutak, we requested that the city provide a copy of the city's policies and procedures (Police Report Manual) for the audit period to support the city's position that cases with a call disposition of unfounded or necessary action taken do not require a written police report to be completed.

The city has yet to provide the requested documentation. Therefore, the city has not provided sufficient source documentation to show that these SCAR cases, which were determined to be partially investigated, warrant full investigative reimbursement costs. The SCO is unable to rely upon the CAD log (call for service records) as adequate source documentation to support eligible reimbursable costs. Therefore, the city's request for investigation time for cases with a call disposition of "unfounded" or "necessary action taken," with only a CAD log as supporting documentation, is unsupported and unallowable. As a result, the reimbursable costs allowed for these partially investigated SCAR cases remains unchanged.

Time Increment – Fully Investigated

The city asserts that the SCO included the time increment of reviewing the SS 8572 Form as part of the 2.24 hours of allowable investigation time for other agency-generated SCARS that were fully investigated. However, this is an inaccurate statement. The SCO did not include the time increment of reviewing the SS 8572 Form as part of the 2.24 hours of allowable investigation time for other agency-generated SCARs that were fully investigated because the time increment to review the SS 8572 Form was not claimed. The city is requesting that the SCO allow the time increment of 2.24 hours of investigation time for other agency-generated cases and 17.5 minutes (0.29 hours) to review the SS 8572 Forms for the other agency-generated SCARs that were fully investigated. The city did not claim costs for reviewing the SS 8572 Forms or time associated with performing this activity. Therefore, the city's request to allow 17.5 minutes (0.29 hours) to review the SS 8572 Forms for the other agency-generated cases is out of scope for this audit and is unallowable. As a result, there is no impact on the costs claimed, and therefore, nothing to "restore."

Time Increment – Partially Investigated

For SCAR cases where a full initial investigation was not performed, preliminary investigative activities did occur. Therefore, the SCO conducted interviews with Police Officers to determine the time associated with reviewing a SS 8572 Form for SCARs that were partially investigated. The city disagrees with the time increment of 16 minutes

(0.27 hours) for a Police Officer classification to review a SS 8572 Form for SCARs that were partially investigated. For the cases that were determined not to have been fully investigated, the SCO determined that it would be reasonable to allow time spent conducting a partial initial investigation, to review the referral. The city contends that the time was based on officer interviews conducted that resulted in a combined average of 17.5 minutes (0.29 hours). The SCO conducted interviews with Police Officers on November 27 and 28, 2018, which resulted in the following:

- Police Officer 1 – takes 10 minutes to review a SS 8572 Form
- Police Officer 2 – takes 20 to 25 minutes to review a SS 8572 Form

Based on our interviews, we determined that 16 minutes (0.27 hours) to review a SS 8572 Form is allowable for SCARs that were partially investigated. As a result, the city's request to apply the time increment of 17.5 minutes (0.29 hours) to review SS 8572 Forms is unsupported and unallowable.

FINDING 3— Unallowable salaries and benefits – Reporting to the State Department of Justice: Forwarding the SS 8583 Report Forms to the Department of Justice cost component

The city claimed $195,719 in salaries and benefits for the Forwarding the SS 8583 Report Forms to the Department of Justice cost component during the audit period. During testing, we found that $38,875 is allowable and $156,844 is unallowable. Costs claimed are unallowable because the city misinterpreted the program's parameters and guidelines. As a result, the city estimated and overstated the number of hours spent performing the mandated activity, and neglected to base costs on the actual number of eligible SS 8583 report forms that were prepared and submitted to the DOJ.

The following table summarizes the claimed, allowable, and adjusted salaries and benefits costs related to the Forwarding the SS 8583 Report Forms to the Department of Justice cost component for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
1999-2000	$ 11,747	$ 2,257	$ (9,490)
2000-01	12,157	2,314	(9,843)
2001-02	12,975	2,481	(10,494)
2002-03	10,169	2,018	(8,151)
2003-04	16,110	3,070	(13,040)
2004-05	20,274	3,841	(16,433)
2005-06	19,367	3,703	(15,664)
2006-07	18,121	3,391	(14,730)
2007-08	11,687	2,199	(9,488)
2008-09	17,361	3,229	(14,132)
2009-10	15,811	2,912	(12,899)
2010-11	18,888	3,476	(15,412)
2011-12	11,052	3,984	(7,068)
Total	$ 195,719	$ 38,875	$ (156,844)

Number of SS 8583 Forms Forwarded to the DOJ

Claimed

For the audit period, the city claimed the SCAR case count totals in the city's SCAR summary document. The SCAR summary document identifies the total number of SCAR cases that the city worked on during each fiscal year of the audit period. For FY 1999-2000 through FY 2001-02, the number of SCAR cases identified in the SCAR summary document was based on estimates.

From FY 1999-2000 to FY 2001-02, the city was transitioning to new dispatch and records management systems that did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying both the CAD System and the RMS. The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components.

Allowable

This component provides reimbursement for costs associated with preparing and submitting the SS 8583 form to the DOJ for every case in which the Rialto Police Department investigated known or suspected child abuse or severe neglect, and which it determined to be substantiated or inconclusive.

Our audit found that the SCAR case count totals in the SCAR summary document were inaccurate counts to use for this cost component. The SCAR summary document included cumulative totals of all SCARs that the Rialto Police Department worked on during the audit period. The SCAR summary document included cases of known or suspected child abuse or severe neglect that were determined to be unfounded after the Rialto Police Department investigated them; cases that were only partially investigated (only the referral was reviewed); and non-mandate-related cases.

During the course of the audit, the city was unable to access historical electronic records for an extended period of time due to a system upgrade. There was a lack of time and staffing to search the master case files (electronic and paper) for each record to retrieve a copy of the SS 8583 Report Form. Consequently, we requested and the city was able to provide detailed SCAR case listings for FY 2003-04, FY 2007-08, and FY 2010-11. We worked with the city to devise a reasonable methodology for approximating the number of LEA-generated SCARs and non-mandate-related cases for each fiscal year to exclude from the total population. We calculated a weighted average based on the results of our testing.

For testing purposes, we judgmentally selected a non-statistical sample from the SCAR case listings by selecting every fourth case until a sample size of 20% was attained, totaling 151 SCAR cases (66 out of 328 in FY 2003-04, 37 out of 186 in FY 2007-08, and 48 out of 242 in FY 2010-11) out of 756 to review. Based on our review of the FY 2003-

04 SCAR cases, we found that of the 66 cases sampled, 13 were non-mandate-related and 53 were mandate-related; of the 53 mandate-related SCAR cases, 27 were LEA-generated and 26 were other agency-generated. For FY 2007-08, we found that of the 37 cases sampled, five were non-mandate-related and 32 were mandate-related; of the 32 mandate-related SCAR cases, 14 were LEA-generated and 18 were other agency-generated. For FY 2010-11, we found that of the 48 cases sampled, eight were non-mandate-related and 40 were mandate-related; of the 40 mandate-related SCAR cases, 22 were LEA-generated and 18 were other agency-generated.

Number of SCARs – LEA-generated

We calculated a weighted average using the total number of LEA-generated SCAR cases, totaling 63 (27 for FY 2003-04, 14 for FY 2007-08, and 22 for FY 2010-11). We divided this amount by the number of mandate-related SCAR cases, totaling 125 (53 for FY 2003-04, 32 for FY 2007-08, and 40 for FY 2010-11). The weighted average of LEA-generated SCAR cases for these fiscal years was 50.40%. The weighted average of non-mandate-related cases was 17.22%. We applied the weighted average percentage of 17.22% (non-mandate-related SCAR cases) to the total number of SCAR cases claimed by fiscal year to calculate the total number of non-mandate-related SCAR cases. We subtracted the total number of non-mandate-related SCARs from the total number of SCARs claimed to calculate the number of mandate-related SCAR cases by fiscal year. We applied the weighted average percentage of 50.40% (LEA-generated SCAR cases) to the total number of mandate-related SCAR cases by fiscal year to calculate the total number of mandate-related SCAR cases that were LEA-generated. These calculations allowed us to determine the total allowable number of LEA-generated SCAR cases.

To determine the total number of LEA-generated SCAR cases that were determined to be substantiated or inconclusive, we calculated a weighted average. We used the total number of LEA-generated SCAR cases that were determined to be substantiated or inconclusive, totaling 50 (22 for FY 2003-04, 12 for FY 2007-08, and 16 for FY 2010-11). We divided this amount by the number of LEA-generated cases, totaling 63 (27 for FY 2003-04, 14 for FY 2007-08, and 22 for FY 2010-11). The weighted average of LEA-generated SCAR cases that were determined to be substantiated or inconclusive for these fiscal years was 79.37%. We applied 79.37% to the allowable number of LEA-generated SCAR cases to determine the allowable number of SS 8583 forms prepared and submitted to the DOJ.

After performing these calculations, we determined that 1,125 LEA-generated SCAR cases (out of 3,396 total SCAR cases) were determined to be substantiated or inconclusive after the Rialto Police Department investigated them during the audit period. Therefore, the allowable number of LEA-generated SCAR cases that were substantiated or inconclusive for the audit period totals 1,125.

The following table summarizes the total claimed, non-mandate-related and mandate-related cases; the percent of LEA-generated SCARs and the allowable number of LEA-generated SCARs; the percent of SS 8583 forms that were LEA-generated and the allowable number of SS 8583 forms that were LEA-generated; and the audit adjustment per fiscal year:

Fiscal Year	Claimed Number of SCARs Investigated (a)	Non-mandate-related Cases 17.22% (b) = (a) * 17.22%	Mandate-related Cases (c) = (a) - (b)	Percent of LEA-generated SCARs (d)	Allowable Number of LEA-generated SCARs (e) = (c) * (d)	Percent of SS 8583 Forms Prepare/Submit LEA-Generated (f)	Allowable SS 8583 Forms Prepare/Submit LEA-Generated (g) = (e) * 79.37%	Audit Adjustment (h) = (g) - (a)
1999-2000	249	43	206	50.40%	104	79.37%	83	(166)
2000-01	257	44	213	50.40%	107	79.37%	85	(172)
2001-02	265	46	219	50.40%	110	79.37%	87	(178)
2002-03	224	39	185	50.40%	93	79.37%	74	(150)
2003-04	326	56	270	50.40%	136	79.37%	108	(218)
2004-05	319	55	264	50.40%	133	79.37%	106	(213)
2005-06	314	54	260	50.40%	131	79.37%	104	(210)
2006-07	293	50	243	50.40%	122	79.37%	97	(196)
2007-08	186	32	154	50.40%	78	79.37%	62	(124)
2008-09	256	44	212	50.40%	107	79.37%	85	(171)
2009-10	223	38	185	50.40%	93	79.37%	74	(149)
2010-11	242	42	200	50.40%	101	79.37%	80	(162)
2011-12	242	42	200	50.40%	101	79.37%	80	(162)
Total	3,396	585	2,811		1,416		1,125	2,271

Number of SCARs – Other Agency-Generated

We calculated a weighted average using the total number of other agency-generated SCAR cases, totaling 30 (12 for FY 2003-04, 14 for FY 2007-08, and four for FY 2010-11). We divided this amount by the number of mandate-related SCAR cases, totaling 125 (53 for FY 2003-04, 32 for FY 2007-08, and 40 for FY 2010-11). The weighted average of other agency-generated SCAR cases for these fiscal years was 24.00%. The weighted average of non-mandate-related cases was 17.22%. We applied the weighted average percentage of 17.22% (non-mandate-related cases) to the total number of SCAR cases claimed by fiscal year to calculate the total number of non-mandate-related SCAR cases. We subtracted the total number of non-mandate-related SCARs from the total number of SCARs claimed to calculate the number of mandate-related SCAR cases by fiscal year. We applied the weighted average percentage of 24.00% (other agency-generated SCAR cases) to the total number of mandate-related SCAR cases by fiscal year to calculate the number of mandate-related SCAR cases that were other agency-generated. These calculations allowed us to determine the total allowable number of other agency-generated SCAR cases.

We then calculated a weighted average of the total number of other agency-generated SCAR cases that were determined to be substantiated or inconclusive. We used the number of other agency-generated SCAR cases that were determined to be substantiated or inconclusive, totaling 23 (eight for FY 2003-04, 12 for FY 2007-08, and three for FY 2010-11). We divided this amount by the number of other agency-generated cases,

totaling 30 (12 for FY 2003-04, 14 for FY 2007-08, and four for FY 2010-11). The calculated weighted average of other agency-generated SCAR cases that were determined to be substantiated or inconclusive for these fiscal years was 76.67%. We applied 76.67% to the allowable number of other agency-generated SCAR totals to determine the allowable number of SS 8583 forms prepared and submitted to the DOJ.

After performing these calculations, we determined that 517 other agency-generated SCAR cases (out of 3,396 total SCAR cases) were determined to be substantiated or inconclusive after the Rialto Police Department investigated them during the audit period. Therefore, the allowable number of other agency-generated SCAR cases that were substantiated or inconclusive for the audit period totals 517.

The following table summarizes the total claimed, non-mandate-related and mandate-related cases; the percent of other agency-generated SCARs and the allowable number of other agency-generated SCARs; the percent of other agency-generated SS 8583 forms and the allowable number of other agency-generated SS 8583 forms that were prepared and submitted to the DOJ; and the audit adjustment per fiscal year:

Fiscal Year	Claimed Number of SCARs Investigated (a)	Non-mandate-related Cases 17.22% (b) = (a) * 17.22%	Mandate-related Cases (c) = (a) - (b)	Percent of Other Agency-generated SCARs (d)	Allowable Number of Other Agency-generated SCARs (e) = (c) * (d)	Percent of SS 8583 Forms Prepare/Submit Other Agency (f)	Allowable SS 8583 Forms Prepare/Submit Other Agency (g) = (e) * 76.67%	Audit Adjustment (h) = (g) - (a)
1999-2000	249	43	206	24.00%	49	76.67%	38	(211)
2000-01	257	44	213	24.00%	51	76.67%	39	(218)
2001-02	265	46	219	24.00%	53	76.67%	41	(224)
2002-03	224	39	185	24.00%	44	76.67%	34	(190)
2003-04	326	56	270	24.00%	65	76.67%	50	(276)
2004-05	319	55	264	24.00%	63	76.67%	48	(271)
2005-06	314	54	260	24.00%	62	76.67%	48	(266)
2006-07	293	50	243	24.00%	58	76.67%	44	(249)
2007-08	186	32	154	24.00%	37	76.67%	28	(158)
2008-09	256	44	212	24.00%	51	76.67%	39	(217)
2009-10	223	38	185	24.00%	44	76.67%	34	(189)
2010-11	242	42	200	24.00%	48	76.67%	37	(205)
2011-12	242	42	200	24.00%	48	76.67%	37	(205)
Total	3,396	585	2,811		673		517	2,879

Time Increments

Claimed

The city claimed between 59 minutes (0.98 hours) and 1.04 hours per case for a Police Officer classification to write, prepare, and forward written reports and between six and seven minutes (0.11 hours to 0.12 hours) for a Sergeant classification to review and approve written reports. These time increments were included in the Forwarding the SS 8583 Report Forms to the Department of Justice cost component, although they should have been claimed under the Complete an Investigation for Purposes of Preparing the SS 8583 Report Form cost component. We informed the city of this discrepancy during the audit, as discussed in Finding 2.

Allowable

As a result of the time increments for this cost component being allocated to the Complete an Investigation for Purposes of Preparing the SS 8583 Report Form cost component, we needed to determine the time increments associated with preparing and submitting the SS 8583 forms to DOJ. We interviewed a Police Records Supervisor and a Police Records Assistant II from the Rialto Police Department to obtain an understanding of the city's processes for preparing and submitting the SS 8583 forms to the DOJ. Based on our discussions with Police Department staff members, we determined that it takes a Police Officer classification 24 minutes (0.40 hours) ATI to prepare a SS 8583 form and a Police Records Assistant I/II classification seven minutes (0.12 hours) ATI to submit a SS 8583 form to the DOJ. We determined that the allowable ATIs for these classifications to prepare and submit the SS 8583 forms to the DOJ total 0.52 hours.

Hours Adjustment

The following table summarizes the claimed, allowable, and adjusted hours based on the adjustments made to the number of SS 8583 forms submitted to the DOJ and the allowable ATIs to prepare and submit each SS 8583 form to the DOJ for the audit period:

Fiscal Year	Hours Claimed (a)	Hours Allowable (b)	Audit Adjustment (c) = (b) - (a)
1999-2000	282.25	62.92	(219.33)
2000-01	291.91	64.48	(227.43)
2001-02	300.39	66.56	(233.83)
2002-03	245.21	56.16	(189.05)
2003-04	377.07	82.16	(294.91)
2004-05	368.98	80.08	(288.90)
2005-06	358.57	79.04	(279.53)
2006-07	338.90	73.32	(265.58)
2007-08	215.14	46.80	(168.34)
2008-09	296.11	64.48	(231.63)
2009-10	257.94	56.16	(201.78)
2010-11	279.91	60.84	(219.07)
2011-12	143.43	60.84	(82.59)
Total	3,755.81	853.84	(2,901.97)

Criteria

The parameters and guidelines (section IV – Reimbursable Activities) require claimed costs to be supported by source documents. The parameters and guidelines state, 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. 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.

The parameters and guidelines (section IV-B.3.a.2.) allow ongoing activities related to costs for reporting to the DOJ for the following reimbursable activities:

2) Forward [SS 8583] reports to the Department of Justice

Prepare and submit to the Department of Justice a report in writing of every case it investigates of known or suspected child abuse or severe neglect which is determined to be substantiated or inconclusive, as defined in Penal Code section 11165.12. Unfounded reports, as defined in Penal Code section 11165.12, shall not be filed with the Department of Justice. If a report has previously been filed which subsequently proves to be unfounded, the Department of Justice shall be notified in writing of that fact. The reports required by this section shall be in a form approved by the Department of Justice (currently form 8583) and may be sent by fax or electronic transmission. (Penal Code section 11169(a) (Stats. 1997, ch. 842, § 5 (SB 644); Stats. 2000, ch. 916 (AB1241); Stats. 2011, ch. 468, § 2 (AB 717)); Code of Regulations, Title 11, section 903; "Child Abuse Investigation Report" Form SS 8583).

This activity includes costs of preparing and submitting an amended report to DOJ, when the submitting agency changes a prior finding of substantiated or inconclusive to a finding of unfounded or from inconclusive or unfounded to substantiated.

Reimbursement is not required for the costs of the investigation required to make the determination to file an amended report.

The parameters and guidelines (section V.A.1. – Claim Preparation and Submission – Actual Costs Claims, Direct Cost Reporting) state:

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

Recommendation

The ICAN Investigation Reports Program was suspended from FY 2015-16 through FY 2017-18. If the program becomes active again, we recommend that the city follow the mandated program claiming instructions and the parameters and guidelines to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

FINDING 3 – UNALLOWABLE SALARIES AND BENEFITS – REPORTING TO THE STATE DEPARTMENT OF JUSTICE: FORWARDING THE SS 8583 REPORT FORMS TO THE DEPARMENT OF JUSTICE COST COMPONENT

As previously discussed in response to Finding 1, the City mentioned concerns about misstatements made [in] the Draft Audit Report referencing systems used to query the data examined for this audit as well as the city's document availability to which SCO Audit Manager Lisa Kearney suggested providing revised language to best reflect systems and available data when responding to the SCO's official draft report so that it can be corrected and incorporated into the final report issued by the SCO.

The following are city's proposed corrections for Finding 3:

CITY'S PROPOSED CHANGE TO PAGE 24, SECOND PARAGRAPH, UNDER "CLAIMED" SUBHEADER (changes reflect the system names queried for this audit; changes from SCO original language are in **bold** for ease of identification):

"From FY 1999-2000 to FY 2001-02, the city was transitioning to **new dispatch and records management systems,** which did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying **both the Computer Aided Dispatch (CAD) System and the Records Management System (RMS)**. The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components."

CITY'S PROPSED CHANGE TO PAGE 24, THIRD PARAGRAPH, UNDER "ALLOWABLE" SUB-HEADER

"In April 2017, the city was asked to begin providing SCAR case listings for us to randomly select for review. Due to a system upgrade preventing the city from accessing these historical electronic records, the audit was set back nearly five months before records could be fully accessed and submitted to us by the city. In the interest of time and to remain on track with audit deadlines, we selected FY 2003-04, FY 2007-08, and FY 2010-11 to serve as a representative sample of the audit period. The city as able to provide detailed SCAR case listings for each of these three fiscal years. We worked with the city to devise a reasonable methodology for approximating the number of SS 8583 forms that were prepared and submitted to the DOJ for the audit period. Both parties agreed that we would calculate a weighted average based on the results of our testing as there was insufficient time and staffing to search the master case file (electronic and paper) for each record to retrieve a copy of the SS 8583 form."

CITY'S PROPOSED CHANGE TO POSITION TITLE, PAGE 28, FIRST PARAGRAPH – Change "Police Records Supervisor II" to "Police Records Supervisor"

City request for future consideration:

The city has requested the reclassification of numerous cases that were determined to be non-mandate related or not fully documented in the SCO's Draft Audit Report. If the city's explanations and evidence presented in this response have convinced the SCO to reclassify some of the cases from unallowable to allowable, the City requests that those corresponding cases found to be allowable be credited appropriate time under this eligible component **Finding 3: Unallowable Salaries and benefits – Reporting to the State Department of Justice: Forwarding the SS 8583 Report Forms to the Department of Justice cost component.**

In closing, the City of Rialto would like to reaffirm its position that the SCO has unjustly denied costs for several mandated activities we believe have been supported with ample source documentation, time studies, CAD logs to support officer time to complete an investigation, and staff interviews.

If agreeable to the SCO, Captain William Wilson will prepare and submit a declaration to further substantiate the city's arguments outlined in this response. Captain Wilson has been employed by the Rialto Police Department for 17 ½ years, has 27 years of total law enforcement experience, and has extensive experience in the area of child abuse investigations.

The intent of submitting the declaration is to offer additional support to the previously submitted documentation that was reviewed by the SCO throughout this audit. Per page 3 of the Parameters and Guidelines:

> Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The City appreciates the opportunity to respond to the SCO's Draft Audit Report. We believe we have accurately interpreted and supported our costs claimed in accordance with claiming instructions and Commission guidelines. Additional documentation is available should the SCO determine to reconsider allowable costs and make adjustments to the findings of this audit.

SCO Comment

The audit adjustment and the recommendation for the forwarding reports to the DOJ cost component remain unchanged.

We will address the city's response in the same order that it was presented.

The first complete paragraph on page 41 of this audit report has been revised per the city's request.

The fourth complete paragraph on page 41 of this audit report has been revised to reflect minor edits requested by the city.

The position title of "Police Records Supervisor II," cited in the draft audit report, has been amended to "Police Records Supervisor" in the first paragraph on page 45 of this audit report, per the city's request.

The audit adjustments and recommendations of this audit report remain unchanged for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components. The additional documentation provided with the Draft Audit response, CAD logs, written crime reports, police officer interviews, discussions with Captain William Wilson and Crime Analyst Jennifer Krutak, and documentation obtained throughout the course of the audit does not provide adequate support for additional time or eligible reimbursable costs for these cost components.

FINDING 4— Overstated indirect costs

The city claimed $377,036 in indirect costs for the audit period. During testing, we found that $105,430 is allowable and $271,606 is unallowable. Costs claimed are unallowable because the city misinterpreted the program's parameters and guidelines and, as a result, overstated its indirect cost rates for all fiscal years excluding FY 1999-2000, and applied the indirect cost rates to unallowable salaries.

The following table summarizes the claimed, allowable, and adjusted indirect costs for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
1999-2000	$ 16,591	$ 5,098	$ (11,493)
2000-01	18,892	5,151	(13,741)
2001-02	21,512	5,953	(15,559)
2002-03	17,241	4,623	(12,618)
2003-04	29,165	7,937	(21,228)
2004-05	34,240	9,304	(24,936)
2005-06	36,417	10,160	(26,257)
2006-07	32,649	8,903	(23,746)
2007-08	24,515	6,362	(18,153)
2008-09	39,790	9,526	(30,264)
2009-10	35,319	8,971	(26,348)
2010-11	44,258	11,366	(32,892)
2011-12	26,447	12,076	(14,371)
Total	$377,036	$105,430	$ (271,606)

Salaries claimed as indirect costs

The city classified various classifications as indirect positions and allocated the related salary and benefit costs to the indirect cost pool when computing claimed indirect cost rates. In our analysis, we noted that the indirect salaries and related benefits claimed as indirect costs might have included positions that were not indirect. The city provided a worksheet listing the classifications that it considered to be indirect.

The following table lists the 42 classifications that the city claimed as being 100% indirect in its ICRPs at some point during the audit period. Some of the classifications were claimed every fiscal year, while others were claimed in only some fiscal years.

Classifications Claimed as Indirect

Administrative Assistant	Police Chief
Administrative Secretary	Police Officer (Administrative Duty)
Accounting Technician	Police Cadet
Captain	Police Records Analyst II
Crime Analyst	Police Records Assistant I/II
Crime Analyst Assistant	Police Records Supervisor
Commander	Police Sergeant
Corporal	Police Training Sergeant
Corporal (Administrative)	Police Transcriber
Deputy Police Chief	Police Transcriptionist
Emergency Dispatcher (Part-time)	Property and Evidence Assistant
Emergency Dispatcher I/II	Senior Accounting Assistant
Emergency Dispatcher Supervisor	Senior Community Services Officers (2)
Emergency Services Supervisor	Senior Office Assistant
Executive Assistant	Senior Office Specialist
Executive Secretary	Senior Police Records Specialist
Information System Analyst	Sergeant
Law Enforcement Technician	Sergeant (Administrative)
Lieutenant	Transcriber
Office Assistant II	Technical Assistant

We identified 16 of the 42 positions as likely not 100% indirect, based on the nature of the positions and tasks performed. The remaining classifications are support roles or mostly administrative in nature, and therefore we accepted the city's assessment. The positions in question were the following:

- Crime Analyst
- Crime Analyst Assistant
- Emergency Dispatcher (Part-time)
- Emergency Dispatcher I/II
- Emergency Dispatch Supervisor
- Emergency Services Supervisor
- Law Enforcement Technician
- Lieutenant
- Police Cadet
- Police Corporal
- Police Sergeant
- Police Records Assistant II
- Property and Evidence Assistant
- Senior Community Services Officers
- Senior Police Records Specialist

For these positions, we reviewed the tasks identified on the city's duty statements. The duty statements served as a tool for determining an allocation between direct and indirect duties based on the list of typical duties performed.

As a general rule, any classification involved in providing specific, identifiable, and direct services should be considered as a direct labor cost. Indirect labor costs are those which are not readily identifiable or assignable to one unit and would typically benefit more than one department.

Recalculation of Fractional Percentages for Indirect Cost Pool

We analyzed the duties listed on the duty statements for the 16 classifications that we determined to be not 100% indirect. For each classification, we calculated how many of the duties listed on the duty statements were indirect and how many were direct. The city requested that we re-evaluate the duties that were determined to be direct versus indirect for each of these classifications. The city provided a supplemental reassessment analysis document identifying 16 classifications and their associated tasks, with clarifying details of the duties performed. The supplemental reassessment analysis document was completed using input provided by the city's Administrative Support Services Captain, who is responsible for overseeing all administrative functions of the Rialto Police Department and who determines how frequently duties will be performed by personnel as well as assigning responsibilities that may be outside of the standard duty statement. In addition, the city recalculated the direct and indirect percentages based on the duty statement tasks identified on the supplemental reassessment analysis document. Based on our review of the city's supplemental reassessment analysis document and discussion with the city's Administrative Support Services Captain, we accepted the city's recalculated direct and indirect percentages for each of these 16 classifications.

We calculated fractional percentages of indirect labor for each of the 16 classifications. The final determination of the allocation of indirect labor is as follows:

- Crime Analyst – 85%
- Crime Analyst Assistant – 70%
- Emergency Dispatcher (Part-time) – 94%
- Emergency Dispatcher I/II – 94%
- Emergency Dispatch Supervisor – 90%
- Emergency Services Supervisor – 90%
- Law Enforcement Technician – 80%
- Lieutenant – 90%
- Police Cadet – 20%
- Police Corporal – 50%
- Police Sergeant – 60%
- Police Records Assistant II – 90%

- Property and Evidence Assistant – 80%
- Senior Community Services Officers – 80%
- Senior Police Records Specialist – 90%

Recalculated Rates

For each fiscal year of the audit period, excluding FY 1999-2000, we recalculated the indirect cost rates by adjusting the salaries and related benefits costs allocated into the indirect cost pool based on the final determination of the allocation of direct and indirect labor ratio for the 16 classifications.

The following table summarizes the claimed, allowable, and adjusted indirect cost rates for the audit period:

Fiscal Year	Indirect Cost Rate Claimed (a)	Allowable Indirect Cost Rates (b)	Rate Difference (c) = (b) - (a)
1999-2000	58.50%	58.50%	-
2000-01	66.20%	62.29%	-3.91%
2001-02	70.10%	66.52%	-3.58%
2002-03	66.40%	61.30%	-5.10%
2003-04	75.00%	69.96%	-5.04%
2004-05	85.20%	79.96%	-5.24%
2005-06	89.40%	86.05%	-3.35%
2006-07	84.30%	79.54%	-4.76%
2007-08	98.40%	88.01%	-10.39%
2008-09	107.00%	88.56%	-18.44%
2009-10	107.90%	95.69%	-12.21%
2010-11	118.80%	105.98%	-12.82%
2011-12	118.60%	103.84%	-14.76%

Summary of Audit Adjustment

For each fiscal year of the audit period, we recalculated allowable indirect costs by applying the audited indirect cost rates to the allowable salaries. We found that the city overstated indirect costs totaling $271,606 for the audit period ($10,107 related to overstated indirect cost rates and $261,499 related to overstated salaries and benefits in Findings 1, 2, and 3).

Fiscal Year	Indirect Cost Rate Difference Adjustment	Unallowable Salaries Cost Adjustment	Total Audit Adjustment
1999-2000	$ -	$ (11,493)	$ (11,493)
2000-01	(323)	(13,418)	(13,741)
2001-02	(319)	(15,240)	(15,559)
2002-03	(385)	(12,233)	(12,618)
2003-04	(571)	(20,657)	(21,228)
2004-05	(610)	(24,326)	(24,936)
2005-06	(396)	(25,861)	(26,257)
2006-07	(532)	(23,214)	(23,746)
2007-08	(751)	(17,402)	(18,153)
2008-09	(1,985)	(28,279)	(30,264)
2009-10	(1,145)	(25,203)	(26,348)
2010-11	(1,374)	(31,518)	(32,892)
2011-12	(1,716)	(12,655)	(14,371)
Total	$ (10,107)	$ (261,499)	$ (271,606)

Criteria

The parameters and guidelines (section V.B. – Claim Preparation and Submission – Indirect Cost Rates) state:

> Indirect costs are cost that are incurred for a common or joint purpose…
>
> Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in 2 CFR Part 225 (Office of Management and Budget (OMB) Circular A-87). Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate exceeds 10%.
>
> If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in 2 CFR Part 225, Appendix A and B [OMB Circular A-87 Attachments A and B]. However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.
>
> The distribution base may be (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), (2) direct salaries and wages, or (3) another base which results in an equitable distribution.
>
> In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:
>
> 1. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) classifying a department's total costs for the base period as either direct or indirect, and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount of allowable indirect costs bears to the base selected; or
> 2. The allocation of allowable indirect costs (as defined and described in OMB Circular A-87 Attachments A and B) shall be accomplished by (1) separating a department into groups, such as divisions or sections, and then classifying the division's or section's total costs for the base period as either direct or indirect, and (2) diving the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount of allowable indirect costs bears to the base selected.

Recommendation

The ICAN Investigation Reports Program was suspended from FY 2015-16 through FY 2017-18. If the program becomes active again, we recommend that the city follow the mandated program claiming instructions and the parameters and guidelines to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

City's Response

The city did not provide a response to this audit finding.

Attachment—
City's Response to Draft Audit Report

City of Rialto
California

February 4, 2019

Ms. Lisa Kurokawa, Chief
State Controller's Office
Division of Audits
P.O. Box 942850
Sacramento, CA 94250

RE: City of Rialto Interagency Child Abuse and Neglect (ICAN) Investigation Reports Program Claims Audit, Fiscal Years 99-00 through 11-12

Dear Ms. Kurokawa:

Enclosed are the City of Rialto's comments to the draft audit report issued by the State Controller's Office for costs claimed related to the legislatively mandated Interagency Child Abuse and Neglect Investigation Reports Program for the period July 1, 1999 through June 30, 2012.

Please contact me and Jennifer Krutak after review and additional consideration of the enclosed comments and data should your office determine to make any modifications to the draft report submitted to the City of Rialto on January 22, 2019. I can be reached at (909) 820-7219 or jbrown@rialtoca.gov; Ms. Krutak can be reached at (909) 820-2645 or jkrutak@rialtopd.com.

Respectfully Submitted,

Jessica Brown, Finance Director

Enclosures

cc: Erica Velasquez, Auditor-in-Charge, State Controller's Office
Lisa Kearney, Audit Manager, State Controller's Office
William Wilson, Support Services Captain, Rialto Police Department
Jennifer Krutak, Crime Analyst, Rialto Police Department

After reviewing the Interagency Child Abuse and Neglect Investigation Reports Program draft report of findings issued by the State Controller's Office (hereinafter, "SCO") on January 22, 2019, the City of Rialto (hereinafter, "city") responds and objects as follows:

FINDING 1 – UNALLOWABLE SALARIES AND BENEFITS – CROSS-REPORTING FROM LAW ENFORCEMENT TO THE COUNTY WELFARE AND DISTRICT ATTORNEY'S OFFICE COST COMPONENT

On January 8, 2019, during the audit exit conference call, Captain William Wilson of the City of Rialto Police Department mentioned concerns he had regarding references and misstatements made of the Draft Audit Report referencing systems used to query the data examined for this audit as well as the city's document availability. SCO Audit Manager Lisa Kearney advised the City of Rialto to submit language that best reflects the systems and available data when responding to the SCO's official draft report so that it can be corrected and incorporated into the final report issued by the SCO.

The following are city's proposed corrections for Finding 1:

CITY'S PROPOSED CHANGE TO PAGE 11, SECOND PARAGRAPH, UNDER "CLAIMED" SUB-HEADER (changes reflect the system names queried for this audit; changes from SCO original language are in **bold** for ease of identification):

"From FY 1999-2000 to FY 2001-02, the city was transitioning to **new dispatch and records management systems**, which did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying **both the Computer Aided Dispatch (CAD) System and the Records Management System (RMS)**. The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components."

CITY'S PROPOSED CHANGE TO PAGE 12, SECOND PARAGRAPH, UNDER "ALLOWABLE" SUB-HEADER

"In April 2017, the city was asked to begin providing SCAR case listings for us to randomly select for review. Due to a system upgrade preventing the city from accessing these historical electronic records, the audit was set back nearly five months before records could be fully accessed and submitted to us by the city. In the interest of time and to remain on track with audit deadlines, we selected FY 2003-04, FY 2007-08, and FY 2010-11 to serve as a representative sample of the audit period. The city was able to provide detailed SCAR case listings for each of these three fiscal years. We worked with the city to devise a reasonable methodology for approximating the number of other agency-generated SCARs and non-mandate-related cases for each fiscal year to exclude from the total population. Both parties agreed that we would calculate a weighted average based on the results of our testing as there was insufficient time and staffing to obtain detailed SCAR case listings for the remaining years."

CITY'S PROPOSED CHANGE TO POSITION TITLE, PAGE 14, FIRST PARTIAL PARAGRAPH – Change "Police Records Supervisor II" to "Police Records Supervisor"

The following are city's objections to Finding 1:

CITY'S OPPOSITION TO FINDING 1 – SERGEANT'S REVIEW TIME UNALLOWABLE

The City claimed time for the Sergeant to review written reports that are cross-reported to the County Welfare (hereinafter "CPS") and the District Attorney's Office (hereinafter "DA"). According to the draft report, "reviewing written reports before sending them to CPS and the DA's office is not a mandate-related activity. Therefore, costs claimed for the Sergeant to review written reports before sending them to CPS and the DA's office are unallowable."

The City disagrees with this finding as reviewing a written report is:

1) **Eligible** - Parameters and Guidelines, Section IV.B.3.a.1, allows for "... this activity includes review of the initial Suspected Child Abuse Report (Form 8572) ... and making a report of the findings of those interviews, which may be reviewed by a supervisor."

   It is clear from the language of the Parameters and Guidelines that the Commission found report review a reasonably necessary activity and intended to allow for the reimbursement of supervisor review time for written reports. Further, nowhere in the Parameters and Guidelines, nor the Statement of Decision, does it specify what type of document is eligible or ineligible for supervisor review.

2) **Reasonably Necessary** - Pursuant to Government Code Section 17557(a) and Section 1183.7(d) of the Commission's regulations, a reasonably necessary activity is defined as, "... those activities necessary to comply with the statutes, regulations and other executive orders found to impose a state mandated program."

It is the City's position, that any written document that is required to be cross-reported as a part of the child abuse investigation to CPS or the DA satisfies a mandated activity under Section IV.B.3.a.1 and therefore, should be allowed for reimbursement of claimed costs for sergeant's review/approval of any written report for such investigations.

CITY'S OPPOSITION TO FINDING 1 – ALLOWABLE TIME INCREMENT TO SEND REPORT

On November 21, 2018, the SCO conducted interviews with police records staff to inquire on the clerical steps a Police Records Assistant I/II takes to process a written report for the purpose of sending to CPS and the DA. Employees interviewed identified the following key steps:

1) Pull and process electronic report written by officer

2) Prepare copies of report (per officer instructions) – includes watermarking documents for confidentiality purposes per California Penal Code 11142-43 prior to release

3) Release documents via fax/email/mail

Discussions immediately following the interviews between the City of Rialto and the SCO yielded an agreed average of six minutes per activity (steps 1-3 listed above) for a total of 18 minutes to process a written report to send to CPS and the DA. During subsequent conversations, the SCO reduced the total amount of time to six minutes stating that only step three involved the activity of physically sending the report, and therefore, steps one and two did not apply. The SCO has stated during discussions with the City that the "plain language" of the Parameters and Guidelines, Section IV.B.2.c.3, says "send a written report within 36 hours of receiving the information concerning the incident to any agency to which it is required to make a telephone report under Penal Code Section 11166" strictly limits reimbursement to sending the report (the physical activity of transmitting the document).

The City disagrees with this interpretation and contends that:

1) **Steps one and two are <u>necessary</u> in order to complete step three** – the physical act of sending a report cannot be completed without first pulling it over via the electronic system and processing the document(s) that will be faxed/emailed/mailed (to include scanning, if applicable, prior to emailing)

2) **Reasonably Necessary** - Pursuant to Government Code Section 17557(a) and Section 1183.7(d) of the Commission's regulations, a reasonably necessary activity is defined as, "... those activities necessary to comply with the statutes, regulations and other executive orders found to impose a state mandated program."

3) **Actual Costs to Completed Mandated Activity** - Page 3 of the Parameters and Guidelines states, "Actual costs are those costs actually incurred to implement the mandated activities." Steps one and two (aforementioned paragraph) are actual costs incurred to complete step three, the physical act of sending the written report.

Therefore, it is the City's position that all three steps are inclusive of the process to send a written report to CPS and the DA. Accordingly, the SCO should allow costs for this activity at 18 minutes for Police Records Assistant I/II.

<u>FINDING 2 – UNALLOWABLE SALARIES AND BENEFITS – REPORTING TO THE STATE DEPARTMENT OF JUSTICE: COMPLETE AN INVESTIGATION FOR PURPOSES OF PREPARING SS 8583 REPORT FORM COST COMPONENT</u>

As previously discussed in response to Finding 1, the City mentioned concerns about misstatements made of the Draft Audit Report referencing systems used to query the data examined for this audit as well as the city's document availability to which SCO Audit Manager Lisa Kearney suggested providing revised

language to best reflect systems and available data when responding to the SCO's official draft report so that it can be corrected and incorporated into the final report issued by the SCO.

The following are city's proposed corrections for Finding 2:

CITY'S PROPOSED CHANGE TO PAGE 16, SECOND PARAGRAPH, UNDER "CLAIMED" SUB-HEADER (changes reflect the system names queried for this audit; changes from SCO original language are in **bold** for ease of identification):

"From FY 1999-2000 to FY 2001-02, the city was transitioning to **new dispatch and records management systems**, which did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying **both the Computer Aided Dispatch (CAD) System and the Records Management System (RMS)**. The city used the total number of SCAR cases in the SCAR summary document to compute the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components."

CITY'S PROPOSED CHANGE TO PAGE 17, THIRD PARAGRAPH, UNDER "ALLOWABLE" SUB-HEADER

"In April 2017, the city was asked to begin providing SCAR case listings for us to randomly select for review. Due to a system upgrade preventing the city from accessing these historical electronic records, the audit was set back nearly five months before records could be fully accessed and submitted to us by the city. In the interest of time and to remain on track with audit deadlines, we selected FY 2003-04, FY 2007-08, and FY 2010-11 to serve as a representative sample of the audit period. The city was able to provide detailed SCAR case listings for each of these three fiscal years. We worked with the city to devise a reasonable methodology for approximating the number of LEA-generated SCARs and non-mandate-related cases for each fiscal year to exclude from the total population. Both parties agreed that we would calculate a weighted average based on the results of our testing as there was insufficient time and staffing to obtain detailed SCAR case listings for the remaining years."

The following are city's objections to Finding 2:

CITY'S OPPOSITION TO FINDING 2 – NUMBER OF SCARS - FULLY INVESTIGATED

The SCO denied investigative costs for all substantiated/inconclusive Law Enforcement Generated (hereinafter "LEA-generated") cases that were fully investigated for purposes of reporting to the Department of Justice (hereinafter "DOJ"). The SCO contends that these cases do not qualify for investigation or reporting writing (including supervisor review) despite the fact that almost 100% of the LEA-generated cases claimed were founded or inconclusive, therefore, requiring reporting to the DOJ. The SCO based the denial of costs on the following claiming wording of the Parameters and Guidelines (Section IV.B.3.a.1):

ii. In the event that the mandated reporter is employed by the same child protective agency required to investigate and submit the "Child Abuse Investigation Report" Form SS 8583 or subsequent designated form to the Department of Justice, pursuant to Penal Code section 11169(a), reimbursement is not required if the investigation required to complete the Form SS 8572 is also sufficient to make the determination required under section 11169(a), and sufficient to complete the essential information items required on the Form SS 8583..."

The City of Rialto believes that the denial of all actual, eligible costs for this component violates the Commission's intent and denies the City actual, documented costs incurred. The City strongly objects to this denial of all documented investigative costs for these LEA-generated cases for the following reasons:

1) Claiming instructions, and Parameters and Guidelines, clearly specify that reimbursement is eligible if the investigation required to report to the DOJ exceeds that which would have been required simply to complete the SS 8572 form. Rialto police officers conducted extensive investigations, as supported with actual time logs, which go beyond investigation time needed to satisfy the SS 8572 completion, thereby making these LEA-generated investigations eligible.

2) Documentation provided in support of other agency-generated cases was allowed by the SCO while identical documentation to support LEA-generated cases was denied

3) Investigative steps taken by officers were the same in LEA-generated (denied) and other-agency generated (allowed) investigations

4) City contends it has demonstrated that the investigation level **exceeded** the base requirements needed to fill out a mandated reporter form (SS 8572) - level of investigation required to fill in the SS 8572 was **not** sufficient to complete the SS 8583 form for DOJ reporting

5) SCO advised the City of Rialto these cases would be allowed at the rate of 1.74 hours per case for investigative time for all LEA-generated investigations that showed more than one interview of parties was conducted as of the December 4, 2018, audit status conference call.

The City firmly believes that it has adequately proven, through actual source documents and police staff interviews outlining investigative procedures, that the level of investigation performed to complete the SS 8583 exceeded that which was needed to cross report to CPS. A significant amount of time is spent to fully investigate an allegation of child abuse as is demonstrated with officer on-scene time logs, multiple officers assisting with the investigation, numerous parties being interviewed to determine the outcome of the allegation, written crime reports, etc. This level of effort would not have been required to simply fill out the cross reporting form to notify CPS of a suspected child abuse that has not been fully investigated, and in some instances, where the investigation has not yet begun.

The main objective of cross reporting to CPS (SS 8572) is to make the county aware of the alleged child abuse in order for CPS to assess if there is potential harm to the alleged victim(s) in the home.

The SS 8572 form is not required to be 100% completed to be accepted by CPS; only the reporting party and victim's basic information need to be included. An investigation does not need to be started or completed to obtain this information. As explained by Captain Wilson (and verified during subsequent officer interviews), the level of investigation required to complete SS 8572 is typically not sufficient to complete SS 8583. The SS 8572 generally involves talking to one person and gathering basic components of information. There are no requirements to first contact involved parties or conclude investigative findings before submitting the form.

However, in order to complete the SS 8583, and be accepted by the Department of Justice, a basic patrol level investigation must be completed. The SS 8583 has specific requirements that cannot be answered without first contacting parties involved:

- Section A - requires officer indicate if investigation is substantiated or inconclusive; this cannot be determined without completing an investigation (not required for SS 8572)

- Section C - officer must indicate if suspect was properly notified per PC 11169(b) regarding agency's requirement to notify DOJ of the subject being a suspected child abuse offender; investigation must be completed first (not required for SS 8572)

- Requires suspect's demographic information - date of birth, height, weight, eye color, hair color, social security number, driver's license number, and relationship to victim (most of these fields are not contained on SS 8572)

For a full list of the California Department of Justice's reporting components under SS 8583 that are not required to complete SS 8572, refer to http://ag.ca.gov/childabuse/pdf/8583guide.pdf. **The main requirement that exceeds SS 8572 is that a full, active, investigation must be completed** (pgs 2-4). A full investigation requires contact of not only a victim, but description/nature of injuries (not required under SS 8572). This guide further states that the form SS 8583 is to be sent to the DOJ only after the following four elements have been satisfied:

a) made investigative contacts
b) determined child abuse was not unfounded
c) confirmed the suspected abuse or neglect is reportable to the DOJ as stipulated in previously mentioned statutes
d) completed the investigation.

None of these elements are required for cross reporting. Therefore, to disallow all investigative costs for 100% of LEA-generated cases determined to be substantiated or inconclusive is unreasonable given that the source documents provided clearly support all the mandated activities were performed in furtherance of Parameters and Guidelines Section IV.B.3.a.1.

The SCO accepted the merits of the City's arguments and advised it was allowing costs during the December 4, 2018, status conference call. These allowed investigative costs were at the agreed amount of 1.74 hours. However, the very next day, the decision was reversed via email with no explanation other

than "after further review of the parameters and guidelines, the statement of decision, and the documentation we have to date, it is unclear that an investigation did in fact occur on LEA-generated cases (white cases)."

The City is aware that all decisions made to allow costs must be supported by the Parameters and Guidelines and Commission's Statement of Decision. Therefore, it is difficult to understand how those very same guidelines used to support the SCO allowing costs for LEA-generated cases on December 4, 2018, also justify denying costs on December 5, 2018. Despite numerous requests for specifics on what evidence is lacking in our documentation, the SCO has failed to provide them. The City can better assess the SCO's position if the SCO can point the City to the specific sections of the Parameters and Guidelines and Statement of Decision that support their denial along with an explanation of their interpretation of same language.

The City affirms it has provided actual evidence from CAD logs[1], written crime reports, officer interviews, and discussions supported by Captain Wilson and Crime Analyst Jennifer Krutak that actual, eligible costs were incurred for the reimbursable components including:

- actual officer on-scene time to conduct the preliminary investigation
- number of officers on-scene conducting the preliminary investigation
- size and complexity of the written report
- number of parties interviewed including relationship to case and summary of statements

The City contends that all these factors demonstrate that the level of effort and time to conduct an investigation to complete SS 8583 exceeds that which would have been required to simply gather basic information to complete SS 8572 mandated reporter form.

Accordingly, it is the City's position that LEA-generated cases, determined to be substantiated or inconclusive, which have been allowed for forwarding the SS 8583 form to the DOJ (that showed more than one party was interviewed, as previously agreed to by the SCO on December 4, 2018) should also be allowed full investigative time, associated report writing time and supervisor review/approval.

CITY'S OPPOSITION TO FINDING 2 – NUMBER OF SCARS – PARTIALLY INVESTIGATED

The SCO denied associated investigative costs stating, on page 21 of the draft report, that "the Police Department began but did not complete or document a full initial investigation" however, did allow time to review each referral. These reports were investigated by officers and determined to be unfounded. Because they were unfounded, no formal report was written to document the investigation once the call

[1] A CAD log (synonymous for call for service record) is used as a police department's first form of documentation when an officer is assigned to handle a patrol investigation. This is an entry to the Computer Aided Dispatch (CAD) system which logs basic information about a call for service: nature of alleged crime, officer assigned to investigation, date/time of call, location(s) involved, reporting/referring party, disposition of investigation as determined by officer. There is a corresponding CAD log for every investigation (substantiated/unfounded). Substantiated cases are followed by a formal written crime report in the Records Management System (RMS). Unfounded cases are closed out in the CAD system with no report to follow.

for service was closed. The SCO audit analysis spreadsheet identified these records in blue (calls for service).

The City would like to clarify, for the record, that the police department fully investigates all allegations of known or suspected child abuse. The SCO's statement that "a full initial investigation was not performed" is completely false, contradicts police policies and procedures, and is a violation of California Penal Code statutes. It is impossible for an officer to determine the case was unfounded without completing an investigation.

Throughout this audit, there has been disagreement between the City and the SCO on what constitutes acceptable source documentation to support that an investigation took place in order for costs to be deemed allowable. The fact that the SCO is unwilling to accept the police department's call for service documents as adequate investigative support does not mean that "a full initial investigation was not performed."

The City explained that the process for documenting an unfounded incident varies significantly from a substantiated investigation, and the call for service record is procedural for serving as the only form of documentation. The only source document for these unfounded investigations is the CAD log (call for service record) created during the officer's initial investigation.

Despite lengthy review and discussions with police department staff on the procedures for documenting unfounded incidents in CAD, including confirmation from Support Services Captain William Wilson that a CAD log for an unfounded incident indicates that a preliminary investigation did, in fact occur, the SCO concluded to deny investigative costs.

The City disagrees with this conclusion for the following reasons:

1) **City produced actual and contemporaneously prepared documents** – Per the Parameters and Guidelines, "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...may include, but are not limited to, employee time records or time logs..." The City believes the CAD logs provided for review meet this criteria and:

    - are electronic records created at the time the investigation took place
    - are valid source documentation to support investigative costs incurred by the City
    - are legal documents produced for Public Records Act and subpoena requests as well as used for official court purposes
    - provide actual officer on-scene time logs (defined as an example in the Commission's source documentation definition of the Parameters and Guidelines)

2) **City provided specific examples to support an investigation occurred** – The records originally determined to be unallowable by the SCO were re-evaluated through a collaborative process in November 2018. Each unallowed record was discussed in order for the city to present arguments as to why the record should be allowed for investigation time.

The City believes it provided ample justification to support that an investigation took place at the patrol level despite minimal narrative comments contained in the CAD logs. Officer interviews conducted by the SCO, as well as clarification provided by Captain William Wilson and Crime Analyst Jennifer Krutak, further explained possible reasons why CAD log narratives would be minimal or lacking.

The following are examples of cases that were referred by other mandated reporters to the Rialto Police Department that were allowed for review of referral only but denied for investigation time (redacted copies of the CAD logs are attached):

Record # 148: CPS referral – mother addicted to meth/not caring for children; officer made contact with alleged suspect and both children; determined "no signs of any abuse going on in the house"

Record # 108: CPS referral – allegations of physical abuse/four children in home; officer comments indicate "advisal only, kids chk'd C4 custody battle between families"; in order for officer to give an advisal to the family and ascertain there was a custody issue and not abuse, he would have had to make contact with the subjects in the home (also contacted children based on comment in call)

Record # 24: CPS referral – mother on drugs/not feeding child/living in filthy conditions; officer made contact with alleged suspect and child; determined "no signs of neglect"

Record # 44: Hospital referral – child admitted with leg fracture; officer made contact with parent and doctor; determined "appears to be no sign of child abuse, no bruising, no sign of abuse, just a fracture"

Record # 64: Hospital referral – child admitted with large bump on head; officer made contact with child, parent and doctor; determined "it is my opinion that the injury happened as explained…Dr. Thomas was also in agreement with my findings…I did not see any reason for CPS notification."

Although full incident reports were not written for the above investigations, there is still sufficient information documented in the CAD logs to determine that contact was made with at least one party, satisfying the investigation requirements of the mandate, proving this activity did take place.

3) **City followed Level 2 Investigation accepted by the Commission on State Mandates** – The Rialto Police Department's practice not to document unfounded investigations of child abuse with a formal incident report complies with the Commission's ruling to accept varying levels of investigation presented by the test claimant, LA County, in the Statement of Decision adopted on December 6, 2013.

Pages 24-25 of the Statement of Decision describe three basic types of investigation. In the Level 2 Investigation (most common), "Patrol Officer Investigation, No Child Abuse," LA County outlined eight steps for initiating/completing an investigation of child abuse where the outcome was deemed no child abuse/unfounded:

a. Officer receives, prints or transcribes child abuse reports (SCARs or calls-for-service) from the public, cross-reporting agency department, and mandated reporters
b. Officer processes child abuse report into agency's tracking system
c. Officer reviews report and assigns for appropriate follow-up investigation
d. Patrol officer receives call-for-service and acknowledges call
e. Patrol officer conducts preliminary interview with child/children
f. Patrol officer conducts preliminary interviews with parents, siblings, witnesses, and/or suspect(s)
g. Patrol officer enters findings into agency's systems (ends call in computer aided system and documents findings)
h. Supervising officer reviews investigation findings and approves closure of the report indicating no child abuse

**it should be noted that step H does not apply to the Rialto Police Department – the patrol officer is authorized to close the report in the computer aided system without the supervisor review using his/her discretion of the proper use of call disposition (unfounded, necessary action taken, etc.)*

Steps a – g are the same procedures the Rialto Police Department follows for investigating and documenting its unfounded allegations of child abuse, where the computer aided dispatch record serves as the final source document (no written report follows).

A comparison of Level 2 (No Child Abuse) and Level 3 (Reported CACI Investigation) investigations, Step 7, shows that the only difference is in documentation where a Level 3 investigation (determined to be substantiated or inconclusive) requires an officer to write a report; this is not required for a Level 2 investigation (unfounded) that ends at the closure of the CAD call.

In addition to the above, the Parameters and Guidelines, Section IV.B.3.a.1, state that the time to "Complete an investigation to determine whether a report of suspected child abuse or severe neglect is unfounded, substantiated or inconclusive" is reimbursable. This activity includes, "...conducting initial interviews with parents, victims, suspects or witnesses, **where applicable**, and making a report of the finding of those interviews."

The wording above, "where applicable," shows that an investigation may or may not require interview with parties. Although the City of Rialto still affirms that officers contacted at least one party for all mandate-related cases claimed for investigative costs, to require documented proof that an interview always occurred contradicts the statement above by the Commission.

The key point to consider is that the Commission only requires that a documentation of the investigative finding take place at the closure of the call (Level 2 Investigation, Step 7). The officer's call disposition and/or call notes, however minimal, meet this very objective; the disposition of unfounded reflects the officer's observations, interviews and overall conclusions as a result of conducting an investigation. Not having a detailed narrative report should not nullify reimbursement for the eligible preliminary investigative procedure.

Accordingly, it is the City's position that records allowed for review of referral only should be eligible for full investigative time as the City has provided ample source documentation to support that an initial investigation, in compliance with the mandate, occurred. It would be impossible, and negligent, for an officer to conclude an outcome of unfounded without first contacting involved parties to gather necessary facts to make a determination of the allegation of abuse. The fact that an unfounded investigation is not documented identically as a substantiated investigation (allowed by SCO) does not negate that the investigative activity took place, and therefore, costs should be allowed.

CITY'S OPPOSITION TO FINDING 2 – ALLOWABLE TIME INCREMENTS – PAGE 20

The SCO accepted the City's time study supporting 2.24 hours for completing an initial investigation and applied this to SCARs allowed for full investigation (673 cases total). The SCO also allowed review of referral as this is a mandate activity and believes the time spent to review the referral is inclusive of the investigation time at 2.24 hours.

The City disagrees with this interpretation for the following reasons:

1) **Intake of referral occurs <u>before</u> investigation begins** - either by reading SS 8572 submitted by other mandated reporter or talking to mandated reporter over the phone

2) Officer interviews with SCO indicated review of referral takes place prior to officer being assigned to handle child abuse investigation

3) It is clear from the Rialto Police Department Memorandum dated May 22, 2014 (copy attached) and officer interviews that the time spent to review and log the SCAR referral was not part of the initial time study documenting investigation time, but is a separate, allowable, activity.

   Instructions provided to complete time study were specific to logging time spent to:

   a. conduct an investigation
   b. write report
   c. complete SS 8583 form
   d. supervisor review/approval

The City asserts that including the time increment for accepting/reviewing the SCAR referral as part of the 2.24 hours of allowable time for those cases fully investigated is inappropriate and unfair. A more

equitable conclusion is to allow the time increment for accepting/reviewing the SCAR referral to be added to the 2.24 hours for all cases allowed for investigation (review time plus investigation time).

CITY'S OPPOSITION TO FINDING 2 – ADDITIONAL TIME INCREMENT FOR SCARS – REVIEW OF REFERRAL ONLY

The SCO determined that 16 minutes is allowable to perform the mandated activity of an officer to review the Suspected Child Abuse Report (SS 8572 form) referral. This time was based on interviews conducted with officers whose responses yielded the following:

- Officer 1 - takes 10 to 15 minutes to review SCAR form (this averages to 13 minutes)
- Officer 2 - takes 20 to 25 minutes to review SCAR form (this averages to 23 minutes)
- **combined average to review SCAR form = 17.5 minutes**

Based on the above factual data, the City requests that the SCO correct the allowable review of referral time from 16 minutes to 17.5 minutes based on the combined average determined as a result of the interview statements provided by both officers.

FINDING 3 – UNALLOWABLE SALARIES AND BENEFITS – REPORTING TO THE STATE DEPARTMENT OF JUSTICE: FORWARDING THE SS 8583 REPORT FORMS TO THE DEPARTMENT OF JUSTICE COST COMPONENT

As previously discussed in response to Finding 1, the City mentioned concerns about misstatements made of the Draft Audit Report referencing systems used to query the data examined for this audit as well as the city's document availability to which SCO Audit Manager Lisa Kearney suggested providing revised language to best reflect systems and available data when responding to the SCO's official draft report so that it can be corrected and incorporated into the final report issued by the SCO.

The following are city's proposed corrections for Finding 3:

CITY'S PROPOSED CHANGE TO PAGE 24, SECOND PARAGRAPH, UNDER "CLAIMED" SUB-HEADER (changes reflect the system names queried for this audit; changes from SCO original language are in **bold** for ease of identification):

"From FY 1999-2000 to FY 2001-02, the city was transitioning to **new dispatch and records management systems**, which did not capture all of the SCAR cases. For FY 2002-03 through FY 2011-12, the city determined the SCAR case counts by querying **both the Computer Aided Dispatch (CAD) System and the Records Management System (RMS)**. The city used the total number of SCAR cases in the SCAR summary document to computer the claimed costs for the Cross-reporting (Finding 1), Completing an Investigation (Finding 2), and Forwarding Reports to the DOJ (Finding 3) cost components."

CITY'S PROPOSED CHANGE TO PAGE 24, THIRD PARAGRAPH, UNDER "ALLOWABLE" SUB-HEADER

"In April 2017, the city was asked to begin providing SCAR case listings for us to randomly select for review. Due to a system upgrade preventing the city from accessing these historical electronic records, the audit was set back nearly five months before records could be fully accessed and submitted to us by the city. In the interest of time and to remain on track with audit deadlines, we selected FY 2003-04, FY 2007-08, and FY 2010-11 to serve as a representative sample of the audit period. The city was able to provide detailed SCAR case listings for each of these three fiscal years. We worked with the city to devise a reasonable methodology for approximating the number of SS 8583 forms that were prepared and submitted to the DOJ for the audit period. Both parties agreed that we would calculate a weighted average based on the results of our testing as there was insufficient time and staffing to search the master case files (electronic and paper) for each record to retrieve a copy of the SS 8583 form."

CITY'S PROPOSED CHANGE TO POSITION TITLE, PAGE 28, FIRST PARAGRAPH – Change "Police Records Supervisor II" to "Police Records Supervisor"

City request for future consideration:

The city has requested the reclassification of numerous cases that were determined to be non-mandate related or not fully documented in the SCO's Draft Audit Report. If the city's explanations and evidence presented in this response have convinced the SCO to reclassify some of the cases from unallowable to allowable, the City requests that those corresponding cases found to be allowable be credited appropriate time under this eligible component **Finding 3: Unallowable Salaries and benefits – Reporting to the State Department of Justice: Forwarding the SS 8583 Report Forms to the Department of Justice cost component.**

In closing, the City of Rialto would like to reaffirm its position that the SCO has unjustly denied costs for several mandated activities we believe have been supported with ample source documentation, time studies, CAD logs to support officer time to complete an investigation, and staff interviews.

If agreeable to the SCO, Captain William Wilson will prepare and submit a declaration to further substantiate the city's arguments outlined in this response. Captain Wilson has been employed by the Rialto Police Department for 17 ½ years, has 27 years of total law enforcement experience, and has extensive experience in the area of child abuse investigations.

The intent of submitting the declaration is to offer additional support to the previously submitted documentation that was reviewed by the SCO throughout this audit. Per page 3 of the Parameters and Guidelines:

> Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the

reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The City appreciates the opportunity to respond to the SCO's Draft Audit Report. We believe we have accurately interpreted and supported our costs claimed in accordance with claiming instructions and Commission guidelines. Additional documentation is available should the SCO determine to reconsider allowable costs and make adjustments to the findings of this audit.

ATTACHMENTS IN SUPPORT OF

CITY OF RIALTO

INTERAGENCY CHILD ABUSE & NEGLECT (ICAN) INVESTIGATION REPORTS

RESPONSE TO SCO DRAFT AUDIT

CAD Operations Report

RIALTO POLICE DEPARTMENT

Call Number 080415-0066 Printed: 01/27/2018 02:56 PM

Call Detail Information

Jurisdiction: RIALTO

Call Number	Taker	Pos	Call Owner	Status	Date - Time Received	Inj
080415-0066	[redacted]	3		C	Tue 04/15/2008 09:42:15	0

Complaint	Ten Code	Priority	Fire Grade	Class	Alarm	How Received
WELCK		2		F		PHONE

Incident Location	Apart/Suite	Floor/Bldg	Incident City	State	ZIP
[redacted]			RIALTO		

Caller Name	Telephone	Alt Telephone	Tower ID
[redacted]	909- -	- -	- -

Caller Location	Apart/Suite	Floor/Bldg	Caller City	State	ZIP
[redacted]			RIALTO		

Landmark Weapons

IRA	Grid	Disp Zone	Fire Run Zn	EMS Run Zn	ESN	Tract
95						1

☐ Contacts ☐ Fire Plan ☐ Hazard ☐ Images ☐ Medical ☐ Traffic ☑ Previous

☐ BOLO ☐ Warrant RMS CH RMS Alerts ☐ In Progress ☐ Report Req ☐ Subject Req

ALI Time	Call Rec'd	Xmit	Dispatch	Enroute	OnScene	Departed	Arrived	Comp	Unit
00:00:00	09:42:15	09:47:25	10:05:21	10:05:21	10:51:51	10:51:51		11:32:04	P32D

X: Y: Z: Lwr: Upr:

Narrative...

[04/15/2008 11:28:13 : P32D]
there is no signs of any abuse going on in the house. and the female does not appear to be under the influence
[04/15/2008 11:27:37 : P32D]
the children were well dressed.... mother works full time in upland 5 days a week and does not come home until 2030 hours in evening.. children are not picked up by her from school they go to a babysitter
[04/15/2008 11:25:50 : P32D]
[redacted] was advised to obtain a restraining order
[04/15/2008 11:25:35 : P32D]
I attempted to contact [redacted] and she did not answer message left
[04/15/2008 11:25:12 : P32D]
she had several missed calls from [redacted] as well as text messages
[04/15/2008 11:24:56 : P32D]
she showed me text messages from [redacted] stating sh was gnna make her life hell and she would make sure [redacted] lost her kids and her house and her perfect life would no longer be perfect
[04/15/2008 11:24:17 : P32D]
stated she knows she called because she has had problems with her for the last 3 years states they used to be friends however after [redacted] tried to pick up on her husband they fell out
[04/15/2008 11:23:40 : P32D]
[redacted] stated she has been having problems with a girl by the name of [redacted] who lives down the street [redacted]
[04/15/2008 11:23:05 : P32D]
spoke with [redacted] she advised she does not use drugs or alcohol,,, the house was clean there was food and there were no signs of abuse with the children.

[04/15/2008 10:51:49 : [redacted]]
Unit : P32D
ENR [redacted]

[04/15/2008 9:47:25 : [redacted]]
Cross streets: CULDESAC//EASTON ST

***CPS REFERRAL

V#1: [redacted] - HMJ - [redacted]
V#2: [redacted] - HFA - [redacted]

S#1: [redacted] - HFA - [redacted]
S#2: [redacted] - HMA - [redacted]

MOTHER IS ADDICTED TO METH - HAS BEEN TO HIGH IN THE PAST TO BE ABLE TO P/UP VICTIMS FROM SCHOOL OR ABLE TO FEED CHILDREN - FATHER IS AWARE OF PROBLEMS BUT ADVS MOTHER NOT TO TELL ANYONE BECAUSE IT WILL MESS UP THEIR HOME - MOTHER IS SUPPOSDLY COMMITING WELFARE FRAUD AND ALSO HAS A FELON LIVING IN THE RES

****PAPERWORK IS AVAIL IN DISPATCH

Location Comment

Department Numbers

Department	Dept Number	Unit ID
3609	080415-00057	P32D

Call Log

Unit	Status	Date - Time	Dept	Type	Comments	Officers	Odo
P32D	ENR	4/15/2008 10:05:21	3609	POL	[redacted] RIALTO	[redacted]	0.0
P32D	LEF	4/15/2008 10:51:51	3609	POL	Left Scene, [redacted], RIALTO		0.0
P32D	REM	4/15/2008 11:32:04	3609	POL	REM		
P32D	COM	4/15/2008 11:32:04	3609	POL	Call Completed		0.0
P32D	AVA	4/15/2008 11:32:04	3609	POL	Call Completed		0.0

Unit	Dept	DIS	ENR	ONS	LEF	ARR	BUS	REM	COM
P32D	3609		10:05:21		10:51:51			11:32:04	11:32:04

Unit Log

Date-Time	Dept	Unit	Officer ID	Action	Comments
4/15/2008 10:51:49	3609	P32D	[redacted]	Note	Unit : P32D ENR [redacted]

Category	Last Name	First Name	Middle Name	Suffix	Crim Hist	RMS Alerts
		Race	Sex	Ethnic	Height	Weight	Age	DOB	OLN
		Clothing			Demeanor	
		Relationship			Hair Color	Eye Clr	Complexion
Business Name		Description				
Location		Apt/Ste	Flr/Bld	City	ST	ZIP	Phone

Call Subject Statistics

Question	Answer

Call References

Reference_Type	Reference	Related_Calls

CAD Operations Report

RIALTO POLICE DEPARTMENT

Call Number 031002-0090 Printed: 10/26/2017 08:45 AM

Call Detail Information

Jurisdiction: RIALTO

Call Number	Taker	Pos	Call Owner	Status	Date - Time Received	Inj
031002-0090	[redacted]	4		C	Thu 10/02/2003 12:28:59	0

Complaint	Ten Code	Priority	Fire Grade	Class	Alarm	How Received
WELCK		2		F		

Incident Location	Apart/Suite	Floor/Bldg	Incident City	State	ZIP
[redacted]			RIALTO		

Caller Name	Telephone	Alt Telephone	Tower ID
[redacted] CPS HOTLINE	[redacted]		

Caller Location	Apart/Suite	Floor/Bldg	Caller City	State	ZIP

Landmark Weapons

IRA	Grid	Disp Zone	Fire Run Zn	EMS Run Zn	ESN	Tract
04						1

☐ Contacts ☐ Fire Plan ☐ Hazard ☐ Images ☐ Medical ☐ Traffic ☑ Previous

☐ BOLO ☐ Warrant RMS CH RMS Alerts ☐ In Progress ☐ Report Req ☐ Subject Req

ALI Time	Call Rec'd	Xmit	Dispatch	Enroute	OnScene	Departed	Arrived	Comp	Unit
00:00:00	12:28:59	12:44:19	15:05:58	15:05:58	16:58:51			17:41:41	P10D

X: Y: Z: Lwr: Upr:

Narrative...

[10/02/2003 17:41:28 : P10D]
ADVISAL ONLY, KIDS CHK'D C4 CUSTODY BATTLE BETWEEN FAMILIES
[10/02/2003 12:46:35 : [redacted]]
BC RD04

[10/02/2003 12:45:36 : [redacted]]
Cross streets: [redacted]

R/P STATES [redacted] AUNT . SHE STATES THAT [redacted] BOYFRIEND HAS PHYSICALLY ABUSED ONE OF [redacted] CHILDREN . THE DATE THE INCIDENT OCCURRED IS UNKNOWN. THE MOTHER DOES DRUGS AND THERE ARE 4 CHILDREN [redacted] AGE 18, [redacted] BFJ 10, [redacted] , [redacted] [redacted] BMJ [redacted] , [redacted] [redacted] BFJ , 14 , [redacted] .CHILDREN ARE LEFT WITH THE AUNT.

Location Comment

Department Numbers

Department	Dept Number	Unit ID
3609	031002-00089	P10D

Call Number 031002-0090 Printed: 10/26/2017 08:45 AM

Call Dispositions

Date - Time	Disposition	Unit Id
2003/10/02 17:41:39.	NECESSARY ACTION TAKEI	P10D

Call Complaints

Date - Time	Complaint	Action E
10/2/2003 12:51:07	270R	[redacted]

Call Log

Unit	Status	Date - Time	Dept	Type	Comments	Officers	Odo
P10D	ENR	10/2/2003 15:05:58	3609	POL	[redacted], RIALTO	[redacted]	0.0
P10D	REM	10/2/2003 15:09:58	3609	POL	REM		0.0
P10D	ENR	10/2/2003 16:37:48	3609	POL	[redacted], RIALTO		0.0
P10D	ONS	10/2/2003 16:58:51	3609	POL	[redacted], RIALTO		0.0
P10D	REM	10/2/2003 17:41:41	3609	POL	REM		
P10D	COM	10/2/2003 17:41:41	3609	POL	Call Completed		0.0
P10D	AVA	10/2/2003 17:41:41	3609	POL	Call Completed		0.0

Unit	Dept	DIS	ENR	ONS	LEF	ARR	BUS	REM	COM
P10D	3609		16:37:48	16:58:51				15:09:58	17:41:41

Category | Last Name | First Name | Middle Name | Suffix | Crim Hist | RMS Alerts

Race | Sex | Ethnic | Height | Weight | Age | DOB | OLN

Clothing | Demeanor

Relationship | Hair Color | Eye Clr | Complexion

Business Name | Description

Location | Apt/Ste | Flr/Bld | City | ST | ZIP | Phone

Call Subject Statistics

Question	Answer

Call References

Reference_Type	Reference	Related_Calls

CAD Operations Report

RIALTO POLICE DEPARTMENT

Call Number 100729-0147 Printed: 01/27/2018 03:41 PM

Call Detail Information

Jurisdiction: RIALTO

Call Number	Taker	Pos	Call Owner	Status	Date - Time Received	Inj
100729-0147	[redacted]	2		C	Thu 07/29/2010 17:01:38	0

Complaint	Ten Code	Priority	Fire Grade	Class	Alarm	How Received
WELCK		2		F		PHONE

Incident Location	Apart/Suite	Floor/Bldg	Incident City	State	ZIP
[redacted]	[redacted]		RIALTO		

Caller Name	Telephone	Alt Telephone	Tower ID
CPS [redacted]	[redacted]	- -	- -

Caller Location	Apart/Suite	Floor/Bldg	Caller City	State	ZIP
[redacted]	[redacted]		RIALTO		

Landmark Weapons

IRA	Grid	Disp Zone	Fire Run Zn	EMS Run Zn	ESN	Tract
620						3

☐ Contacts ☐ Fire Plan ☐ Hazard ☐ Images ☐ Medical ☐ Traffic ☑ Previous

☐ BOLO ☐ Warrant ☑ RMS CH ☐ RMS Alerts ☐ In Progress ☐ Report Req ☐ Subject Req

ALI Time	Call Rec'd	Xmit	Dispatch	Enroute	OnScene	Departed	Arrived	Comp	Unit
00:00:00	17:01:38	17:05:45	18:58:17	18:58:17	19:01:24			19:30:10	P30G

X: Y: Z: Lwr: Upr:

Narrative...

[07/29/2010 19:30:10 : pos4 : [redacted]
[Cleared with unit P30G]

[07/29/2010 19:24:56 : P30G]
NO SIGNS OF NEGLECT BY [redacted] TO CHILD..

[07/29/2010 19:24:33 : P30G]
APT HAD RUNNING WATER, ELECTRICITY, AND FOOD IN THE REFRIDGERATOR..APT WAS BEING CLEANED BY [redacted]..

[07/29/2010 19:23:27 : P30G]
APARTMENT WAS AT A COMFORTABLE TEMP W/AC IN BEDROOM WHERE CHILD WAS SLEEPING..

[07/29/2010 19:22:32 : P30G]
CONTACTED [redacted] AND CHILD..CHILD WAS ASLEEP IN HER PLAY PEN..CHILD APPEARED TO BE IN GOOD HEALTH AND SLEEPING COMFORTABLY..

[redacted]

[redacted]

[redacted]

DMV RECORD FOR LAW ENFORCEMENT USE ONLY

[redacted]

[redacted]

END

[07/29/2010 17:05:45 : pos2 : [redacted]]
Cross streets: [redacted]
Geo Comment: POSTED PC602K

RP W. CPS REQ WELCL ON 1 YO LIVING AT LOC W. MOTHER [redacted] BFA MOTHER TO 1 YO POSS NOT FEEDING CHILD AND LIVING IN FILTHY RESD FEMALE IS POSS DOING METH AND STEALING MONEY FRM ELDERY FATHER

RP WAS OUT AT LOC ON 7/16 TODAY AND FEMALE AT LOC REFUSED TO ALLOW CPS TO CHECK ON THE CHILD AND ADVSD THAT [redacted] WAS NOT AT THE LOCATION AND APPEARED TO BE UTI

WELCK ON 1 YO FEMALE [redacted] BFJ
Location Comment
Geo Comment: POSTED PC602K

Department Numbers

Department	Dept Number	Unit ID
3609	100729-00122	P30G

Call Dispositions

Date - Time	Disposition	Unit Id
2010/07/29 19:30:10.3	NECESSARY ACTION TAKEN	

Call Log

Unit	Status	Date - Time	Dept	Type	Comments	Officers	Odo
P30G	ENR	7/29/2010 18:58:17	3609	POL	[redacted] AVE, RIALTO	[redacted]	0.0
P21G	ENR	7/29/2010 18:58:19	3609	POL	[redacted] AVE, RIALTO		0.0
P30G	ONS	7/29/2010 19:01:24	3609	POL	[redacted] AVE, RIALTO		0.0
P21G	ONS	7/29/2010 19:04:02	3609	POL	[redacted] AVE, RIALTO		0.0
P21G	COM	7/29/2010 19:30:10	3609	POL	COM		0.0
P30G	COM	7/29/2010 19:30:10	3609	POL	COM		0.0

Unit	Dept	DIS	ENR	ONS	LEF	ARR	BUS	REM	COM
P21G	3609		18:58:19	19:04:02					19:30:10
P30G	3609		18:58:17	19:01:24					19:30:10

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Unit Log

Date-Time	Dept	Unit	Officer ID	Action	Comments
7/29/2010 18:59:56	3609	P21G	[redacted]	Change Patrol	Patrol SEC 2, [redacted] RIALTO
7/29/2010 19:00:09	3609	P30G	[redacted]	Change Patrol	Patrol 3, [redacted], RIALTO

Call Persons

Category	Last Name	First Name	Middle Name	Suffix	Crim Hist	RMS Alerts
	[redacted]	[redacted]			☑	☐

Race	Sex	Ethnic	Height	Weight	Age	DOB	OLN
	F				32	[redacted]	

Clothing	Demeanor

Relationship	Hair Color	Eye Clr	Complexion

Business Name	Description

Location	Apt/Ste	Flr/Bld	City	ST	ZIP	Phone
				CA		

Call Subject Statistics

Question	Answer

Category	Last Name	First Name	Middle Name	Suffix	Crim Hist	RMS Alerts
					☐	☐

Race	Sex	Ethnic	Height	Weight	Age	DOB	OLN
			0	0			

Clothing	Demeanor

Relationship	Hair Color	Eye Clr	Complexion

Business Name	Description

Location	Apt/Ste	Flr/Bld	City	ST	ZIP	Phone
				CA		

Call Subject Statistics

Question	Answer

Call References

Reference_Type	Reference	Related_Calls

CAD Operations Report

RIALTO POLICE DEPARTMENT

Call Number 100829-0102 Printed: 01/27/2018 04:24 PM

Call Detail Information

Jurisdiction: RIALTO

Call Number	Taker	Pos	Call Owner	Status	Date - Time Received	Inj
100829-0102	[redacted]	1		C	Sun 08 /29/2010 13:17:18	0

Complaint	Ten Code	Priority	Fire Grade	Class	Alarm	How Received
273DR		3		C		

Incident Location	Apart/Suite	Floor/Bldg	Incident City	State	ZIP
[redacted]			RIALTO		

Caller Name	Telephone	Alt Telephone	Tower ID
MONTCLAIR HOSPITAL	[redacted]	- -	- -

Caller Location	Apart/Suite	Floor/Bldg	Caller City	State	ZIP
[redacted]			RIALTO		

Landmark Weapons

IRA	Grid	Disp Zone	Fire Run Zn	EMS Run Zn	ESN	Tract
124						1

☐ Contacts ☐ Fire Plan ☐ Hazard ☐ Images ☐ Medical ☐ Traffic ☑ Previous

☐ BOLO ☐ Warrant ☑ RMS CH ☐ RMS Alerts ☐ In Progress ☐ Report Req ☐ Subject Req

ALI Time	Call Rec'd	Xmit	Dispatch	Enroute	OnScene	Departed	Arrived	Comp	Unit
00:00:00	13:17:18	13:18:34	13:24:12	13:24:12	13:26:06	13:26:06		15:33:19	P10D

X: Y: Z: Lwr: Upr:

Narrative...

[08/29/2010 15:33:19 : pos2 : [redacted]]
[Cleared with unit P10D]

[08/29/2010 14:50:27 : P10D]
MOTHER OF CHILD TOLD FATHER CHILD FELL WHILE AT LAKE PERRIS

[08/29/2010 14:50:10 : P10D]
SPOKE TO DOCTOR AND HE SAID IN HIS MEDICAL PROFESSIONAL OPINION THERE IS NO SIGN OF CHILD ABUSE

[08/29/2010 14:49:34 : P10D]
APPEARS TO BE NO SIGN OF CHILD ABUSE, NO BRUISING, NO SIGN OF ABUSE, JUST A FRACTURE

[redacted]

[redacted]

DMV RECORD FOR LAW ENFORCEMENT USE ONLY

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Call Log

Unit	Status	Date - Time	Dept	Type	Comments	Officers	Odo
P10D	ENR	8/29/2010 13:24:12	3609	POL	[redacted] ST, RIALTO	[redacted]	0.0
P10D	LEF	8/29/2010 13:26:06	3609	POL	Left Scene, MONTCLAIR HOSPTIAL , RIALTO		0.0
P10D	ONS	8/29/2010 14:08:49	3609	POL	MONTCLAIR HOSPTIAL , RIALTO		0.0
P10D	LEF	8/29/2010 15:00:43	3609	POL	Left Scene, ENRT CITY, RIALTO		0.0
P10D	COM	8/29/2010 15:33:19	3609	POL	COM		0.0

Unit	Dept	DIS	ENR	ONS	LEF	ARR	BUS	REM	COM
P10D	3609		13:24:12	14:08:49	13:26:06				15:33:19

Call Persons

Category	Last Name	First Name	Middle Name	Suffix	Crim Hist	RMS Alerts
		Race	Sex	Ethnic	Height	Weight	Age	DOB	OLN
		Clothing						Demeanor	
		Relationship						Hair Color	Eye Clr	Complexion
Business Name		Description							
Location		Apt/Ste	Flr/Bld	City				ST	ZIP	Phone
[redacted]		[redacted]						☑	☐	
		M			0			[redacted]		CA

Call Subject Statistics

Question	Answer

Category	Last Name	First Name	Middle Name	Suffix	Crim Hist	RMS Alerts
		Race	Sex	Ethnic	Height	Weight	Age	DOB	OLN
		Clothing						Demeanor	
		Relationship						Hair Color	Eye Clr	Complexion
Business Name		Description							
Location		Apt/Ste	Flr/Bld	City				ST	ZIP	Phone
								☐	☐	
					0	0		[redacted]		CA

Call Subject Statistics

Question	Answer

Call References

Reference_Type	Reference	Related_Calls

CAD Operations Report

RIALTO POLICE DEPARTMENT

Call Number 100927-0233 Printed: 01/27/2018 05:13 PM

Call Detail Information

Jurisdiction: RIALTO

Call Number	Taker	Pos	Call Owner	Status	Date - Time Received	Inj
100927-0233	[redacted]	2		C	Mon 09/27/2010 20:09:09	0

Complaint	Ten Code	Priority	Fire Grade	Class	Alarm	How Received
INC		3		G		PHONE

Incident Location	Apart/Suite	Floor/Bldg	Incident City	State	ZIP
[redacted]			RIALTO		

Caller Name	Telephone	Alt Telephone	Tower ID
ARMC[redacted]	[redacted]	- -	- -

Caller Location	Apart/Suite	Floor/Bldg	Caller City	State	ZIP
[redacted]			RIALTO		

Landmark Weapons

IRA	Grid	Disp Zone	Fire Run Zn	EMS Run Zn	ESN	Tract
164						4

☐ Contacts ☐ Fire Plan ☐ Hazard ☐ Images ☐ Medical ☐ Traffic ☑ Previous

☐ BOLO ☐ Warrant ☑ RMS CH ☐ RMS Alerts ☐ In Progress ☐ Report Req ☐ Subject Req

ALI Time	Call Rec'd	Xmit	Dispatch	Enroute	OnScene	Departed	Arrived	Comp	Unit
00:00:00	20:09:09	20:12:46	20:14:22	20:14:22	20:14:30	20:14:30		21:25:26	P40G

X: Y: Z: Lwr: Upr:

Narrative...

[09/27/2010 21:18:07 : P40G]
SGT. [redacted] ADVISED OF THE CIRCS VIA 21.

[09/27/2010 21:17:51 : P40G]
FINDINGS. [redacted] WAS RELEASED FROM THE HOSPITAL IN [redacted] CARE. I DID NOT SEE ANY REASON FOR CPS NOTIFICATION.

[09/27/2010 21:17:10 : P40G]
HEAD. HER SYMPTOMS WERE DIZZINESS AND NAUSEA AS WELL AS A SLIGHT HEADACHE. DR [redacted] WAS ALSO IN AGREEMENT WITH MY

[09/27/2010 21:16:19 : P40G]
IT IS MY OPINON THAT THE INJURY HAPPENED AS EXPLAINED BY [redacted] THE INJURY IS CONSISTENT WITH SOMEONE HITTING THERE

[09/27/2010 21:15:37 : P40G]
CONTACT NUMBERS FOR [redacted] ARE AS FOLLOWS;
[redacted]
[redacted]

[09/27/2010 21:14:47 : P40G]
TO BE HIDING ANY INFORMATION. SHE WAS ALERT AND COMPREHENDING MY QUESTIONS CLEARLY.

[09/27/2010 21:13:59 : P40G]
ER FOR FURTHER DIAGNOSIS. [redacted] WAS VERY COOPERATIVE AND CALM. [redacted] WAS VERY RESPONSIVE AND DID NOT APPEAR

[09/27/2010 21:13:14 : P40G]
[redacted] TOOK [redacted] TO THEIR PERSONAL DOCTOR, [redacted], WHO ADVISED THAT [redacted] TAKE [redacted] TO THE

[09/27/2010 21:12:26 : P40G]
TODAY AND NOTICED THAT HER EYES LOOKED VERY DROOPY AND TIRED. THEN [redacted] NOTICED A LARGE BUMP ON [redacted] HEAD

[09/27/2010 21:11:54 : P40G]
I CONTACTED [redacted] MOTHER, [redacted], AT THE HOSPITAL. [redacted] TOLD ME THAT SHE PICKED UP [redacted] FROM SCHOOL

[09/27/2010 21:10:58 : P40G]
[redacted] DID NOT TELL ANYONE ABOUT THE INC.

[09/27/2010 21:10:36 : P40G]
HER COUSIN PUSHED [redacted] AND [redacted] HIT HER HEAD ON THE CLOSET DOOR. [redacted] FELT DIZZY AND LAID DOWN.

[09/27/2010 21:10:01 : P40G]
WITH HER COUSINS. [redacted] WAS IN THE CLOSET WITH HER COUSIN AND TRIED TO GET HER OFF A HIGH AREA IN THE CLOSET

[09/27/2010 21:09:02 : P40G]
I SPOKE WITH [redacted] AT THE HOSPITAL. SHE TOLD ME THAT SHE WAS AT HER AUNTS HOUSE, [redacted], ON SUNDAY PLAYING

[09/27/2010 21:08:17 : P40G]
HE STATED THAT IT DID NOT LOOK LIKE [redacted] HAD BEEN STRUCK WITH A BLUNT OBJECT.

[09/27/2010 21:07:36 : P40G]
POLICE TO KNOW ABOUT THE INCIDENT. DR [redacted] STATED THAT THERE WAS BLEEDING UNDER THE SCALP AND DRAINED SOME OF IT

[09/27/2010 21:06:59 : P40G]
CONTACTED DR. [redacted] AT HOSPITAL. HE STATED THAT HE DID NOT SUSPECT ANY SUSP CIRCS BUT WANTED THE

[redacted]

[redacted]

END

[09/27/2010 20:13:55 : pos4 : [redacted]]
S30 ADV

[09/27/2010 20:12:46 : pos2 : [redacted]
Cross streets: [redacted]
PATIENT [redacted] 9 YO IN THE ER AT ARMC BEING SEEN FOR A LRG BUMP ON HER HEAD. STS

SHE HIT IT ON THE DOOR, BUT INJ NOT CONSISTENT WITH STORY. MOM IS ALSO 97 AND COOP. JUVIE IS IN THE TRIAGE AREA RIGHT NOW

Location Comment

Department Numbers

Department	Dept Number	Unit ID
3609	100927-00187	P40G

Call Dispositions

Date - Time	Disposition	Unit Id
2010/09/27 21:25:26.58	NECESSARY ACTION TAKEN	

Call Complaints

Date - Time	Complaint	Action E
9/27/2010 20:13:13	INC	[redacted]
9/27/2010 21:25:21	273DR	[redacted]

Call Log

Unit	Status	Date - Time	Dept	Type	Comments	Officers	Odo
P40G	ENR	9/27/2010 20:14:22	3609	POL	[redacted] RIALTO	[redacted]	0.0
P40G	LEF	9/27/2010 20:14:30	3609	POL	Left Scene, ARMC ER, RIALTO		0.0
P40G	ONS	9/27/2010 20:37:43	3609	POL	ARMC ER, RIALTO		0.0
P40G	COM	9/27/2010 21:25:26	3609	POL	COM		0.0

Unit	Dept	DIS	ENR	ONS	LEF	ARR	BUS	REM	COM
P40G	3609		20:14:22	20:37:43	20:14:30				21:25:26

Call Persons

Category	Last Name	First Name	Middle Name	Suffix	Crim Hist	RMS Alerts
		Race	Sex	Ethnic	Height	Weight	Age	DOB	OLN
		Clothing						Demeanor	
		Relationship						Hair Color	Eye Clr	Complexion
Business Name		Description							
Location		Apt/Ste	Flr/Bld	City				ST	ZIP	Phone
[redacted]		[redacted]						☑	☐	
		F				0		[redacted]		CA

Call Subject Statistics

Question	Answer

Call References

Reference_Type	Reference	Related_Calls

RIALTO POLICE DEPARTMENT

MEMORANDUM

TO: Patrol Sergeants

FROM: Jennifer Krutak, Crime Analyst

SUBJECT: State Mandated Cost Recovery, Child Abuse Reporting

DATE: May 22, 2014

Each year, the department is required to submit detailed statistics in support of various reimbursement claims submitted to the State. The State recently finalized parameters to be used for the Child Abuse & Neglect section added. All agencies are required to provide data going back to 1999 and must submit supporting time logs related to the initial investigation/contact with victim, report writing and report approval. Since it is not feasible to provide time logs for all prior fiscal years, we are required to complete a 30-day time study which will then be used to calculate annual average time spent for current and prior years.

The following are the categories that allow for reimbursement on the attached forms:

- **Initial Investigation:** time spent gathering necessary facts to conduct an investigation "to determine whether a report of suspected child abuse or severe neglect is unfounded, substantiated or inconclusive" – use time log for process "Child Abuse Investigation"

- **Report Writing:** drafting (includes dictation), reviewing and editing of incident reports before submitting to supervisor; this includes time spent by officer to review transcribed report – use time log for process "Child Abuse Report Prep"

- **Filling Out Form SS 8583:** time spent to fill out State Form SS 8583 (and/or subsequent DOJ form) – use time log for process "Child Abuse Report Prep"

- **Report Review:** time spent by supervisor to approve officer's report and Form SS 8583 – use time log for process "Child Abuse Report (SS 8593) Review & Approve"

Investigations for the following should all be included: physical, mental, and sexual abuse; child neglect; child endangerment; child pornography.

Time logs are to be filled out by all employees that are involved in any of the above steps during the period 05/25/14 – 06/21/14. **Please have completed time logs turned into CAU no later than Wednesday, June 25, 2014.**

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

http://www.sco.ca.gov

Claim for Payment
INTERAGENCY CHILD ABUSE AND NEGLECT (ICAN) INVESTIGATION REPORTS

For State Controller Use Only

(19) Program Number: 00358
(20) Date Filed ____/____/____
(21) LRS Input ____/____/____

Program 358

(01) Claimant Identification Number	9836722
(02) Claimant Name	City of Rialto
Mailing Address	150 South Palm Avenue
Street Address or P.O. Box	
City	Rialto
State CA	**Zip Code** 92376

Type of Claim	**Estimated Claim**	**Reimbursement Claim**
	(03) Estimated ☐	(09) Reimbursement ☐
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☒
Fiscal Year of Cost	(06)	(12) 2011-12
Total Claimed	(07)	(13) $63,576
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $63,576
Due from State	(08)	(17) $63,576
Due to State	(09)	(18)

(22) FORM 1, (04) A.1.g	
(23) FORM 1. (04) A.2.g	
(24) FORM 1, (04) B.1.g	
(25) FORM 1,(04.1) g	5483
(26) FORM 1,(04) B.2.f.1) g	
(27) FORM 1, (04.2) g	
(28) FORM 1, (04) B.3.a. g	20594
(29) FORM 1, (04) B.3.b. g	11052
(30) FORM 1, (04) B.4. g	
(31) FORM 1, (04) B.5. g	
(32) FORM 1, (04) B.6. g	
(33) FORM 1, (06)	119
(34) FORM 1, (07)	26447
(35) FORM 1, (09)	
(36) FORM 1, (10)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code Sections 17560 & 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for mandated cost claims with the State of California for this program and I 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.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all ocosts claimed are supported by source documentation currently maintained by the claimant.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statements. I certify under penalty of pergury of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative **Date**

Date Signed

George N. Harris II — Telephone Number gharris@rialtoca.gov

Finance Director — Email Address (909) 421-7219

Name of Contact Person for Claim	**Telephone Number**	**E-Mail Address**
Annette S. Chinn (CRS)	***(916) 939-7901***	***AChinnCRS@aol.com***

INTERAGENCY CHILD ABUSE AND NEGLECT (ICAN) INVESTIGATION REPORTS CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Rialto	Reimbursement ☐	2011-12

Claim Statistics

(03) Department - POLICE — **Number of Cases = 242**

Direct Costs	Object Accounts					
(04) Reimbursable Components	(a) Salaries	(b) Benefits	(c & d) Services and Supplies	(e) Fixed Assets	(f) Travel and Training	(g) Total
A. ONE-TIME ACTIVITIES						
1. Policies and Procedures						
2. Training to implement ICAN						
B. ON-GOING ACTIVITIES						
1. Distribute Child Abuse Report (SS8572)						
2. Reporting between local departments						
2.a. Accept & refer reports when lacking jurisdiction						
2.b. Cross reporting from County to law enforcement						
2.c. Cross reporting from law enf. to county and DA	$3,293	$2,190				$5,483
2.d. Receipt of cross-reports by DA's office						
2.e. Report by phone & send to licensing agencies						
(04.1) Subtotal B.2 (a through e)	$3,293	$2,190				$5,483
2.f. Addnl cross reporting in case of child death						
1) Law enforcement cross report to Co. Welfare						
2) County Welfare department						
i. Cross rpt child death case to law enforcement						
ii. Created record in County CWS/CMS system						
ii. Enter info in CWS/CMS if death not abuse/nglct						
(04.2) Subtotal B.2 f. 2) (i through iii)						
3. Reporting to DOJ (see item 4 claiming instructions)						
a. Complete an investigation to prepare a report	$12,369	$8,225				$20,594
b. Prepare/submit/amend rpt for substantiated cases	$6,638	$4,414				$11,052
4. Notify suspected abuser they are in CACI						
5. Records retention post required period						
6. Provide due process procedures to those in CACI						
(05) TOTAL DIRECT COSTS	$22,300	$14,829				$37,129

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	118.6%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$26,447
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$63,576

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(11) TOTAL CLAIMED AMOUNT	Line (08)- (line(09) + Line(10)]	**$63,576**

MANDATED COSTS
(ICAN) INVESTIGATION REPORTS
CLAIM SUMMARY

FORM AA-2

(01) Claimant: **City of Rialto** **(02) Fiscal Year Costs Were Incurred:** 2011-12

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

- ☐ Update Policies and Procedures & develop ICAN due process procedures
- ☐ Develop training to implement ICAN requirements

B. On-Going Costs

- ☐ 1. Distribute Suspected Child Abuse Rpt Form (SS 8572)
- 2. Reporting Between Local Departments
  - ☐ a. Accept & refer abuse report when a dept. lacks jurisdiction
  - ☐ b. Cross-rept from Co. Welfare to law enforcement
  - ☒ c. Cross-report from Law Enforcement to Co Welfare &DA
  - ☐ d. Receipt of cross report by DA
  - ☐ e. Report by phone & send written report to licensing agency
  - f. Additional cross reporting in cases of child death
    - ☐ 1) Police/Sheriff cross report all cases of child death to Co. Welfare
  - f. Additional cross-reporting in cases of death
- 2. County welfare department
  - ☐ i. Cross report death cases to law enforcement
  - ☐ ii. Create a record in the CWS.CMS system
  - ☐ iii, Enter info in CWS/CMS if death not abuse
- 3. Reporting to DOJ
  - ☐ a. Complete investigation to prepare a report
  - ☐ b. Prepare/submit report for substantiated cases
- ☐ 4. Notify abuser they are reported to CACI
- ☐ 5. Mandated 8 yr record retention
- ☐ 6. Provide due process procedures to CACI

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Officer	$44.53	66.5%	40.33	$1,796	$1,194				$2,990
Sergeant	$61.87	66.5%	24.20	$1,497	$996				$2,493
Report to the appropriate County Department and/or the District Attorney's Office as mandated.									
(05) Total			**64.53**	**$3,293**	**$2,190**				**$5,483**

MANDATED COSTS
(ICAN) INVESTIGATION REPORTS
CLAIM SUMMARY

FORM AA-2

(01) Claimant: **City of Rialto** **(02) Fiscal Year Costs Were Incurred:** 2011-12

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

- [ ] Update Policies and Procedures & develop ICAN due process procedures
- [ ] Develop training to implement ICAN requirements

B. On-Going Costs

- [ ] 1. Distribute Suspected Child Abuse Rpt Form (SS 8572)
- 2. Reporting Between Local Departments
  - [ ] a. Accept & refer abuse report when a dept. lacks jurisdiction
  - [ ] b. Cross-rept from Co. Welfare to law enforcement
  - [ ] c. Cross-report from Law Enforcement to Co Welfare &DA
  - [ ] d. Receipt of cross report by DA
  - [ ] e. Report by phone & send written report to licensing agency
  - f. Additional cross reporting in cases of child death
    - [ ] 1) Police/Sheriff cross report all cases of child death to Co. Welfare
  - f. Additional cross-reporting in cases of death
- 2. County welfare department
  - [ ] i. Cross report death cases to law enforcement
  - [ ] ii. Create a record in the CWS.CMS system
  - [ ] iii, Enter info in CWS/CMS if death not abuse
- 3. Reporting to DOJ
  - [X] a. Complete investigation to prepare a report
  - [ ] b. Prepare/submit report for substantiated cases
- [ ] 4. Notify abuser they are reported to CACI
- [ ] 5. Mandated 8 yr record retention
- [ ] 6. Provide due process procedures to CACI

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Officer Complete investigation to determine whether report of suspected child abuse or severe neglect is unfounded, substantiated, or inconclusive (per PC 11165.12) for purposes of preparing & submitting Fomr SS 8583 and prepare report forms.	$44.53	66.5%	277.76	$12,369	$8,225				$20,594
(05) Total			**277.76**	**$12,369**	**$8,225**				**$20,594**

MANDATED COSTS
(ICAN) INVESTIGATION REPORTS
CLAIM SUMMARY

FORM AA-2

(01) Claimant: **City of Rialto** **(02) Fiscal Year Costs Were Incurred:** 2011-12

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

A. One-Time Costs

- [ ] Update Policies and Procedures & develop ICAN due process procedures
- [ ] Develop training to implement ICAN requirements

B. On-Going Costs

- [ ] 1. Distribute Suspected Child Abuse Rpt Form (SS 8572)
- 2. Reporting Between Local Departments
  - [ ] a. Accept & refer abuse report when a dept. lacks jurisdiction
  - [ ] b. Cross-rept from Co. Welfare to law enforcement
  - [ ] c. Cross-report from Law Enforcement to Co Welfare &DA
  - [ ] d. Receipt of cross report by DA
  - [ ] e. Report by phone & send written report to licensing agency
  - f. Additional cross reporting in cases of child death
    - [ ] 1) Police/Sheriff cross report all cases of child death to Co. Welfare
  - f. Additional cross-reporting in cases of death
- 2. County welfare department
  - [ ] i. Cross report death cases to law enforcement
  - [ ] ii. Create a record in the CWS.CMS system
  - [ ] iii, Enter info in CWS/CMS if death not abuse
- 3. Reporting to DOJ
  - [ ] a. Complete investigation to prepare a report
  - [X] b. Prepare/submit report for substantiated cases
- [ ] 4. Notify abuser they are reported to CACI
- [ ] 5. Mandated 8 yr record retention
- [ ] 6. Provide due process procedures to CACI

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits	(f & g) Services and Supplies	(h) Fixed Assets	(i) Travel and Training	Total Salaries & Benefits
Officer	$44.53	66.5%	128.96	$5,743	$3,819				$9,561
Sergeant	$61.87	66.5%	14.47	$895	$595				$1,490
Prepare, review, approve, and forward reports of substantiated child abuse cases.									
(05) Total			**143.43**	**$6,638**	**$4,414**				**$11,052**

INDIRECT COST RATE PROPOSAL
City of Rialto
Police
Fiscal Year 2011-12

Description of Costs		Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits					
Salaries & Wages		$10,272,473		$3,567,822	$6,704,651
Overtime		$1,014,166			$1,014,166
Benefits	66.5%	$6,827,335		$2,371,261	$4,456,074
Total		$18,113,974		$5,939,083	$12,174,891
Services & Supplies					
TELEPHONE		$45,786		$45,786	
ELECTRICITY		$91,763		$91,763	
GAS		$2,742		$2,742	
WATER/SEWER		$4,128		$4,128	
LEGAL SERVICES		$244,628			$244,628
CONTRACT SERVICES		$1,071,337		$535,669	$535,669
OTHER SERVICES AND SUI		$310,649		$310,649	
TRAINING, MEETINGS ANI		$59,370		$59,370	
MAINTENANCE - OFFICE A		$146,736		$146,736	
ADVERTISING		$385		$385	
PRIOR PERIOD ADJUSTMEI		$84			$84
ITS		$136,735		$136,735	
FLEET MAINT/REPLACEMI		$804,364	$689,455	$114,909	$0
SIMONSON CENTER DEPAI		$19,380		$19,380	
BUILDING MAINTENANCE		$198,620		$198,620	
POSTAGE		$15,626		$15,626	
LIABILITY INSURANCE		$1,524,970		$1,524,970	
CAPITAL IMPROVEMENTS		$400,738	$392,723	$8,015	$0
OFFICE/EQUIPMENT/MACI		$35,221	$32,873	$2,348	$0
ROLLING STOCK		$148,834			$148,834
TRANSFERS OUT - SUCCES		$458,398			$458,398
Total		$5,720,494	$1,115,051	$3,217,831	$1,387,612
Capital Expenditures					
Total					
Total Expenditures		$23,834,467	$1,115,051	$9,156,914	$13,562,503
Cost Plan Costs					
Total					
Total Alloc. Indirect Costs		$23,834,467	$1,115,051	$9,156,914	$13,562,503
ICRP RATE =		118.6%	$9,156,914	Total Allowable Indirect Costs	
(Rate is Based on Salaries)			$7,718,817	Total Direct Salaries	

City of Rialto

Police

Fiscal Year
2011-12

100% Admin. or Support Staff

Name/Position	Annual Salary
ADMINISTRATIVE ASSISTANT	$ 55,569.00
EXECUTIVE ASSISTANT	$ 50,974.00
INFORMATION SYSTEMS ANALYST	$ 79,623.00
LAW ENFORCEMENT TECHNICIAN (7)	$ 352,812.00
POLICE CAPTAIN	$ 192,737.00
POLICE CHIEF	$ 233,949.00
POLICE OFFICER ADMIN DUTY	$ 66,590.00
POLICE SERGEANT (6)	$ 666,303.00
SR. ACCOUNTING ASST. (PT)	$ 12,150.00
CRIME ANALYST	$ 48,790.00
EMERG. DISPATCH SUPV	$ 65,331.00
EMERGENCY DISPATCHER I (2)	$ 89,934.00
EMERGENCY DISPATCHER II (9)	$ 515,409.00
LAW ENFORCEMENT TECHNICIAN (5)	$ 313,580.00
POLICE CORPORAL (5)	$ 486,748.00
POLICE LIEUTENANT	$ 143,463.00
POLICE RECORDS ASST. I (3)	$ 107,034.00
POLICE RECORDS ASST. II (2)	$ 86,826.00

TOTAL INDIRECT SALARIES **$3,567,822**

Police 6150-6948		**FY 11-12**
1001 SALARIES	$	10,103,066.74
1010 PARTTIME	$	169,405.99
	$	**10,272,472.73**
1020 OVERTIME	$	1,014,166.04
	$	**1,014,166.04**
1030 RETIREMENT	$	4,407,981.52
1040 WORKER'S COMPENSATION	$	486,689.52
1050 OTHER FRINGE BENEFITS	$	1,932,663.90
	$	**6,827,334.94**
	$	18,113,973.71
2001 TELEPHONE	$	45,785.61
2002 ELECTRICITY	$	91,762.94
2003 GAS	$	2,742.06
2004 WATER/SEWER	$	4,127.74
2010 LEGAL SERVICES	$	244,627.81
2011 CONTRACT SERVICES	$	1,071,337.44
2021 OTHER SERVICES AND SUPPLIES	$	310,649.06
2022 TRAINING, MEETINGS AND CONFERI	$	59,369.63
2030 MAINTENANCE - OFFICE AND MACH	$	146,736.08
2065 ADVERTISING	$	385.00
2090 PRIOR PERIOD ADJUSTMENTS	$	83.60
2105 ITS	$	136,735.20
2110 FLEET MAINT/REPLACEMENT CHGS.	$	804,363.94
2122 SIMONSON CENTER DEPARTMENT F	$	19,380.00
2125 BUILDING MAINTENANCE	$	198,620.16
2140 POSTAGE	$	15,625.93
2145 LIABILITY INSURANCE	$	1,524,970.44
3001 CAPITAL IMPROVEMENTS	$	400,737.86
3030 OFFICE/EQUIPMENT/MACHINERY	$	35,221.39
3050 ROLLING STOCK	$	148,833.85
5080 TRANSFERS OUT - SUCCESSOR AGEI	$	458,398.04
	$	**5,720,493.78**
Total Police	$	23,834,467.49
	$	23,834,467.49

Los Angeles County Identity Theft Claims and Audit Report

LOS ANGELES COUNTY

Audit Report

IDENTITY THEFT PROGRAM

Chapter 956, Statutes of 2000

July 1, 2004, through June 30, 2013

BETTY T. YEE
California State Controller

June 2017

BETTY T. YEE
California State Controller

June 12, 2017

The Honorable Mark Ridley-Thomas, Chairman
Los Angeles County Board of Supervisors
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 866
Los Angeles, CA 90012

Dear Mr. Ridley-Thomas:

The State Controller's Office audited the costs claimed by Los Angeles County for the legislatively mandated Identity Theft Program (Chapter 956, Statutes of 2000) for the period of July 1, 2004, through June 30, 2013.

The county claimed $1,531,844 for the mandated program. Our audit found that $1,030,517 is allowable ($1,113,948 less a $83,431 penalty for filing late claims) and $501,327 is unallowable. The costs are unallowable because the county overstated the number of identity theft cases, misstated the time increments required to perform the reimbursable activities, and misstated the productive hourly rates. In addition, based on the methodology used to claim costs, we found that the county also overstated offsetting revenues. The State made no payments to the county. The State will pay $1,030,517, contingent upon available appropriations.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/as

cc: John Naimo, Auditor-Controller
Department of the Auditor-Controller, Los Angeles County
Rick Cavataio, Director
Financial Programs Bureau, Los Angeles County Sheriff's Department
Richard Martinez, Assistant Director
Financial Programs Bureau, Los Angeles County Sheriff's Department
Edward Jewik, Program Specialist IV
Department of the Auditor-Controller, Los Angeles County
Hasmik Yaghobyan, J.D., SB 90 Coordinator
Department of the Auditor-Controller, Los Angeles 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
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Los Angeles County for the legislatively mandated Identity Theft Program (Chapter 956, Statutes of 2000) for the period of July 1, 2004, through June 30, 2013.

The county claimed $1,531,844 for the mandated program. Our audit found that $1,030,517 is allowable ($1,113,948 less a $83,431 penalty for filing late claims) and $501,327 is unallowable. The costs are unallowable because the county overstated the number of identity theft cases, misstated the time increments required to perform the reimbursable activities, and misstated the productive hourly rates. In addition, based on the methodology used to claim costs, we found that the county also overstated offsetting revenues. The State made no payments to the county. The State will pay $1,030,517, contingent upon available appropriations.

Background

Penal Code (PC) section 530.6, subdivision (a), as added by Statutes 2000, Chapter 956, requires local law enforcement agencies to take a police report and begin an investigation when a complainant residing within their jurisdiction reports suspected identity theft.

On March 27, 2009, the Commission of State Mandates (Commission) found that this legislation mandates a new program or higher level of service for local law enforcement agencies within the meaning of Article XIII B, section 6 of the California Constitution, and imposes costs mandated by the State pursuant to Government Code (GC) section 17514.

The Commission determined that each claimant is only allowed to claim and be reimbursed for the following ongoing activities identified in parameters and guidelines (Section IV. Reimbursable Activities):

1. Either a) or b) below:
   a) Take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report; or
   b) Reviewing the identity theft report completed online by the identity theft victim.
2. Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose. The purpose of the investigation is to assist the victims in clearing their names. Reimbursement is not required to complete the investigation for purposes of criminal prosecution.

The Commission also determined that providing a copy of the report to the complainant and referring the matter to the law enforcement agency where the suspected crime was committed for further investigation of the facts are not reimbursable activitites.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies, school districts, and community college districts in claiming mandated program reimbursable costs.

Objectives, Scope, and Methodology

We conducted this performance audit to determine whether costs claimed represent increased costs resulting from the Identity Theft Program for the period of July 1, 2004, through June 30, 2013.

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. We did not audit the county's financial statements. We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the county's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations.

The objectives of our audit were to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

To achieve our audit objectives, we:

- Reviewed annual claims filed with the SCO to identify the material cost components of each claim and any mathematical errors; and performed analytical procedures to determine any unusual or unexpected variances from year-to-year;
- Completed an internal control questionnaire and performed a walk-through of the claim preparation process to determine what information was used, who obtained it, and how it was obtained;
- Assessed whether computer-processed data provided by the county to support claimed costs was complete, accurate, and could be relied upon;
- Obtained system-generated lists of identity theft cases for the unincorporated areas of the county to verify the existence, completeness, and accuracy of unduplicated counts; and tested statistical samples of identity theft cases to determine if each is supported by an approved police report;

- Interviewed Operations Lieutenants, Sergeants, and Deputy Sheriffs who participated in the time surveys to gain an understanding of the surveyed activities and to determine the reasonableness of time increments claimed; and tested the time surveys to determine if each is adequately supported, the job classifications of the employees who performed the identity theft activities, and if the time increments claimed were properly calculated; and
- Tested the productive hourly rates of the job classifications of the employees who performed the reimbursable activities.

Conclusion

Our audit found an instance of noncompliance with the requirements outlined in the Objectives section. This instance is described in the accompanying Schedule (Summary of Program Costs) and in the Finding and Recommendation section of this report.

For the audit period, the county claimed $1,531,844 for costs of the Identity Theft Program. Our audit found that $1,030,517 is allowable ($1,113,948 less a $83,431 penalty for filing late claims) and $501,327 is unallowable. The State made no payments to the county. The State will pay $1,030,517, contingent upon available appropriations.

Views of Responsible Officials

We discussed our audit results with the county's representatives during an exit conference conducted on May 16, 2017. Richard Martinez, Assistant Director, Financial Programs Bureau, Los Angeles County Sheriff's Department, agreed with the audit results. Mr. Martinez declined a draft audit report and agreed we could issue the audit report as final.

Restricted Use

This report is solely for the information and use of Los Angeles 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 report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

June 12, 2017

Schedule—
Summary of Program Costs
July 1, 2004, through June 30, 2013

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment [1]
July 1, 2004, through June 30, 2005			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 98,781	$ 25,399	$ (73,382)
1b. Reviewing online identity theft report	9,390	-	(9,390)
2. Begin an investigation of facts	93,013	16,620	(76,393)
Total salaries and benefits	201,184	42,019	(159,165)
Indirect costs	57,906	12,094	(45,812)
Total direct and indirect costs	259,090	54,113	(204,977)
Less offsetting revenues	(163,227)	-	163,227
Subtotal	95,863	54,113	(41,750)
Less late filing penalty [2]	-	(5,411)	(5,411)
Total program costs	$ 95,863	48,702	$ (47,161)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 48,702	
July 1, 2005, through June 30, 2006			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 148,580	$ 52,468	$ (96,112)
1b. Reviewing online identity theft report	14,124	-	(14,124)
2. Begin an investigation of facts	139,907	34,281	(105,626)
Total salaries and benefits	302,611	86,749	(215,862)
Indirect costs	85,932	24,634	(61,298)
Total direct and indirect costs	388,543	111,383	(277,160)
Less offsetting revenues	(244,782)	-	244,782
Subtotal	143,761	111,383	(32,378)
Less late filing penalty [2]	-	(11,138)	(11,138)
Total program costs	$ 143,761	100,245	$ (43,516)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 100,245	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment [1]
July 1, 2006, through June 30, 2007			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 195,742	$ 67,676	$ (128,066)
1b. Reviewing online identity theft report	18,609	-	(18,609)
2. Begin an investigation of facts	184,316	44,177	(140,139)
Total salaries and benefits	398,667	111,853	(286,814)
Indirect costs	116,131	32,583	(83,548)
Total direct and indirect costs	514,798	144,436	(370,362)
Less offsetting revenues	(324,323)	-	324,323
Subtotal	190,475	144,436	(46,039)
Less late filing penalty [2]	-	(14,444)	(14,444)
Total program costs	$ 190,475	129,992	$ (60,483)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 129,992	
July 1, 2007, through June 30, 2008			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 205,054	$ 69,545	$ (135,509)
1b. Reviewing online identity theft report	19,493	-	(19,493)
2. Begin an investigation of facts	193,081	45,434	(147,647)
Total salaries and benefits	417,628	114,979	(302,649)
Indirect costs	138,645	38,171	(100,474)
Total direct and indirect costs	556,273	153,150	(403,123)
Less offsetting revenues	(350,452)	-	350,452
Subtotal	205,821	153,150	(52,671)
Less late filing penalty [2]	-	(15,315)	(15,315)
Total program costs	$ 205,821	137,835	$ (67,986)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 137,835	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment [1]
July 1, 2008, through June 30, 2009			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 194,735	$ 66,796	$ (127,939)
1b. Reviewing online identity theft report	18,511	-	(18,511)
2. Begin an investigation of facts	183,365	43,595	(139,770)
Total salaries and benefits	396,611	110,391	(286,220)
Indirect costs	137,584	38,294	(99,290)
Total direct and indirect costs	534,195	148,685	(385,510)
Less offsetting revenues	(336,543)	-	336,543
Subtotal	197,652	148,685	(48,967)
Less late filing penalty [2]	-	(14,868)	(14,868)
Total program costs	$ 197,652	133,817	$ (63,835)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 133,817	
July 1, 2009, through June 30, 2010			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 158,182	$ 56,990	$ (101,192)
1b. Reviewing online identity theft report	15,038	-	(15,038)
2. Begin an investigation of facts	148,947	37,212	(111,735)
Total salaries and benefits	322,167	94,202	(227,965)
Indirect costs	96,963	28,352	(68,611)
Total direct and indirect costs	419,130	122,554	(296,576)
Less offsetting revenues	(264,052)	-	264,052
Subtotal	155,078	122,554	(32,524)
Less late filing penalty [2]	-	(12,255)	(12,255)
Total program costs	$ 155,078	110,299	$ (44,779)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 110,299	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment [1]
July 1, 2010, through June 30, 2011			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 163,307	$ 55,653	$ (107,654)
1b. Reviewing online identity theft report	15,524	-	(15,524)
2. Begin an investigation of facts	153,772	36,346	(117,426)
Total salaries and benefits	332,603	91,999	(240,604)
Indirect costs	107,273	29,672	(77,601)
Total direct and indirect costs	439,876	121,671	(318,205)
Less offsetting revenues	(277,122)	-	277,122
Subtotal	162,754	121,671	(41,083)
Less late filing penalty [3]	-	(10,000)	(10,000)
Total program costs	$ 162,754	111,671	$ (51,083)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 111,671	
July 1, 2011, through June 30, 2012			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 185,777	$ 60,770	$ (125,007)
1b. Reviewing online identity theft report	17,659	-	(17,659)
2. Begin an investigation of facts	174,928	39,414	(135,514)
Total salaries and benefits	378,364	100,184	(278,180)
Indirect costs	118,006	31,246	(86,760)
Total direct and indirect costs	496,370	131,430	(364,940)
Less offsetting revenues	(312,713)	-	312,713
Total program costs	$ 183,657	131,430	$ (52,227)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 131,430	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment [1]
July 1, 2012, through June 30, 2013			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 200,427	$ 58,666	$ (141,761)
1b. Reviewing online identity theft report	19,053	-	(19,053)
2. Begin an investigation of facts	188,726	38,446	(150,280)
Total salaries and benefits	408,206	97,112	(311,094)
Indirect costs	123,640	29,414	(94,226)
Total direct and indirect costs	531,846	126,526	(405,320)
Less offsetting revenues	(335,063)	-	335,063
Total program costs	$ 196,783	126,526	$ (70,257)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 126,526	
Summary: July 1, 2004, through June 30, 2013			
Direct costs:			
Salaries and benefits:			
1a. Taking a police report in violation of PC § 530.5	$ 1,550,585	$ 513,963	$ (1,036,622)
1b. Reviewing online identity theft report	147,401	-	(147,401)
2. Begin an investigation of facts	1,460,055	335,525	(1,124,530)
Total salaries and benefits	3,158,041	849,488	(2,308,553)
Indirect costs	982,080	264,460	(717,620)
Total direct and indirect costs	4,140,121	1,113,948	(3,026,173)
Less offsetting revenues	(2,608,277)	-	2,608,277
Subtotal	1,531,844	1,113,948	(417,896)
Less late filing penalty	-	(83,431)	(83,431)
Total program costs	$ 1,531,844	1,030,517	$ (501,327)
Less payment made by the State		-	
Allowable costs claimed in excess of (less than) amount paid		$ 1,030,517	

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[1] See the Finding and Recommendation section.

[2] The county filed its fiscal year (FY) 2004-05 through FY 2009-10 initial reimbursement claims after the due date specified in Government Code section 17560. Pursuant to Government Code section 17561, subdivision (d)(3), the State assessed a late filing penalty equal to 10% of allowable costs, with no maximum penalty amount.

[3] The county filed its FY 2010-11 annual reimbursement claim after the due date specified in Government Code section 17560. Pursuant to Government Code section 17568, the State assessed a late filing penalty equal to 10% of allowable costs, not to exceed $10,000.

Finding and Recommendation

**FINDING—
Overstated identity theft program costs**

The county claimed $1,531,844 in identity theft program costs for the audit period. We found that $1,113,948 is allowable and $417,896 is unallowable. The costs are unallowable because the county overstated the number of identity theft cases, misstated the time increments required to perform the reimbursable activities, and misstated the productive hourly rates. In addition, based on the methodology used to claim costs, we found that the county also overstated offsetting revenues.

The following table summarizes the audit adjustment by fiscal year:

	Amount Claimed				Amount Allowable				
Fiscal Year	Salaries and Benefits	Indirect Costs	Less: Offsetting Revenues	Total	Salaries and Benefits	Indirect Costs	Less: Offsetting Revenues	Total	Audit Adjustment
2004-05	$ 201,184	$ 57,906	$ (163,227)	$ 95,863	$ 42,019	$ 12,094	$ -	$ 54,113	$ (41,750)
2005-06	302,611	85,932	(244,782)	143,761	86,749	24,634	-	111,383	(32,378)
2006-07	398,667	116,131	(324,323)	190,475	111,853	32,583	-	144,436	(46,039)
2007-08	417,628	138,645	(350,452)	205,821	114,979	38,171	-	153,150	(52,671)
2008-09	396,611	137,584	(336,543)	197,652	110,391	38,294	-	148,685	(48,967)
2009-10	322,167	96,963	(264,052)	155,078	94,202	28,352	-	122,554	(32,524)
2010-11	332,603	107,273	(277,122)	162,754	91,999	29,672	-	121,671	(41,083)
2011-12	378,364	118,006	(312,713)	183,657	100,184	31,246	-	131,430	(52,227)
2012-13	408,206	123,640	(335,063)	196,783	97,112	29,414	-	126,526	(70,257)
Total	$3,158,041	$ 982,080	$(2,608,277)	$ 1,531,844	$849,488	$ 264,460	$ -	$ 1,113,948	$ (417,896)

The program's parameters and guidelines (Section III. Period of Reimbursement) state, in part, "Actual costs for one fiscal year shall be included in each claim."

The parameters and guidelines (Section IV. Reimbursable Activities) state:

> To be eligible for mandated cost reimbursement for any given fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual cost must be traceable to 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.

Section IV. also identifies the specific activities reimbursable under the mandate (see the Background section of this report).

The parameters and guidelines allow reimbursement for salaries and benefits if claimants report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate; and provide a description of the specific reimbursable activities performed and the hours devoted to these activities.

Overstated counts of identity theft cases

The county reported costs incurred for performing mandated activities related to 43,125 identity theft cases. The Los Angeles Sheriff's Department's (LASD) Field Operations Support Services, Risk Management Bureau, obtained counts of cases from a system-generated Regional Allocation of Police Services (RAPS) summary report of identity-theft-related police reports. The RAPS report annually provided subtotals of police reports with identity theft statistical codes 117, 118, and 119 for each of the county's 27 patrol stations.

During audit fieldwork, we reviewed an online RAPS report that listed case numbers for one of the fiscal years claimed. We discovered that the total number of cases from the online list was significantly greater than the total number of cases from the summary report that the county used as the basis of its claim. Additionally, some case numbers in the online list were reported numerous times. LASD stated that the RAPS report is intended to track all law enforcement staff that worked on a case. Also, statistical codes for police reports could be changed from the initial call for service through supplemental reports or when a case is transferred, either to a detective within the same patrol station, or to the commercial crimes or major crimes bureau at LASD headquarters.

Each patrol station provides law enforcement services to multiple contract cities and unincorporated areas of the county. The RAPS report did not provide a breakdown identifying where the reports originated—whether from a city within Los Angeles County that did not have its own police force (a contract city) or from the county's unincorporated areas. Historically, the county's reimbursement claims for other mandates did not include costs for contract cities. However, for this mandate, the county neither had time nor staff to stratify the incident reports in order to determine where they originated. As a result, the county included identity theft reports originating from its contracting cities and estimated the offsetting revenues received from those cities. The county's Auditor-Controller and Sheriff's Department estimated that revenues received from contract cities offset 63% of its annual costs for providing law enforcement services to residents of Los Angeles County. The county provided samples of Municipal Law Enforcement Services Agreements; however, information contained in those agreements did not support reported offsets.

From the interviews held with Operations Lieutenants and Deputy Sheriffs who participated in the identity theft surveys, we discovered that the county has a database system, the Los Angeles Regional Crime Information System (LARCIS), which can provide unduplicated counts of incident reports with identity theft statistical codes 117, 118, and 119, as well as the specific origin of each report.

Using the LARCIS database, we received a detailed system-generated list of identity theft reports for the entire nine-year audit period from LASD's Crime Analysis Program, Criminal Intelligence Bureau. This list provided sufficient and appropriate data to obtain complete, accurate, and unduplicated populations of reports originating from the county, the county's unincorporated area, and the contract cities.

The county agreed with our proposal to calculate the county's cost for processing identity theft reports that would not include the costs of processing reports for contract cities.

The following table summarizes the counts of identity theft cases provided by the county by source:

Fiscal Year	09/20/2012 RAPS Unincorporated area including contract cities	06/20/2016 LARCIS Unincorporated area including contract cities	06/20/2016 LARCIS Unincorporated area excluding contract cities
2004-05	3,309	3,775	839
2005-06	4,595	4,597	1,591
2006-07	5,681	5,451	1,922
2007-08	5,798	5,368	1,908
2008-09	5,424	4,904	1,803
2009-10	4,391	4,012	1,533
2010-11	4,223	3,928	1,395
2011-12	4,776	4,386	1,514
2012-13	4,928	4,653	1,468
Total	43,125	41,074	13,973

We tested the number of claimed identity theft incident reports by verifying whether:

- Each identity theft case is supported by a contemporaneously prepared and approved incident report; and
- The incident report is for a violation of PC section 530.5.

We conducted a statistical sample for these two procedures so that we could project our sample results to the population of identity theft reports. We selected our statistical samples of identity theft incident reports from the county's unincorporated area based on a 95% confidence level, a sampling error of +/- 8%, and an expected (true) error rate of 50%.

Our testing for FY 2011-12 and FY 2012-13 disclosed the following:

- For FY 2011-12, we sampled 137 incident reports from the population of 1,514 incident reports and found that 3% were unallowable because they were either unsupported (three instances) or not a violation of PC 530.5 (one instance).
- For FY 2012-13, we sampled 136 incident reports from the population of 1,468 incident reports and found that 10% of the incident reports were unallowable because they were either unsupported (eleven instances) or not a violation of PC section 530.5 (three instances).

As the county destroyed the incident reports for FY 2004-05 through FY 2010-11, we were unable to determine the actual error rates in the incident reports for those years. Rather than determining all costs claimed for these fiscal years to be unsupported, we calculated an average error

rate of 6.5% (3% for FY 2011-12 and 10% for FY 2012-13) and applied this error rate to FY 2004-05 through FY 2010-11.

We extrapolated and projected the results of our substantive tests of statistical samples of identity theft cases to determine the number of allowable and unallowable identity theft incident reports for the entire nine-year audit period. Of the 13,973 identity theft incident reports for the county's unincorporated area, we found that 13,066 are allowable (13,973 less a 6.5% average error rate), and 907 incident reports are either unsupported or were not a violation of PC section 530.5.

The following table summarizes the claimed and allowable counts of identity theft incident reports by fiscal year:

Fiscal Year	Claimed No. of Identity Theft Cases	Allowable No. of Identity Theft Cases	Difference
2004-05	3,309	784	2,525
2005-06	4,595	1,488	3,107
2006-07	5,681	1,797	3,884
2007-08	5,798	1,784	4,014
2008-09	5,424	1,686	3,738
2009-10	4,391	1,433	2,958
2010-11	4,223	1,304	2,919
2011-12	4,776	1,469	3,307
2012-13	4,928	1,321	3,607
Total	43,125	13,066	30,059

Misstated time increments

For the audit period, the county claimed salaries and benefits based on a time survey that was conducted in the Sheriff's Department during the month of June 2012. The county supported its time survey with 130 survey forms completed at LASD patrol stations, as follows:

- Lakewood station – 29 surveys
- Palmdale station – 24 surveys
- Santa Clarita station – 77 surveys

We reviewed the county's June 2012 time survey and noted the following issues:

- The county did not prepare a plan indicating how its survey was to be conducted;
- Employees did not sign the survey form, thus we are unable to determine who completed the form;
- All surveys completed at the Palmdale station were typewritten; and

- The surveys did not include a declaration under penalty of perjury under the laws of the State of California that the declarations of time increments were true and correct.

Due to these issues, we tested the time surveys to: 1) determine if they were adequately supported, 2) identify the job classification of the employee who performed the identity theft activities, and 3) determine if the time increments claimed were correctly calculated.

Inadequately supported time surveys

From the population of 130 surveys, we selected a statistical sample of 70 surveys, based on a 95% confidence level, a sampling error rate of +/- 8%, and an expected (true) error rate of 50%. Our tests disclosed a 38% error rate, as follows:

- Thirty-four percent of the sampled police (incident) reports listed Penal Code charges for burglary, forgery and counterfeiting, larceny, and grand theft, instead of violations of PC section 530.5, which is specific to identity theft. The parameters and guidelines specify that the program's reimbursable activities pertain only to violations of PC section 530.5.
- In addition, 4% of the incident reports were not available for review; therefore, they were unsupported.

From the county's time surveys of 130 incident reports, 43 surveys (five from the Lakewood station, three from the Palmdale station, and 35 from the Santa Clarita station) are ineligible for calculation of identity theft time increments because these were either unsupported with approved incident reports or were supported with incident reports that were not a violation of PC section 530.5. The remaining 87 time surveys, which were completed at the LASD patrol stations, were supported with approved incident reports, and were for violations of PC section 530.5, are as follows:

- Lakewood station – 24 surveys
- Palmdale station – 21 surveys
- Santa Clarita station – 42 surveys

As such, we recalculated time increments for each reimbursable activity by excluding those surveys that were not supported by an approved incident report and/or were not for violations of PC section 530.5.

Underclaimed and misclassified time survey activities

The June 2012 identity theft surveys disclosed time tracked by employees in four job classifications to perform 12 activities related to initial calls for service for identity theft cases, as follows:

Time Survey Activity No.	Job Classification	Activity
1	Complaint Deputy	Handled and entered the initial call for service
2	Dispatcher	Assigned the call to handling deputy
3	Handling Deputy	Reviewed and acknowledged the call
4	Handling Deputy	Investigated / interviewed the victim
5	Handling Deputy	Collected / reviewed evidence and documents
6	Handling Deputy	Booked the evidence at the station
7	Handling Deputy	Determined that the crime did not occur in the county's jurisdiction
8	Handling Deputy	Wrote the incident report
9	Watch Sergeant	Reviewed the incident report
10	Handling Deputy	Revised / edited the incident report
11	Watch Sergeant	Reviewed the revised / edited incident report
12	Watch Sergeant	Assigned / distributed the report

For the purposes of preparing its mandated cost claims, the county used the time tracked in its survey forms for the activities noted above as follows:

- Activities 8 and 10 were combined to support the time required to take a police report in violation of PC section 530.5 (Section IV Reimbursable Activity 1a in the parameters and guidelines);
- Activity 3 was used to support the time required to review identity theft reports completed online (Section IV. Reimbursable Activity 1b in the parameters and guidelines); and
- Activities 4 and 5 were combined to support the time required to begin an investigation of the facts (Section IV. Reimbursable Activity 2 in the parameters and guidelines).

We found that even though Activities 9 and 11 were not claimed by the county, these activities performed by watch sergeants equate to Section IV. Reimbursable Activity 1a in the parameters and guidelines; and are allowable.

We also found that the county erroneously claimed Activity 3 time increments to support the time required to review identity theft reports completed online (reimbursable activity Section IV. 1b in the parameters and guidelines). Representatives of the LASD Field Operations Support Services, Risk Management Bureau (FOSS), stated that identity theft is one of the six crimes that cannot be reported online by crime victims to LASD. All initial incident reports are manually handwritten and approved. FOSS clarified that Activity 3 pertains to a deputy out on patrol acknowledging the LASD station dispatch's initial call for service. Deputies perform this activity before responding to the victim, interviewing the victim, and taking a police report. As such, we added the time increments for Activity 3 to the time increments for Activities 8 and 10.

Miscalculated time survey results

To compute the incremental amount of time to perform each of the reimbursable activities, the county accumulated the total amount of minutes reported on the survey forms and divided the total by the number of survey forms submitted.

We found that the county overstated the time increments because it did not compile the results accurately. For example, the county's time surveys recorded the following results for taking a police report in violation of PC section 530.5:

- Activity 8 – Write the initial incident report – 3,023 minutes recorded for the 130 surveys
- Activity 10 – Revise/edit incident reports – 308 minutes for 53 surveys

The two activities together comprise the activity of taking a police (incident) report. The county should have added the total time required for writing and revising incident reports (3,023 minutes + 308 minutes = 3,331 minutes) and divided the total by the 130 surveys, which results in an average of 25.62 minutes per incident report. However, the county determined the time required for each sub-activity separately and added them together. For example, 3,023 minutes divided by 130 surveys results in 23.254 minutes to write the initial report, and 308 minutes divided by 53 surveys results in 5.811 minutes to revise the original report. Adding 23.254 and 5.811 together results in 29.065 minutes per incident report. However, multiplying 130 surveys by 29.065 minutes equals 3,779 minutes to perform the reimbursable activity, which exceeds the actual time recorded (3,331 minutes) by 448 minutes.

The county made the same calculation error when compiling the results for Activities 4 and 5, which together comprise the reimbursable activity of beginning an investigation. Instead of an average time increment of 27.368 minutes to perform the reimbursable activity, we found that the average should have been 24.06 minutes.

The following table summarizes the time increment, in minutes, for each identity theft police report claimed by the county and the time increment allowable:

Reimbursable Activity	Time Increment Claimed	Time Increment Allowable
1a. Taking incident reports for PC 530.5 violations	29.065	26.94
1a. Reviewing incident reports for PC 530.5 violations	-	7.31
1b. Reviewing incident reports submitted online	2.763	-
2. Beginning an investigation	27.368	24.06

Misstated productive hourly rates

The county claimed an average productive hourly rate (PHR) of the following three job classifications: Deputy Sheriff Generalists, Deputy Sheriff Bonus Is, and Deputy Sheriff Bonus IIs.

As previously noted, the county's time surveys did not indicate who prepared them. Therefore, to validate the county's assertion as to who performed the reimbursable activities, we requested information supporting the actual job classifications related to the statistical samples of approved and supported PC section 530.5 incident reports.

The following summarizes the actual job classifications of employees who performed the reimbursable activities for the June 2012 identity theft survey and the extent to which they performed them:

- 74% Deputy Sheriffs (Los Angeles County sworn officers)
- 5% Community Services Assistants (Los Angeles County non-sworn officers)
- 21% Community Services Officers (Employees of contract cities)

Due to the large variation between the job classifications claimed and our testing of the job classifications identified in the time survey, we expanded our testing of the job classifications to instead use statistical samples related to incident reports originating from the unincorporated areas of the county (1,514 for FY 2011-12, and 1,468 for FY 2012-13).

The following table summarizes the actual job classifications of employees who performed the reimbursable activities for FY 2011-12 and FY 2012-13, as well as the average of the two fiscal years:

	Fiscal Year		
Classification	2011-12	2012-13	Average
Deputy Sheriff Generalists	76%	84%	80%
Deputy Sheriff Bonus Is	11%	8%	10%
Deputy Sheriff Bonus IIs	2%	1.5%	2%
Deputy Sheriff Sergeants	1%	1.5%	1%
Community Services Assistants	7%	4%	5%
Community Services Officers	3%	1%	2%
	100%	100%	100%

We were unable to test job classifications for years earlier than FY 2011-12 because the county, in compliance with its own documentation-retention policies, destroyed reports for those years. Therefore, we used the average for FY 2011-12 and FY 2012-13, and applied the results to FY 2004-05 through FY 2010-11.

The county's claimed PHRs were the average of three sworn officers' job classifications. Our recalculated PHRs are weighted averages, based on the percentages for the job classifications shown above. The recalculated

PHRs were applied to two reimbursable activities: taking a police report supporting a violation of PC section 530.5 (Section IV. Reimbursable Activity 1a), and beginning an investigation of facts (Section IV. Reimbursable Activity 2). In addition, we applied the actual PHR for deputy sergeants reviewing identity theft incident reports, a reimbursable activity that was included in the time survey but not claimed by the county

The following table summarizes the claimed and allowable productive hourly rates by fiscal year:

		Amount Allowable	
Fiscal Year	Average PHR Claimed	Average PHR (1a, 2)	Average PHR (1a Dpt. Sgt.)
2004-05	$ 41.59	$ 35.68	$ 47.96
2005-06	44.08	37.94	51.30
2006-07	47.94	41.32	56.06
2007-08	50.81	44.20	59.79
2008-09	51.54	44.84	60.88
2009-10	51.55	44.89	60.84
2010-11	52.05	45.32	61.39
2011-12	53.86	44.88	62.35
2012-13	54.29	46.93	62.75

Overstated offsetting revenues

For the audit period, the county reported offsetting revenues of $2,608,277. We found that the county should not have offset any costs on its claims.

The county based its reported offsets on claimed salaries, benefits, and related indirect costs incurred for an estimated 63% of identity theft cases completed for its contracting cities. Forty-four cities with no police forces of their own contracted with and annually reimbursed Los Angeles County for general law-enforcement services. The LASD Financial Programs Bureau staff obtained the percentage of offsets from estimates jointly decided by LASD's Contract Law Enforcement Bureau, the Auditor-Controller, and Special Accounts. However, due to the discovery of database information provided by the county's LARCIS system, the calculation of allowable costs for identity theft reports applicable only to the unincorporated areas of Los Angeles County is now possible and calculating offsetting revenues is no longer necessary.

Recommendation

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

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

http://www.sco.ca.gov

IDENTITY THEFT
CLAIM FOR PAYMENT

For State Controller Use Only

(19) Program Number 00321

(20) Date Filed 12/10/12

(21) LRS Input

PROGRAM 321

(01) Claimant Identification Number: 9919			Reimbursement Claim Data	
(02) Claimant Name: Auditor - Controller			(22) FORM-1, (04) 1, (a) (g)	185,776
County of Location: County of Los Angeles			(23) FORM -1, (04) 1, (b) (g)	17,660
Street Address or P.O. Box: 500 West Temple Street	Suite: 603		(24) FORM -1, (04) 2, (g)	174,928
City: Los Angeles	State: CA	Zip Code: 90012	(25) FORM 1, (06)	46
		Type of Claim	(26) FORM 1, (07)	118,006
	(03)	(09) Reimbursement [X]	(27) FORM 1, (09)	312,713
	(04)	(10) Combined [ ]	(28) FORM 1, (10)	
	(05)	(11) Amended [ ]	(29)	
Fiscal Year of Cost	(06)	(12) 2011/12	(30)	
Total Claimed Amount	(07)	(13) $183,657	(31)	
Less: 10% Late Penalty (refer to attached Instructions)		(14)	(32)	
Less: Prior Claim Payment Received		(15)	(33)	
Net Claimed Amount		(16) $183,657	(34)	
Due from State	(08)	(17) $183,657	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

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.

I further certify that there was no application other than from the claimant, nor any grants or payments 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 revenue 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.

The amounts for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer: Wendy L. Watanabe

Date Signed: 11/30/12

Wendy L. Watanabe Auditor - Controller

Type or Print Name and Title of Authorized Signatory

Telephone Number: (213) 974 - 8302

E-Mail Address: wwatanabe@auditor.lacounty.gov

(38) Name of Agency Contact Person for Claim

Hasmik Yaghobyan

Telephone Number: (213) 893 - 0792

E-Mail Address: hyaghobyan@auditor.lacounty.gov

Name of Consulting Firm/Claim Preparer

Telephone Number

E-Mail Address

FORM 321	IDENTITY THEFT CLAIM SUMMARY	FORM 1

(01) Claimant
COUNTY OF LOS ANGELES

(02) Fiscal Year
2011/2012

(03) Department

Direct Costs — **Object Accounts**

(04) Reimbursable Activities	(a) Salaries	(b) **49.087%** Benefits **[1]**	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
1. Choose either a) or b)							
a) Taking police report in violation of PC 530.5	$124,608.88	$61,166.76					$185,775.64
b) Reviewing online ID theft report	$11,845.43	$5,814.57					$17,660.00
2. Investigation of facts	$117,332.93	$57,595.22					$174,928.15
(05) Total Direct Costs	$253,787.24	$124,576.55					$378,363.79

Indirect Costs

(06) Indirect Cost Rate	[from ICRP or 10%] **[1]**	46.498%
(07) Total Indirect Costs	[Line (06) x line (05)(a)]or [Line (06)x{line (05)(a)+ line (05)(b)}]	$118,005.99
(08) Total Direct and Indirect Costs	[Line (05)(g) + line (07)]	$496,369.78

Cost Reduction

(09) Less: Offsetting Revenues - (Contract Cities - 63%)		$312,712.96
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) - {line (09) + line (10)}]	$183,656.82

New 09/11

[1] Please refer to Tab-A

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: **COUNTY OF LOS ANGELES**

(02) Fiscal Year costs were incurred: **2011/2012**

(03) Reimbursable Activities: Check only **one** box per form to identify the activity being claimed.

- [X] **Taking police report in violation of PC 530.5**
- [ ] **Investigation of facts**
- [ ] **Reviewing online ID theft report**

(04) **Description of Expenses** / **Object Accounts**

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost [1]	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits 49.087% [1]	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
Deputy General, Deputy BI or Deputy BII took police report related to PC 530.5: [2]								
Average process time - 29.065 min. [2]	$53.86	2,313.57	$124,608.88	$61,166.76				
29.065 minutes x 4,776 reports [3] = 138,814.44 minutes/60 = 2,313.57 hours								

(05) Total [X] Subtotal [ ] Page: 1 of 1 $124,608.88 $61,166.76

New 09/11

[1] Please refer to Tab-A
[2] Please refer to Tab-B
[3] Please refer to Tab-C

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: **COUNTY OF LOS ANGELES**

(02) Fiscal Year costs were incurred: **2011/2012**

(03) Reimbursable Activities: Check only **one** box per form to identify the activity being claimed.

- ☐ **Taking police report in violation of PC 530.5**
- ☐ **Investigation of facts**
- ☒ **Reviewing online ID theft report**

(04) **Description of Expenses** / **Object Accounts**

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost [1]	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits **49.087%** [1]	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
Deputy General, Deputy BI or Deputy BII reviewed the report: **[2]**								
Average process time - 2.763 min.**[2]**	$53.86	219.93	$11,845.43	$5,814.57				
2.763 minutes x 4,776 reports **[3]** = 13,196.09 minutes/60 = 219.93 hours								

(05) Total ☒ Subtotal ☐ Page: 1 of 1 $11,845.43 $5,814.57

New 09/11

[1] Please refer to Tab-A
[2] Please refer to Tab-B
[3] Please refer to Tab-C

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: COUNTY OF LOS ANGELES

(02) Fiscal Year costs were incurred: 2011/2012

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- ☐ **Taking police report in violation of PC 530.5**
- ☒ **Investigation of facts**
- ☐ **Reviewing online ID theft report**

(04) **Description of Expenses** | **Object Accounts**

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost [1]	(c) Hours Worked or Quantity	(d) Salaries	(e) Benefits 49.087% [1]	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
Deputy General, Deputy BI or Deputy BII investigated the facts: [2]								
Average process time - 27.368 min. [2]	$53.86	2,178.48	$117,332.93	$57,595.22				
27.368 minutes x 4,776 reports [3] = 130,708.57 minutes/60 = 2,178.48 hours								

(05) Total ☒ Subtotal ☐ Page: 1 of 1 $117,332.93 $57,595.22

New 09/11

[1] Please refer to Tab-A
[2] Please refer to Tab-B
[3] Please refer to Tab-C

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
SB90 PROGRAMS - IDENTITY THEFT
SALARY, EB, OH INFORMATION - FY 2011-2012

	DEPUTY	DEPUTY / BONUS I	DEPUTY / BONUS II	AVERAGE
MONTHLY SALARY EFFECTIVE	$6,975.00	$7,575.00	$9,202.00	
ANNUAL SALARY W/TOP STEP VARIANCE	$83,700.00	$90,900.00	$110,424.00	
PRODUCTIVE WORK HOURS	1,764	1,764	1,764	
PRODUCTIVE HOURLY RATE	$47.45	$51.53	$62.60	$53.86
EMPLOYEE BENEFITS (1)	49.087%	49.087%	49.087%	
OVERHEAD - Avg. Reg I, II, & III (1)	46.498%	46.498%	46.498%	

[1] Please refer to Tab-D

LAW ENFORCEMENT CONTRACTUAL COSTS

FISCAL YEAR 2011-12

SALARIES AND WAGES - SWORN

ItemNumber/ Title	Salary Component	Adjustment Factor	Adjusted Monthly S & W	Number of Positions	Weighted Monthly Salary	Adjusted Annual Salary
2708 Deputy Sheriff - Generalist	Base Rate		$6,511			
	Salary Increase	0.000%	6,511			
	Top Step Variance	97.1352%	6,325			
	POST Certificate - Basic	6.50%	6,736	2,716	$2,745	
	POST Certificate - Inter.	9.50%	6,926	1,188	1,235	
	POST Certificate - Adv.	12.50%	7,115	1,866	1,992	
	Longevity - 20 years	3.00%	7,329	560	616	
	Longevity - 25 years	4.00%	7,622	226	258	
	Longevity - 30 years	4.00%	7,927	108	128	
	Total				$6,975	$83,700
2712 Deputy Sheriff IV	Base Rate		$6,874			
	Salary Increase	0.000%	6,874			
	Top Step Variance	97.1352%	6,677			
	POST Certificate - Basic	6.50%	7,111	0	$0	
	POST Certificate - Inter.	9.50%	7,312	0	0	
	POST Certificate - Adv.	12.50%	7,512	1	3,756	
	Longevity - 20 years	3.00%	7,737	0	0	
	Longevity - 25 years	4.00%	8,047	0	0	
	Longevity - 30 years	4.00%	8,369	1	4,184	
	Total				$7,940	$95,283
2708 Deputy Sheriff Bonus I	Base Rate		$6,874			
	Salary Increase	0.000%	6,874			
	Top Step Variance	97.1352%	6,677			
	POST Certificate - Basic	6.50%	7,111	212	$579	
	POST Certificate - Inter.	9.50%	7,312	321	901	
	POST Certificate - Adv.	12.50%	7,512	1,210	3,489	
	Longevity - 20 years	3.00%	7,737	567	1,684	
	Longevity - 25 years	4.00%	8,047	210	649	
	Longevity - 30 years	4.00%	8,369	85	273	
	Total				$7,575	$90,900
	Sr Field Training Officer	5.500%				$95,900
	Mr Field Training Officer	11.000%				$100,899
2708 Deputy Sheriff - Bonus II	Base Rate		$8,210			
	Salary Increase	0.000%	8,210			
	Top Step Variance	97.1352%	7,975			
	POST Certificate - Basic	6.50%	8,493	12	$209	
	POST Certificate - Inter.	9.50%	8,732	17	305	
	POST Certificate - Adv.	12.50%	8,971	224	4,126	
	Longevity - 20 years	3.00%	9,240	110	2,087	
	Longevity - 25 years	4.00%	9,610	89	1,756	
	Longevity - 30 years	4.00%	9,995	35	718	
	Total				$9,202	$110,424
2717 Sergeant	Base Rate		$8,210			
	Salary Increase	0.000%	8,210			
	Top Step Variance	97.1352%	7,975			
	POST Certificate - Basic	6.50%	8,493	46	$174	
	POST Certificate - Inter.	9.50%	8,732	69	269	
	POST Certificate - Adv.	12.50%	8,971	1,133	4,530	
	Longevity - 20 years	3.00%	9,240	582	2,397	
	Longevity - 25 years	4.00%	9,610	280	1,199	
	Longevity - 30 years	4.00%	9,995	134	597	
	Total				$9,165	$109,980

SHERIFF
COST FACTORS
FISCAL YEAR 2011-12

Top Step Variance Factor:	**97.1352%**
MAPP TIER I Variance Factor:	**90.0804%**
MAPP TIER II Variance Factor:	**103.4308%**
Contract Cities Liability Insurance Rates:	**(1)**
Productive Work Hours:	**1764**
Countywide Cost:	
Group III	
Group IV	

---

(1) The appropriate Contract City Liability Insurance rate should be applied to total billable cost. Contact Risk Management for the appropriate rates.

SHERIFF
COST FACTORS
FISCAL YEAR 2011-12

Top Step Variance Factor:	97.1352%
MAPP TIER I Variance Factor:	90.0804%
MAPP TIER II Variance Factor:	103.4308%
Contract Cities Liability Insurance Rates:	(1)
Productive Work Hours:	1764
Countywide Cost:	
Group III	
Group IV	

---

(1) The appropriate Contract City Liability Insurance rate should be applied to total billable cost. Contact Risk Management for the appropriate rates.

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT

IDENTITY THEFT SB90 PROGRAM

TAB-B1

IDENTITY THEFT SURVEY FOR PATROLS

SUMMARY

		TOTAL MINUTES	ENTRIES	AVERAGE
Enter on computer		713	92	7.750
Assign Case		403	75	5.373
Review/Ack	[2]	210	76	2.763
Investigation/Interview	[3]	2,407	125	19.256
Collect/Review Evid/Docs	[3]	795	98	8.112
Book Evid		138	13	10.615
Jurisdiction decision		111	32	3.469
Initial Repot	[1]	3,023	130	23.254
Approve		735	117	6.282
Revise	[1]	308	53	5.811
Re-Approve		249	53	4.698
Assign/Distr		507	120	4.225

[1] Taking police report in violation of PC 530.5 - 29.065 minutes

[2] Reviewing ID theft report - 2.763 minutes

[3] Investigation of facts - 27.368 minutes

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - LAKEWOOD STATION

																																Total Minutes	Entries	Average
Enter on computer				1	10	10	5	3	4	20	3	5	3		20	20	30	21				2	3	5	1		2	1		57	5	231	22	10.50
Assign Case				1	10	10	5	1	1			5	3				5	1				2	2	3	5		1	31		5	1	92	18	5.11
Review/Ack	[2]			1	1	1	5	1	3			5	1	5			5	5				2	1	5	1		1	1		1	1	46	19	2.42
Investigation/Interview	[3]	15	20	10	10	15	45	20	20	4	20	10	20	20		15	15	15	20	10	30	10	10	15	5	15	5		15	30	439	27	16.26
Collect/Review Evid/Docs	[3]	10	10	1	1	5	90	5	20	2	10	5	2	10				5	5	5	5	5	5		20	2	5		15	5	248	24	10.33
Book Evid					10	10		20													15										55	4	13.75
Initial Repot	[1]	40	25	10	10	20	35	15	20	20	25	15	30	20	20	20	25	20	45	35	20	10	20	30	20	15	20	15	25	30	655	29	22.59
Approve		15	10	5	1	10	15	5	2		5	5		2		5	15	5			10	5	10	5	15	5	3	3	12	5	173	24	7.21
Revise	[1]					5	10	2			5		10				20		15	10	10						2		15	1	105	12	8.75
Re-Approve						5	2	1			5					5	15			15	10						3		4	2	67	11	6.09
Assign/Distr			15	1	1	5	1	1					5	1	5	85	15	5	10	3	5	5	5	5	5	5	1	1	3	1	189	24	7.88
TOTAL		80	83	58	54	80	223	57	82	29	85	42	72	73	45	170	132	50	95	78	111	41	63	62	65	46	72	19	152	81	2300	29	79.31
Jurisdiction Decision				1							5	1				5			5	2	1										20	7	2.86

29 cases: 79.31 MINS/CALL

[1] Taking police report in violation of PC 530.5
[2] Reviewing ID theft report
[3] Investigation of facts

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - PALMDALE STATION

TAB-B3

																											Total Minutes	Entries	Average
Enter on computer		1	1	2	2	1	1		1	1	1	1	2	3	2	1	2	1	2		3	1	1	2	1		33	22	1.5
Assign Case		1	1	1	2	1	1		1	1	1	1	1	3	1	1	3	1	1	1	2	1	1	1	1		29	23	1.26
Review/Ack	[2]	2	1	1	1	1	1		1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	1	1		25	23	1.09
Investigation/Interview	[3]	20	47	32	40	11	5	130	29	22	20	25	31	10	15	7	27	17	40	22	15	45	20	40	31		701	24	29.2
Collect/Review Evid/Docs	[3]	25				2	2	11	4		2	2	2			2	2	4			3	15	2		4		82	15	5.47
Book Evid							5	6																			11	2	5.5
Initial Repot	[1]	50	26	21	24	15	17	70	25	20	10	23	17	15	25	22	20	26	15	18	30	30	30	15	25		589	24	24.54
Approve		6	4	4	4	4	4	8	4	4	6	5	5	5		5	6	5	5	4	4	6	5	5	7		115	23	5
Revise	[1]																						2				2	1	2
Re-Approve																							1				1	1	1
Assign/Distr		1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1		23	23	1
TOTAL		106	81	62	74	36	37	226	66	50	42	59	60	39	44	40	62	56	65	47	59	100	64	65	71		1611	24	67.13
Jurisdiction Decision													11														11	1	11

24 cases: 67.13 MINS/CALL

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - SANTA CLARITA STATION

TAB-B4a

Enter on computer		1		2		2	2	1	1		1	2				2	8	1	1	2	3		2	2		2	3			1
Assign Case		40		2		2	4	1	3			1				28	1			1	2		3	8		2	1			
Review/Ack	[2]	2		1		2	16	1	1			8				2	1		15	1	1		1	1		1	1			
Investigation/Interview	[3]	34	20	10		10	7	24	31	20	15	8	17	11	15	30	15	15		10	20	10	34	31	10	20	10	15	5	15
Collect/Review Evid/Docs	[3]	10	10		20	6	1	1	1	5		2	4	2	5	5	10			5	20	3			3	50	2	5	10	1
Book Evid		10		10	10	5										10	12													
Initial Repot	[1]	40	20	30	20	30	15	17	21	25	30	20	21	10	22	30	25	30	30	30	30	15	30	30	13	20	17	20	20	30
Approve		8	5	10	2	10	2	2	3	10		10	10	5	10	10	3	2		4	10	5	5	5	10	10	5	9	3	2
Revise	[1]	15	5	10		6	2	2		5		0	4	3	5							3			3			5		
Re-Approve		1		5		10	2	2		5	5	5	5		6			5	5			2						5		5
Assign/Distr			3	5	1	1	1	2	1	4	1	1	3	2	5	5	1	1	1	2	2	1	1	1	2	1	39	2	1	1
TOTAL		161	63	85	53	84	52	53	62	74	52	57	64	33	68	122	76	54	52	55	88	39	76	78	41	106	78	61	39	55
Jurisdiction Decision						2									4		5		2					5		5		5		

77 cases: 72.43 MINS/CALL

[1] Taking police report in violation of PC 530.5
[2] Reviewing ID theft report
[3] Investigation of facts

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - SANTA CLARITA STATION

TAB-B4b

Enter on computer	1			21	2		1		2	15	3	2	47	4	5					45			2	2	2		200	5	1	1
Assign Case				3	2				7		2	19	4	4	2								9	3	1		10		34	13
Review/Ack				7					1		1	14	1	10	2								5	1	4		1		1	6
Investigation/Interview	15	15	10	15	23	10	15	12	12	10	20	7	38	19	30	10	15	10	10	20	10	10	31	20	76	20	10	15	17	27
Collect/Review Evid/Docs		5	5	1		5		5		2	20	3	10		5	2	4	5	4	20	3	2	31	5		5	10			
Book Evid													15																	
Initial Repot	30	20	15	25	20	20	30	20	30	15	30	22	35	30	30	10	20	20	15	15	15	10	15	30	30	25	30	30	30	15
Approve	2	9	5	20	5	12	2	10	5	5		7	20	5	5	5	9		5	5		5	5	2			10	2	10	5
Revise		4	3	10		5		5						1		3	5	5	5	5	3	2			10	5	10		4	
Re-Approve	5	4	5			6	5	4						1			5	5	2	5	1				10	5	10		3	
Assign/Distr	1	3	1		2	5	1	4	3	1	2	2	2	1	1	2	2	1	1	120	1	1	2		2	1	2	1	1	2
TOTAL	54	60	44	102	54	63	54	60	60	48	78	76	172	75	80	32	60	46	42	235	33	30	100	63	135	61	293	53	101	69
Jurisdiction Decision						5		5	1	1			1	1						5		1	1			3				

77 cases: 72.43 MINS/CAI

[1] Taking police report in viol
[2] Reviewing ID theft report
[3] Investigation of facts

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - SANTA CLARITA STATION

TAB-B4c

																				Total Minutes	Entries	Averages
Enter on computer	1	15		5	20	1	1	2					1		1			2		449	48	9.35
Assign Case	1			1		4		63										1		282	34	8.29
Review/Ack	1			14		13		1										1		139	34	4.09
Investigation/Interview	26	15	15	34	5	14	15	15	15	12	10	15		5	15	16	11	15		1267	74	17.12
Collect/Review Evid/Docs		1	4		1	47	5		6	10	5	7	5	15	1	5	10	10		465	59	7.88
Book Evid																				72	7	10.29
Initial Repot	25	25	20	20	30	30	15	22	20	20	15	25	25	30	30	20	24	10		1779	77	23.10
Approve	5	5	11	3	5	5	5	5	5	3	5	8	15	5	2	4	1	10		447	70	6.39
Revise			3					10	5	5	5	6		5		4	5			201	40	5.03
Re-Approve			4					5	4	3	2	5	2	5		4	3			181	41	4.41
Assign/Distr	1		5	1	2	3	1	2	4	1	1	2	2	5	2	1	1	2		295	73	4.04
TOTAL	60	61	62	78	63	117	42	125	59	54	43	68	50	70	51	54	55	51		5577	77	72.43
Jurisdiction Decision			5		2					5	5	5				5		1		80	24	3.33

77 cases: 72.43 MINS/CA

[1] Taking police report in vio
[2] Reviewing ID theft report
[3] Investigation of facts

Wong, Hsi-Wen Wu

From: Ferrell, Suzanne P.
Sent: Thursday, September 20, 2012 1:49 PM
To: Wong, Hsi-Wen Wu
Cc: Unland, Kevin G.
Subject: Identity Theft Stats

Here are the identity theft stats for fiscal years:

2002/2003 – 1
2003/2004 – 7
2004/2005 – 3309
2005/2006 – 4595
2006/2007 – 5681
2007/2008 – 5798
2008/2009 – 5424
2009/2010 – 4391
2010/2011 – 4223
2011/2012 – 4776

Total – 38,205

These stats are for July 1st through June 30th of the years indicated.

Thanks.

Suzie Ferrell, Deputy
Field Operations Support Services
Risk Management Bureau
Leadership & Training Division
Los Angeles County Sheriff's Department
(323) 890-5473
spferrel@lasd.org

SHERIFF'S DEPARTMENT
FISCAL YEAR 2011-12 INDIRECT COST PROPOSAL
CLAIMABLE COSTS
BASED ON FY 2008-09 ACTUAL

			INCURRED BY OTHER DEPARTMENT	DEPT'L COSTS INDIRECT	DEPT'L COSTS DIRECT	FOD-REGION I INDIRECT	FOD-REGION I DIRECT	FOD-REGION II INDIRECT	FOD-REGION II DIRECT	FOD-REGION III INDIRECT	FOD-REGION III DIRECT
SALARIES & WAGES											
EXECUTIVE				$7,045,065	$0	$0	$0	$0	$0	$0	$0
ADMINISTRATIVE				$93,770,765	$93,581,184	$14,671,566	$1,132,791	$18,436,702	$1,423,498	$12,237,605	$944,865
FOD-REGION I				$3,651,947	$190,989,738	$3,968,719	$187,021,019				
FOD-REGION II				$4,589,139	$194,520,708			$4,605,726	$189,914,982		
FOD-REGION III				$3,046,102	$159,305,211					$3,449,099	$155,856,112
DETECTIVE					$77,365,153						
CUSTODY					$476,564,092						
COURT SVCS					$137,000,165						
SUB-TOTAL				**$112,103,018**	**$1,329,326,252**	**$18,640,285**	**$188,153,810**	**$23,042,428**	**$191,338,480**	**$15,686,703**	**$156,800,977**
OTHER IND COSTS:											
SERVICES & SUPPLIES	[E-1]			$67,681,620		$13,409,746		$16,662,302		$11,073,868	
EMP BENEFITS	[C-1]	49.087%		$55,027,705		$9,149,906		$11,310,774		$7,700,090	
DEPT'L OH	[A-1]	16.208%				$3,021,287		$3,734,803		$2,542,560	
COUNTYWIDE OH	[A-1]	5.810%				$1,083,005		$1,338,770		$911,401	
DEPT'L CARRY FWD	[D-1-1]			($19,350,164)							
DIV'L CARRY FWD	[D-1]					($5,303,487)		$3,476,994		($4,910,566)	
UNBILLED SVCS:											
COUNTYWIDE CARRY FWD	[D-1-1]		$24,439,380								
INSURANCE	[I-3]		$5,577,063								
OUTSIDE AUDITORS	[I-3]		$191,922								
RENTAL EXP	[I-3]		($21,658,460)								
BLDG USE ALLOWANCE	[I-3]		$21,788,956								
EQUIPT USE ALLOWANCE	[I-3]		$15,410,961								
VEHICLE EQUIPMENT DEPRECIATI	[I-3]		$9,303,501								
UTILITY EXPENSE	[I-3]		$2,671,548								
VACANT SPACE	[I-3]		$681,405								
AFFIRM ACTION	[I-3]		$897,228								
AUDITOR-CONTR	[I-3]		$7,273,830								
BOARD OF SUPERV	**[I-3]**		**$320,909**								
CHIEF EXEC. OFFICE	**[I-3]**		**$3,116,452**								
CHIEF INFORMATION OFFICER	**[I-3]**		**$886,957**								
COUNTY COUNSEL	[I-3]		$839,673								
HUMAN RESOURCES	[I-3]		$2,238,065								
INTERNAL SERVICES	[I-3]		$3,086,625								
TREAS & TAX COLL	[I-3]		$97,485								
PUBLIC SAFETY	[I-3]		($29,712)								
ADJUSTMENTS	[I-3]		$100,338								
CLAIMABLE COSTS[A-1]			**$77,234,146**	**$215,462,179**	**$1,329,326,252**	**$40,000,742**	**$188,153,810**	**$59,566,071**	**$191,338,480**	**$33,004,055**	**$156,800,977**
			5.810%	**16.208%**		**21.260%**		**31.131%**		**21.048%**	

L.A. COUNTY SHERIFF'S DEPARTMENT
FY 2011-12 INDIRECT COST PROPOSAL
EB RATE CALCULATION
FY 2008-09 ACTUAL

FY 2011-12 ESTIMATED EB RATE:				
ESTIMATED EB BILLED COST [C-1-1]		$721,102,000		
ADD: EB UNBILLED COST [I-3]		-$1,389,612		
FY 2011-12 ESTIMATED E.B. COST			$719,712,388	
FY 2011-12 ESTIMATED S&W [C-1-1]			$1,416,313,000	
FY 2011-12 ESTIMATED EB RATE (EB COST/S&W)				50.816%
FY 2008-09 EB CARRY FORWARD RATE:				
FY 2008-09 ACTUAL EB BILLED COST [F-1]	$664,623,133			
ADD: EB UNBILLED COST EB [I-3]	-$1,389,612			
FY 2008-09 ACTUAL E.B. COST		$663,233,521		
FY 2008-09 ACTUAL S&W (F-1)		$1,441,429,270		
FY 2008-09 ACTUAL EB RATE (EB COST/S&W)		46.012%		
ESTIMATED VARIANCE:				
FY 2008-09 ACTUAL EB RATE (ABOVE)		46.012%		
LESS: ESTIMATED EB RATE FOR FY 2008-09 ICP (J-3)		47.836%		
		-1.824%		
THEN DIFFERENCE MULTIPLIED BY				
FY 2008-09 ACTUAL S&W(F-1)		$1,441,429,270	($26,288,585)	
CARRY FORWARD VARIANCE:				
FY 2008-09 ESTIMATED S&W (FY 2011-12 ICP[J-3])	$1,396,883,000			
LESS: FY 2008-09 ACTUAL S&W (F-1)	$1,441,429,270			
DIFFERENCE DIVIDED BY THE		-$44,546,270		
FY 2008-09 ESTIMATED S&W(J-3)		$1,396,883,000	-3.189%	
THEN MULTIPLIED BY THE				
FY 2008-09 TOTAL CARRY FORWARD(J-3)		-$56,379,474	$1,797,928	
FY 2011-12 CARRY FORWARD RATE:				
FY 2008-09 TOTAL CARRY FORWARD (ESTIMATED VARIANCE PLUS CARRY FORWARD VARIANCE)			($24,490,657)	
DIVIDED BY FY 2011-12 ESTIMATED S&W(C-1-1)			$1,416,313,000	-1.729%
FY 2011-12 ICP EB RATE (FY 2011-12 ESTIMATED RATE PLUS FY 2011-12 CARRY FORWARD RATE)				**49.087%**

[B-1]
[B-1-1]

L.A. COUNTY SHERIFF'S DEPARTMENT
FY 2011-12 INDIRECT COST PROPOSAL
OVERHEAD RATES
FISCAL YEAR 2008-09 ACTUAL

			REGION I	REGION II	REGION III	DETECTIVE	CUSTODY	COURT SVCS.	AVERAGE OH RATES	
COUNTYWIDE OH RATE:										
$77,234,146 [B-1]	/	$1,329,326,252 [B-1]	5.810%	5.810%	5.810%	5.810%	5.810%	5.810%	5.810%	
DEPARTMENTAL OH RATE:										
$215,462,179 [B-1]	/	$1,329,326,252 [B-1]	16.208%	16.208%	16.208%	16.208%	16.208%	16.208%	16.208%	
FOD-REGION I OH RATE:										
$40,000,742 [B-1]	/	$188,153,810 [B-1]	21.260%							
FOD-REGION II OH RATE:										
$59,566,071 [B-1]	/	$191,338,480 [B-1]		31.131%						
FOD-REGION III OH RATE:										
$33,004,055 [B-1]	/	$156,800,977 [B-1]			21.048%					
DETECTIVE OH RATE:										
$22,573,469 [B-1-1]	/	$75,976,526 [B-1-1]				29.711%				
CUSTODY DIV OH RATE:										
$106,813,936 [B-1-1]	/	$465,111,857 [B-1-1]					22.965%			
COURT SERVICES OH RATE:										
$60,840,379 [B-1-1]	/	$116,696,185 [B-1-1]						52.136%	29.709%	[1]
TOTAL OVERHEAD RATES			**43.278%**	**53.150%**	**43.067%**	**51.730%**	**44.984%**	**74.154%**	**51.727%**	[2]

44.498%

[1] AVERAGE DIVISIONAL OVERHEAD RATE

[2] AVERAGE TOTAL OVERHEAD RATE

FILE: ICP SMRY FY 2011-12/OVERHEADRATES

L.A. COUNTY SHERIFF'S DEPARTMENT
FY 2011-12 INDIRECT COST PROPOSAL
EB RATE CALCULATION
FY 2008-09 ACTUAL

FY 2011-12 ESTIMATED EB RATE:				
ESTIMATED EB BILLED COST [C-1-1]		$721,102,000		
ADD: EB UNBILLED COST [I-3]		-$1,389,612		
FY 2011-12 ESTIMATED E.B. COST			$719,712,388	
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FY 2011-12 ESTIMATED EB RATE (EB COST/S&W)				50.816%
FY 2008-09 EB CARRY FORWARD RATE:				
FY 2008-09 ACTUAL EB BILLED COST [F-1]	$664,623,133			
ADD: EB UNBILLED COST EB [I-3]	-$1,389,612			
FY 2008-09 ACTUAL E.B. COST		$663,233,521		
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FY 2008-09 ACTUAL EB RATE (EB COST/S&W)		46.012%		
ESTIMATED VARIANCE:				
FY 2008-09 ACTUAL EB RATE (ABOVE)		46.012%		
LESS: ESTIMATED EB RATE FOR FY 2008-09 ICP (J-3)		47.836%		
		-1.824%		
THEN DIFFERENCE MULTIPLIED BY				
FY 2008-09 ACTUAL S&W(F-1)		$1,441,429,270	($26,288,585)	
CARRY FORWARD VARIANCE:				
FY 2008-09 ESTIMATED S&W (FY 2011-12 ICP[J-3])	$1,396,883,000			
LESS: FY 2008-09 ACTUAL S&W (F-1)	$1,441,429,270			
DIFFERENCE DIVIDED BY THE		-$44,546,270		
FY 2008-09 ESTIMATED S&W(J-3)		$1,396,883,000	-3.189%	
THEN MULTIPLIED BY THE				
FY 2008-09 TOTAL CARRY FORWARD(J-3)		-$56,379,474	$1,797,928	
FY 2011-12 CARRY FORWARD RATE:				
FY 2008-09 TOTAL CARRY FORWARD (ESTIMATED VARIANCE PLUS CARRY FORWARD VARIANCE)			**($24,490,657)**	
DIVIDED BY FY 2011-12 ESTIMATED S&W(C-1-1)			$1,416,313,000	-1.729%
FY 2011-12 ICP EB RATE (FY 2011-12 ESTIMATED RATE PLUS FY 2011-12 CARRY FORWARD RATE)				**49.087%**

[B-1]
[B-1-1]

IDENTITY THEFT
CLAIM FOR PAYMENT

For State Controller Use Only

(19) Program Number 00321
(20) Date Filed FEB 1 2 2014
(21) LRS Input

PROGRAM 321

(01) Claimant Identification Number: 9919

(02) Claimant Name: Auditor-Controller

County of Location: County of Los Angeles

Street Address or P.O. Box: 500 W. Temple Street | Suite: 603

City: Los Angeles | State: CA | Zip Code: 90012

		Type of Claim	
	(03)	(09) Reimbursement ☑	
	(04)	(10) Combined ☐	
	(05)	(11) Amended ☐	
Fiscal Year of Cost	(06)	(12) 2012 / 2013	
Total Claimed Amount	(07)	(13) $196,783	
Less: **10% Late Penalty** (refer to attached Instructions)		(14)	
Less: **Prior Claim Payment Received**		(15)	
Net Claimed Amount		(16) $196,783	
Due from State	(08)	(17) $196,783	
Due to State		(18)	

Reimbursement Claim Data

(22) FORM 1, (04) 1. (a) (g)	200,428
(23) FORM 1, (04) 1. (b) (g)	19,053
(24) FORM 1, (04) 2. (g)	188,725
(25) FORM 1, (06)	47
(26) FORM 1, (07)	123,640
(27) FORM 1, (09)	335,063
(28) FORM 1, (10)	
(29)	
(30)	
(31)	
(32)	
(33)	
(34)	
(35)	
(36)	

(37) CERTIFICATION OF CLAIM

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.

I further certify that there was no application other than from the claimant, nor any grants or payments 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.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Wendy J. Watanabe

Wendy L. Watanabe Auditor-Controller

Type or Print Name and Title of Authorized Signatory

Date Signed: 2-4-2014

Telephone Number: (213) 974-8302

E-Mail Address: wwatanabe@auditor.lacounty.gov

(38) Name of Agency Contact Person for Claim

Hasmik Yaghobyan

Telephone Number: (213) 974-9653

E-mail Address: hyaghobyan@auditor.lacounty.gov

Name of Consulting Firm/Claim Preparer

Telephone Number:

E-mail Address:

PROGRAM 321	IDENTITY THEFT CLAIM SUMMARY	FORM 1

(01) Claimant	(02)	Fiscal Year
County of Los Angeles		2012 /20 13
(03) Department		

Direct Costs	Object Accounts						
(04) Reimbursable Activities	(a) Salaries	(b) 54.649% Benefits (1)	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
1. Choose either (a) or (b)							
a) Taking police report in violation of PC §530.5	129,601.63	70,826.00					200,427.63
b) Reviewing online ID theft report	12,320.03	6,732.78					19,052.81
2. Investigation of facts	122,034.69	66,690.74					188,725.43
(05) Total Direct Costs	263,956.35	144,249.52					408,205.87

Indirect Costs		
(06) Indirect Cost Rate	[From ICRP or 10%] (1)	46.841 %
(07) Total Indirect Costs	[Refer to Claim Summary Instructions]	123,639.80
(08) Total Direct and Indirect Costs	[Line (05)(g) + line (07)]	531,845.67

Cost Reduction	
(09) Less: Offsetting Revenues - (Contract Cities - 63%) ($531,845.67 x 63%)	335,062.78
(10) Less: Other Reimbursements	
(11) Total Claimed Amount [Line (08) - {line (09) + line (10)}]	196,782.89

Revised 07/13 (1) See Tab C.

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: County of Los Angeles

(02) Fiscal Year: 2012/2013

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- [x] 1.(a) Taking police report in violation of PC §530.5
- [ ] 2. Investigation of facts
- [ ] 1.(b) Reviewing online ID theft report

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost (1)	(c) Hours Worked or Quantity	(d) Salaries	(e) 54.649% Benefits (3)	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
Deputy General, Deputy BI or Deputy BII took police report related to PC 530.5: (2)								
Average process time 29.065 min. (2)	54.29	2,387.21	129,601.63	70,826.00				
29.065 minutes x 4,928 reports (2) = 143,232 minutes/60 = 2,387.21 hours								
(05) Total [x] Subtotal [ ] Page: 1 of 1			129,601.63	70,826.00				

Revised 07/13

(1) See Tab A
(2) See Tab B
(3) See Tab C

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: County of Los Angeles

(02) Fiscal Year: 2012/2013

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- ☐ 1.(a) Taking police report in violation of PC §530.5
- ☐ 2. Investigation of facts
- ☑ 1.(b) Reviewing online ID theft report

(04) Description of Expenses			Object Accounts					
(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost (1)	(c) Hours Worked or Quantity	(d) Salaries	(e) 54.649% Benefits (3)	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
Deputy General, Deputy BI or Deputy BII reviewed the report: (2)								
Average process time 2.763 min. (2)	54.29	226.93	12,320.03	6,732.78				
2.763 minutes x 4,928 reports (2) = 13,616.06 minutes/60 = 226.93 hours								
(05) Total ☑ Subtotal ☐ Page: 1 of 1			12,320.03	6,732.78				

Revised 07/13

(1) See Tab A
(2) See Tab B
(3) See Tab C

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: County of Los Angeles

(02) Fiscal Year: 2012/2013

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

- ☐ 1.(a) Taking police report in violation of PC §530.5
- ☑ 2. Investigation of facts
- ☐ 1.(b) Reviewing online ID theft report

(04) Description of Expenses — Object Accounts

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost (1)	(c) Hours Worked or Quantity	(d) Salaries	(e) 54.649% Benefits (3)	(f) Materials and Supplies	(g) Contract Services	(h) Fixed Assets	(i) Travel
Deputy General, Deputy BI or Deputy BII investigated the facts: (2)								
Average process time 27.368 min. (2)	54.29	2,247.83	122,034.69	66,690.74				
27.368 minutes x 4,928 reports (2) = 134,869.5016.06 minutes/60 = 2,247.83 hours								
(05) Total ☑ Subtotal ☐ Page: 1 of 1			122,034.69	66,690.74				

Revised 07/13

(1) See Tab A
(2) See Tab B
(3) See Tab C

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
SB90 PROGRAMS - IDENTITY THEFT
SALARY, EB, OH INFORMATION - FY 2012-2013

	DEPUTY	DEPUTY BONUS I	DEPUTY BONUS II	AVERAGE
MONTHLY SALARY EFFECTIVE	$7,031.00	$7,644.00	$9,280.00	
ANNUAL SALARY W/TOP STEP VARIANCE	$84,372.00	$91,728.00	$111,360.00	
PRODUCTIVE WORK HOURS	1,765	1,765	1,765	
PRODUCTIVE HOURLY RATE	$47.80	$51.97	$63.09	$54.29
EMPLOYEE BENEFITS	54.649%	54.649%	54.649%	
OVERHEAD - Avg. Reg I, II, & III	46.841%	46.841%	46.841%	

LAW ENFORCEMENT CONTRACTUAL COSTS FISCAL YEAR 2012-13

Estimated Weighted Sworn Salaries

ItemNumber/ Title	Salary Component	Adjustment Factor	Adjusted Monthly S&W	Number of Positions	Weighted Monthly Salary	Adjusted Annual Salary
2708 Deputy Sheriff - Generalist	Base Rate		$6,511			
	Salary Increase	0.000%	6,511			
	Top Step Variance	97.7435%	6,364			
	POST Certificate - Basic	6.50%	6,778	2,398	$2,496	
	POST Certificate - Inter.	9.50%	6,969	1,249	1,337	
	POST Certificate - Adv.	12.50%	7,160	2,034	2,237	
	Longevity - 20 years	3.00%	7,375	501	567	
	Longevity - 25 years	4.00%	7,670	197	232	
	Longevity - 30 years	4.00%	7,977	132	162	
	Total				$7,031	$84,372
2708 Deputy Sheriff Bonus I	Base Rate		$6,874			
	Salary Increase	0.000%	6,874			
	Top Step Variance	97.7435%	6,719			
	POST Certificate - Basic	6.50%	7,156	147	$455	
	POST Certificate - Inter.	9.50%	7,357	235	748	
	POST Certificate - Adv.	12.50%	7,559	1,144	3,742	
	Longevity - 20 years	3.00%	7,786	479	1,614	
	Longevity - 25 years	4.00%	8,097	213	746	
	Longevity - 30 years	4.00%	8,421	93	339	
	Total				$7,644	$91,728
	Sr Field Training Officer	5.500%				$96,773
	Mr Field Training Officer	11.000%				$101,818
2708 Deputy Sheriff - Bonus II	Base Rate		$8,210			
	Salary Increase	0.000%	8,210			
	Top Step Variance	97.7435%	8,024			
	POST Certificate - Basic	6.50%	8,546	11	$195	
	POST Certificate - Inter.	9.50%	8,787	13	236	
	POST Certificate - Adv.	12.50%	9,028	228	4,261	
	Longevity - 20 years	3.00%	9,298	95	1,829	
	Longevity - 25 years	4.00%	9,670	92	1,842	
	Longevity - 30 years	4.00%	10,057	44	916	
	Total				$9,280	$111,360

LAW ENFORCEMENT CONTRACTUAL COSTS FISCAL YEAR 2012-13

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	POST Certificate - Inter.	9.50%	6,969	1,249	1,337	
	POST Certificate - Adv.	12.50%	7,160	2,034	2,237	
	Longevity - 20 years	3.00%	7,375	501	567	
	Longevity - 25 years	4.00%	7,670	197	232	
	Longevity - 30 years	4.00%	7,977	132	162	
	Total				$7,031	$84,372
2708 Deputy Sheriff Bonus I	Base Rate		$6,874			
	Salary Increase	0.000%	6,874			
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	POST Certificate - Basic	6.50%	7,156	147	$455	
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	POST Certificate - Adv.	12.50%	7,559	1,144	3,742	
	Longevity - 20 years	3.00%	7,786	479	1,614	
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	Longevity - 30 years	4.00%	8,421	93	339	
	Total				$7,644	$91,728
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	Longevity - 20 years	3.00%	9,298	95	1,829	
	Longevity - 25 years	4.00%	9,670	92	1,842	
	Longevity - 30 years	4.00%	10,057	44	916	
	Total				$9,280	$111,360

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT

IDENTITY THEFT SB90 PROGRAM

TAB-B1

IDENTITY THEFT SURVEY FOR PATROLS

SUMMARY

		TOTAL MINUTES	ENTRIES	AVERAGE
Enter on computer		713	92	7.750
Assign Case		403	75	5.373
Review/Ack	[2]	210	76	2.763
Investigation/Interview	[3]	2,407	125	19.256
Collect/Review Evid/Docs	[3]	795	98	8.112
Book Evid		138	13	10.615
Jurisdiction decision		111	32	3.469
Initial Repot	[1]	3,023	130	23.254
Approve		735	117	6.282
Revise	[1]	308	53	5.811
Re-Approve		249	53	4.698
Assign/Distr		507	120	4.225

[1] Taking police report in violation of PC 530.5 - 29.07 minutes

[2] Reviewing ID theft report - 2.76 minutes

[3] Investigation of facts - 27.37 minutes

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - LAKEWOOD STATION

																																					Total Minutes	Entries	Average
Enter on computer			1	10	10	5	3	4	20	3	5	3		20	20	30	21				2	3	5	1		2	1		57	5	231	22	10.50
Assign Case			1	10	10	5	1	1			5	3				5	1				2	2	3	5		1	31		5	1	92	18	5.11
Review/Ack	[2]		1	1	1	5	1	3			5	1	5			5	5				2	1	5	1		1	1		1	1	46	19	2.42
Investigation/Interview	[3]	15	20	10	10	15	45	20	20	4	20	10	20	20		15	15	15	20	10	30	10	10	15	5	15	5		15	30	439	27	16.26
Collect/Review Evid/Docs	[3]	10	10	1	1	5	90	5	20	2	10	5	2	10				5	5	5	5	5	5		20	2	5		15	5	248	24	10.33
Book Evid				10	10		20														15										55	4	13.75
Initial Repot	[1]	40	25	10	10	20	35	15	20	20	25	15	30	20	20	20	25	20	45	35	20	10	20	30	20	15	20	15	25	30	655	29	22.59
Approve		15	10	5	1	10	15	5	2		5	5		2		5	15	5			10	5	10	5	15	5	3	3	12	5	173	24	7.21
Revise	[1]					5	10	2			5		10				20		15	10	10						2		15	1	105	12	8.75
Re-Approve						5	2	1			5					5	15			15	10						3		4	2	67	11	6.09
Assign/Distr			15	1	1	5	1	1					5	1	5	85	15	5	10	3	5	5	5	5	5	5	1	1	3	1	189	24	7.88
TOTAL		80	83	58	54	80	223	57	82	29	85	42	72	73	45	170	132	50	95	78	111	41	63	62	65	46	72	19	152	81	2300	29	79.31
Jurisdiction Decision			1								5	1				5			5	2	1										20	7	2.86

29 cases: 79.31 MINS/CALL

[1] Taking police report in violation of PC 530.6
[2] Reviewing ID theft report
[3] Investigation of facts

TAB-B2

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - PALMDALE STATION

TAB-B3

																											Total Minutes	Entries	Average
Enter on computer		1	1	2	2	1	1		1	1	1	1	2	3	2	1	2	1	2		3	1	1	2	1		33	22	1.5
Assign Case		1	1	1	2	1	1		1	1	1	1	1	3	1	1	3	1	1	1	2	1	1	1	1		29	23	1.26
Review/Ack	[2]	2	1	1	1	1	1		1	1	1	1	1	2	1	1	1	1	1	1	1	1	1	1	1		25	23	1.09
Investigation/Interview	[3]	20	47	32	40	11	5	130	29	22	20	25	31	10	15	7	27	17	40	22	15	45	20	40	31		701	24	29.2
Collect/Review Evid/Docs	[3]	25				2	2	11	4		2	2	2			2	2	4			3	15	2		4		82	15	5.47
Book Evid							5	6																			11	2	5.5
Initial Repot	[1]	50	26	21	24	15	17	70	25	20	10	23	17	15	25	22	20	26	15	18	30	30	30	15	25		589	24	24.54
Approve		6	4	4	4	4	4	8	4	4	6	5	5	5		5	6	5	5	4	4	6	5	5	7		115	23	5
Revise	[1]																						2				2	1	2
Re-Approve																							1				1	1	1
Assign/Distr		1	1	1	1	1	1	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1	1	1		23	23	1
TOTAL		106	81	62	74	36	37	226	66	50	42	59	60	39	44	40	62	56	65	47	59	100	64	65	71		1611	24	67.13
Jurisdiction Decision													11														11	1	11

24 cases: 67.13 MINS/CALL

TAB-B3

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - SANTA CLARITA STATION

Enter on computer		1		2		2	2	1	1		1	2				2	8	1	1	2	3		2	2		2	3			1	1
Assign Case		40		2		2	4	1	3			1				28	1			1	2		3	8		2	1				
Review/Ack	[2]	2		1		2	16	1	1			8				2	1		15	1	1		1	1		1	1				
Investigation/Interview	[3]	34	20	10		10	7	24	31	20	15	8	17	11	15	30	15	15		10	20	10	34	31	10	20	10	15	5	15	15
Collect/Review Evid/Docs	[3]	10	10		20	6	1	1	1	5		2	4	2	5	5	10			5	20	3			3	50	2	5	10	1	
Book Evid		10		10	10	5										10	12														
Initial Repot	[1]	40	20	30	20	30	15	17	21	25	30	20	21	10	22	30	25	30	30	30	30	15	30	30	13	20	17	20	20	30	30
Approve		8	5	10	2	10	2	2	3	10		10	10	5	10	10	3	2		4	10	5	5	5	10	10	5	9	3	2	2
Revise	[1]	15	5	10		6	2	2		5		0	4	3	5							3			3			5			
Re-Approve		1		5		10	2	2		5	5	5	5		6			5	5			2						5		5	5
Assign/Distr			3	5	1	1	1	2	1	4	1	1	3	2	5	5	1	1	1	2	2	1	1	1	2	1	39	2	1	1	1
TOTAL		161	63	85	53	84	52	53	62	74	52	57	64	33	68	122	76	54	52	55	88	39	76	78	41	106	78	61	39	55	54
Jurisdiction Decision						2									4		5		2					5		5		5			

77 cases: 72.43 MINS/CALL

[1] Taking police report in violation of PC 530.5
[2] Reviewing ID theft report
[3] Investigation of facts

TAB-B4a

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - SANTA CLARITA STATION

Enter on computer				21	2		1		2	15	3	2	47	4	5					45			2	2	2		200	5	1	1
Assign Case				3	2				7		2	19	4	4	2								9	3	1		10		34	13
Review/Ack	[2]			7					1		1	14	1	10	2								5	1	4		1		1	6
Investigation/Interview	[3]	15	10	15	23	10	15	12	12	10	20	7	38	19	30	10	15	10	10	20	10	10	31	20	76	20	10	15	17	27
Collect/Review Evid/Docs	[3]	5	5	1		5		5		2	20	3	10		5	2	4	5	4	20	3	2	31	5		5	10			
Book Evid													15																	
Initial Repot	[1]	20	15	25	20	20	30	20	30	15	30	22	35	30	30	10	20	20	15	15	15	10	15	30	30	25	30	30	30	15
Approve		9	5	20	5	12	2	10	5	5		7	20	5	5	5	9		5	5		5	5	2			10	2	10	5
Revise	[1]	4	3	10		5		5						1		3	5	5	5	5	3	2			10	5	10		4	
Re-Approve		4	5			6	5	4						1			5	5	2	5	1				10	5	10		3	
Assign/Distr		3	1		2	5	1	4	3	1	2	2	2	1	1	2	2	1	1	120	1	1	2		2	1	2	1	1	2
TOTAL		60	44	102	54	63	54	60	60	48	78	76	172	75	80	32	60	46	42	235	33	30	100	63	135	61	293	53	101	69
Jurisdiction Decision						5		5	1	1			1	1						5		1	1			3				

77 cases: 72.43 MINS/CALL

[1] Taking police report in violatic
[2] Reviewing ID theft report
[3] Investigation of facts

TAB-B4b

LOS ANGELES COUNTY - SHERIFF'S DEPARTMENT
IDENTITY THEFT SB90 PROGRAM
SURVEY - SANTA CLARITA STATION

																				Total Minutes	Entries	Averages
Enter on computer		1	15		5	20	1	1	2					1		1			2	449	48	9.35
Assign Case		1			1		4		63										1	282	34	8.29
Review/Ack	[2]	1			14		13		1										1	139	34	4.09
Investigation/Interview	[3]	26	15	15	34	5	14	15	15	15	12	10	15		5	15	16	11	15	1267	74	17.12
Collect/Review Evid/Docs	[3]		1	4		1	47	5		6	10	5	7	5	15	1	5	10	10	465	59	7.88
Book Evid																				72	7	10.29
Initial Repot	[1]	25	25	20	20	30	30	15	22	20	20	15	25	25	30	30	20	24	10	1779	77	23.10
Approve		5	5	11	3	5	5	5	5	5	3	5	8	15	5	2	4	1	10	447	70	6.39
Revise	[1]			3					10	5	5	5	6		5		4	5		201	40	5.03
Re-Approve				4					5	4	3	2	5	2	5		4	3		181	41	4.41
Assign/Distr		1		5	1	2	3	1	2	4	1	1	2	2	5	2	1	1	2	295	73	4.04
TOTAL		60	61	62	78	63	117	42	125	59	54	43	68	50	70	51	54	55	51	5577	77	72.43
Jurisdiction Decision				5		2					5	5	5				5		1	80	24	3.33

77 cases: 72.43 MINS/CALL

[1] Taking police report in violatic
[2] Reviewing ID theft report
[3] Investigation of facts

TAB-B4c

Wong, Hsi-Wen Wu

From: Ferrell, Suzanne P.
Sent: Tuesday, July 16, 2013 11:34 AM
To: Wong, Hsi-Wen Wu
Subject: RE: SB90 - Identity Theft

Here are the last two year's stats:

2011 – 2012 = 4,776
2012 – 2013 = 4,928

Thanks.

Suzie Ferrell, Deputy
Field Operations Support Services
Risk Management Bureau
Administrative Services & Training Division
Los Angeles County Sheriff's Department
(323) 890-5473
spferrel@lasd.org

From: Wong, Hsi-Wen Wu
Sent: Tuesday, July 16, 2013 11:05 AM
To: Ferrell, Suzanne P.
Subject: RE: SB90 - Identity Theft

Ok. I just wait and do the estimated from fiscal year 2011-12 information.

Thank you.

From: Ferrell, Suzanne P.
Sent: Tuesday, July 16, 2013 10:26 AM
To: Wong, Hsi-Wen Wu
Subject: RE: SB90 - Identity Theft

Hi there. I am having problems accessing the program. I contacted the programmers and they are trying to figure it out.

Thanks.

Suzie Ferrell, Deputy
Field Operations Support Services
Risk Management Bureau
Administrative Services & Training Division
Los Angeles County Sheriff's Department
(323) 890-5473

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

JUDI E. THOMAS
CHIEF DEPUTY

ADDRESS ALL CORRESPONDENCE TO:
ACCOUNTING DIVISION
500 W. TEMPLE ST., ROOM 603
LOS ANGELES, CA 90012-2713

October 26, 2012

TO: Conrad Meredith, Director
Financial Programs Bureau
Sheriff's Department

FROM: Connie Yee, Division Chief
Accounting Division

SUBJECT: **2012-13 INDIRECT COST PROPOSAL**

As requested, we reviewed the Fiscal Year 2012-13 Indirect Cost Proposal (ICP) for the Sheriff's Department. Based on our review, the indirect expense rates as shown in your ICP dated October 23, 2012, are approved.

If you have any questions, please call Rick Vandenberg at (213) 893-0972.

CY:RV
H:\Cost Acctg\Rates\Sheriff\ICP\2012-13\2012-13 ICP.doc

SHERIFF'S DEPARTMENT
FISCAL YEAR 2012-13 INDIRECT COST PROPOSAL
CLAIMABLE COSTS
BASED ON FY 2009-10 ACTUAL

			INCURRED BY OTHER DEPARTMENT	DEPT'L COSTS INDIRECT	DEPT'L COSTS DIRECT	FOD-REGION I INDIRECT	FOD-REGION I DIRECT	FOD-REGION II INDIRECT	FOD-REGION II DIRECT	FOD-REGION III INDIRECT	FOD-REGION III DIRECT
SALARIES & WAGES											
EXECUTIVE				$15,516,821	$0	$0	$0	$0	$0	$0	$0
ADMINISTRATIVE				$91,735,686	$86,942,986	$14,393,181	$1,117,349	$17,685,697	$1,372,948	$12,164,093	$944,304
FOD-REGION I				$3,568,686	$192,335,858	$3,576,112	$188,757,746				
FOD-REGION II				$4,385,041	$190,866,511			$3,685,988	$187,180,523		
FOD-REGION III				$3,015,999	$162,548,592					$3,066,409	$159,482,183
DETECTIVE					$78,013,271						
CUSTODY					$476,690,209						
COURT SVCS					$133,829,830						
SUB-TOTAL				**$118,222,234**	**$1,323,227,256**	**$17,971,294**	**$189,875,095**	**$21,371,685**	**$188,553,471**	**$15,230,502**	**$160,426,487**
OTHER IND COSTS:											
SERVICES & SUPPLIES	[E-1]			$63,842,438		$13,401,250		$16,464,544		$11,316,518	
EMP BENEFITS	[C-1]	54.649%		$64,607,848		$9,821,220		$11,679,517		$8,323,392	
DEPT'L OH	[A-1]	18.468%				$3,318,977		$3,946,969		$2,812,802	
COUNTYWIDE OH	[A-1]	3.995%				$717,977		$853,827		$608,479	
DEPT'L CARRY FWD		[D-1-1]		($2,296,055)							
DIV'L CARRY FWD		[D-1]				($2,901,412)		($460,623)		($2,534,930)	
UNBILLED SVCS:											
COUNTYWIDE CARRY FWD		[D-1-1]	$22,926,419								
INSURANCE		[I-3]	($7,317,354)								
OUTSIDE AUDITORS		[I-3]	$227,289								
RENTAL EXP		[I-3]	($24,334,914)								
BLDG USE ALLOWANCE		[I-3]	$18,773,647								
EQUIPT USE ALLOWANCE		[I-3]	$16,380,832								
VEHICLE EQUIPMENT DEPRECIATI		[I-3]	$12,606,126								
UTILITY EXPENSE		[I-3]	($3,156,832)								
VACANT SPACE		[I-3]	$29,269								
AFFIRM ACTION		[I-3]	$734,195								
AUDITOR-CONTR		[I-3]	$6,468,957								
BOARD OF SUPERV		[I-3]	$392,375								
CHIEF EXEC. OFFICE		[I-3]	$3,322,686								
CHIEF INFORMATION OFFICER		[I-3]	$935,026								
COUNTY COUNSEL		[I-3]	$593,014								
HUMAN RESOURCES		[I-3]	$1,250,759								
INTERNAL SERVICES		[I-3]	$2,961,036								
TREAS & TAX COLL		[I-3]	$92,937								
PUBLIC SAFETY		[I-3]	($7,995)								
EB-GENERAL		[I-3]	($32,633)								
ADJUSTMENTS		[I-3]	$19,854								
CLAIMABLE COSTS[A-1]			**$52,864,693**	**$244,376,464**	**$1,323,227,256**	**$42,329,306**	**$189,875,095**	**$53,835,919**	**$188,553,471**	**$35,756,763**	**$160,426,487**
			3.995%	**18.468%**		**22.293%**		**28.552%**		**22.289%**	

TAB-A3

L.A. COUNTY SHERIFF'S DEPARTMENT
FY 2012-13 INDIRECT COST PROPOSAL
EB RATE CALCULATION
FY 2009-10 ACTUAL

FY 2012-13 ESTIMATED EB RATE:				
ESTIMATED EB BILLED COST [C-1-1]		$801,902,000		
ADD: EB UNBILLED COST [I-3]		-$32,633		
FY 2012-13 ESTIMATED E.B. COST			$801,869,367	
FY 2012-13 ESTIMATED S&W [C-1-1]			$1,454,027,000	
FY 2012-13 ESTIMATED EB RATE (EB COST/S&W)				55.148%
FY 2009-10 EB CARRY FORWARD RATE:				
FY 2009-10 ACTUAL EB BILLED COST [F-1]	$694,711,188			
ADD: EB UNBILLED COST EB [I-3]	-$32,633			
FY 2009-10 ACTUAL E.B. COST		$694,678,555		
FY 2009-10 ACTUAL S&W (F-1)		$1,441,449,490		
FY 2009-10 ACTUAL EB RATE (EB COST/S&W)		48.193%		
ESTIMATED VARIANCE:				
FY 2009-10 ACTUAL EB RATE (ABOVE)		48.193%		
LESS: ESTIMATED EB RATE FOR FY 2009-10 ICP (J-3)		48.805% ok		
		-0.612%		
THEN DIFFERENCE MULTIPLIED BY				
FY 2009-10 ACTUAL S&W(F-1)		$1,441,449,490	($8,820,869)	
CARRY FORWARD VARIANCE:				
FY 2009-10 ESTIMATED S&W (FY 2009-10 ICP[J-3])	$1,406,907,000 ok			
LESS: FY 2009-10 ACTUAL S&W (F-1)	$1,441,449,490			
DIFFERENCE DIVIDED BY THE		-$34,542,490		
FY 2009-10 ESTIMATED S&W(J-3)		$1,406,907,000	-2.455%	
THEN MULTIPLIED BY THE				
FY 2009-10 TOTAL CARRY FORWARD(J-3)		-$63,939,183 ok	$1,569,840	
FY 2012-13 CARRY FORWARD RATE:				
FY 2009-10 TOTAL CARRY FORWARD (ESTIMATED VARIANCE PLUS CARRY FORWARD VARIANCE)			($7,251,029)	
DIVIDED BY FY 2012-13 ESTIMATED S&W(C-1-1)			$1,454,027,000	-0.499%
FY 2012-13 ICP EB RATE (FY 2012-13 ESTIMATED RATE PLUS FY 2012-13 CARRY FORWARD RATE)				54.649%

[B-1]
[B-1-1]

TAB-A4

SHERIFF
COST FACTORS
FISCAL YEAR 2012-13

Top Step Variance Factor:	97.7435%
MAPP TIER I Variance Factor:	90.1232%
MAPP TIER II Variance Factor:	101.3942%
Contract Cities Liability Insurance Rates:	(1)
Productive Work Hours:	1765
Countywide Cost:	
Group III	$ 45,953,613
Group IV	$ 34,340,452

(1) The appropriate Contract City Liability Insurance rate should be applied to total billable cost. Contact Risk Management for the appropriate rates.

L.A. COUNTY SHERIFF'S DEPARTMENT
FY 2012-13 INDIRECT COST PROPOSAL
OVERHEAD RATES
FISCAL YEAR 2009-10 ACTUAL

			REGION I	REGION II	REGION III	DETECTIVE	CUSTODY	COURT SVCS.	AVERAGE OH RATES	
COUNTYWIDE OH RATE:										
$52,864,693 [B-1]	/	$1,323,227,256 [B-1]	3.995%	3.995%	3.995%	3.995%	3.995%	3.995%	3.995%	
DEPARTMENTAL OH RATE:										
$244,376,464 [B-1]	/	$1,323,227,256 [B-1]	18.468%	18.468%	18.468%	18.468%	18.468%	18.468%	18.468%	
FOD-REGION I OH RATE:										
$42,329,306 [B-1]	/	$189,875,095 [B-1]	22.293%							
FOD-REGION II OH RATE:										
$53,835,919 [B-1]	/	$188,553,471 [B-1]		28.552%						
FOD-REGION III OH RATE:										
$35,756,763 [B-1]	/	$160,426,487 [B-1]			22.289%					
DETECTIVE OH RATE:										
$17,057,753 [B-1-1]	/	$76,249,372 [B-1-1]				22.371%				
CUSTODY DIV OH RATE:										
$97,392,183 [B-1-1]	/	$464,033,874 [B-1-1]					20.988%			
COURT SERVICES OH RATE:										
$63,023,479 [B-1-1]	/	$112,969,827 [B-1-1]						55.788%	28.713%	[1]
TOTAL OVERHEAD RATES			**44.757%**	**51.015%**	**44.752%**	**44.834%**	**43.452%**	**78.251%**	51.177%	[2]

[1] AVERAGE DIVISIONAL OVERHEAD RATE

[2] AVERAGE TOTAL OVERHEAD RATE

46.841%

FILE: ICP09_10/OVERHEADRATES

Los Angeles County

Contract City

Billing Rates

77144

ATTACHMENT C

MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND CITY OF LAKEWOOD

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ATTACHMENT A: Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel form

77144

MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND CITY OF LAKEWOOD

This Municipal Law Enforcement Services Agreement (hereinafter referred to as "Agreement") is made and entered into this 1ST day of SEPTEMBER, 2009 by and between the COUNTY OF LOS ANGELES, (hereinafter referred to as "County") and the CITY OF LAKEWOOD (hereinafter referred to as "City").

RECITALS

Whereas, the City is desirous of contracting with the County for the performance of law enforcement services by the Los Angeles County Sheriff's Department (hereinafter referred to as "Sheriff's Department"); and

Whereas, the County is agreeable to rendering such law enforcement services on the terms and conditions set forth in this Agreement; and

Whereas, such law enforcement services agreements are authorized and provided for by the provisions of Section 56 1/2 and 56 3/4 of the County Charter and California Government Code Section 51301.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties mutually agree as follows:

1.0 SCOPE OF SERVICES

1.1 The County agrees, through the Sheriff of the County of Los Angeles (hereinafter referred to as "Sheriff"), to provide general law enforcement services within the corporate limits of the City to the extent and in the manner hereinafter set forth in this Agreement.

1.2 Except as otherwise specifically set forth in this Agreement, such services shall only encompass duties and functions of the type coming within the jurisdiction of and customarily rendered by the Sheriff under the County Charter and the statutes of the State of California, and under the City municipal codes.

1.3 General law enforcement services performed hereunder may include, if requested by the City, supplemental security support, supplemental sworn officer support, and supplemental professional civilian support staff.

2.0 ADMINISTRATION OF PERSONNEL

2.1 During the term of this Agreement, the Sheriff or his designee shall serve as Chief of Police of the City and shall perform the functions of the Chief of Police at the direction of the City.

2.2 The rendition of the services performed by the Sheriff's Department, the standards of performance, the discipline of officers, and other matters incident to the performance of such services and the control of personnel so employed shall remain with the County.

2.3 In the event of a dispute between the parties to this Agreement as to the extent of the duties and functions to be rendered hereunder, or the minimum level or manner of performance of such service, the City shall be consulted and a mutual determination thereof shall be made by both the Sheriff and the City.

2.4 With regard to Sections 2.2 and 2.3 above, the Sheriff, in an unresolved dispute, shall have final and conclusive determination as between the parties hereto.

2.5 All City employees who work in conjunction with the Sheriff's Department pursuant to this Agreement shall remain employees of the City and shall not have any claim or right to employment, civil service protection, salary, or benefits or claims of any kind from the County based on this Agreement. No City employee as such shall become employees of the County unless by specific additional agreement in the form of a merger agreement which must be concurrently adopted by the City and the County.

2.6 For the purpose of performing services and functions, pursuant to this Agreement and only for the purpose of giving official status to the performance thereof, every County officer and/or employee engaged in performing any such service and function shall be deemed to be an officer or employee of the City while performing such service for the City, as long as the service is within the scope of their duties performing law enforcement services pursuant to this Agreement.

2.7 The City shall not be called upon to assume any liability for the direct payment of any Sheriff's Department salaries, wages, or other compensation to any County

personnel performing services hereunder for said City. Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee or agent of the County for injury or sickness arising out of his/her employment as a contract employee of the City.

2.8 As part of its compliance with all applicable laws and regulations relating to employee hiring, the County agrees that the County Civil Service Rules to which it is subject and which prohibit discrimination on the basis of non-merit factors, shall for purposes of this Agreement be read and understood to prohibit discrimination on the basis of sexual orientation.

3.0 DEPLOYMENT OF PERSONNEL

3.1 Services performed hereunder and specifically requested by the City shall be developed in conjunction with the Sheriff and indicated on a Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel form, attached hereto as Attachment A and incorporated herein by this reference.

3.2 A new SH-AD 575 Deployment of Personnel form shall be authorized and signed annually by the City and the Sheriff or his designee each July 1, and attached hereto as an Amendment to this Agreement.

3.3 Should the City request a change in level of service other than pursuant to the annual July 1 readjustment, an additional SH-AD 575 Deployment of Personnel form shall be signed and authorized by the City and the Sheriff or his designee and attached hereto as an Amendment to this Agreement.

3.4 The most recent dated and signed SH-AD 575 Deployment of Personnel form attached to this Agreement shall be the staffing level in effect between the County and the City.

3.5 The City is not limited to the services indicated in Attachment A, but the City may also request any other service in the field of public safety, law, or related fields within the legal power of the Sheriff to provide. Such other services shall be reflected in an amended SH-AD 575 Deployment of Personnel form under the procedures set forth in Sections 3.2 and 3.3 above.

4.0 PERFORMANCE OF AGREEMENT

4.1 For the purpose of performing said general law enforcement services, County shall furnish and supply all necessary labor, supervision, equipment,

communication facilities, and supplies necessary to maintain the agreed level of service to be rendered hereunder.

4.2 Notwithstanding the foregoing, the City may provide additional resources for the County to utilize in performance of the services.

4.3 When and if both parties to this Agreement concur as to the necessity of maintaining a law enforcement headquarters or Sheriff's Department substation within the City which would not normally be provided by the Sheriff, the City shall furnish at its own cost and expense all necessary office space, and the Sheriff shall have authority to negotiate with the City regarding which entity shall pay for furniture and furnishings, office supplies, janitor service, telephone, light, water and other utilities.

4.4 It is expressly further understood that in the event a local office or building is maintained in said City, such local office or building may be used by the Sheriff in connection with the performance of his duties in territory outside of the City, provided, however, that the performance of such outside duties shall not be at any additional cost to the City.

4.5 Notwithstanding the foregoing, it is mutually agreed that in all instances where special supplies, stationery, notices, forms, and the like must be issued in the name of said City, the same shall be supplied by the City at its own cost and expense.

5.0 INDEMNIFICATION

5.1 The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977, and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this Agreement as if set out in full herein.

5.2 The parties hereto have also executed a County-City Special Indemnity Agreement approved by the Board of Supervisors on August 25, 2009. This document is made a part of and incorporated into this Agreement as if set out in full herein.

5.3 In the event the Board of Supervisors later approves a revised Joint Indemnity

Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

6.0 TERM OF AGREEMENT

6.1 The term of this Agreement shall be from September 1, 2009 through June 30, 2014, unless sooner terminated or extended as provided for herein.

6.2 At the option of the County Board of Supervisors and with the consent of the City Council, this Agreement may be renewed or extended for successive periods not to exceed five (5) years each.

6.3 Nine (9) months prior to the expiration of this Agreement, the parties shall meet and confer in good faith to discuss the possible renewal or extension of this Agreement pursuant to Section 6.2 above. The parties shall reach an agreement as to the terms of any renewal or extension period no later than six (6) months prior to the expiration of this Agreement. Absent mutual agreement by the parties within that time frame, this Agreement shall expire at the conclusion of the then-existing term.

7.0 RIGHT OF TERMINATION

7.1 Either party may terminate this Agreement as of the first day of July of any year upon notice in writing to the other party of not less than sixty (60) days prior thereto.

7.2 Notwithstanding any provision herein to the contrary, the City may terminate this Agreement upon notice in writing to the County given within sixty (60) days of receipt of written notice from the County of any increase in the rate for any service to be performed hereunder, and in such an event this Agreement shall terminate sixty (60) calendar days from the date of the City's notice to the County.

7.3 This Agreement may be terminated at anytime, with or without cause, by either party upon written notice given to the other party at least one hundred eighty (180) days before the date specified for such termination.

7.4 In the event of a termination, each party shall fully discharge all obligations owed to the other party accruing prior to the date of such termination, and, except as otherwise provided herein, each party shall be released from all obligations which

would otherwise accrue subsequent to the date of termination.

8.0 BILLING RATES

8.1 The City shall pay the County for the services provided under the terms of this Agreement at the rates set forth on Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel form, as established by the County Auditor-Controller.

8.2 The rates set forth on Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel form shall be readjusted by the County Auditor-Controller annually effective July 1 of each year, and attached hereto as an Amendment to this Agreement, to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors.

8.3 The City shall be billed based on the service level provided within the parameters of Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel form.

8.4 The cost of other services requested pursuant to Section 3.5 of this Agreement and not set forth in Attachment A, Los Angeles County Sheriff's Department SH-AD 575 Deployment of Personnel form shall be determined by the Auditor-Controller in accordance with the policies and procedures established by the County Board of Supervisors.

9.0 PAYMENT PROCEDURES

9.1 The County, through the Sheriff, shall render to said City within ten (10) days after the close of each calendar month a summarized invoice which covers all services performed during said month, and said City shall pay County for all undisputed amounts within sixty (60) days after date of said invoice.

9.2 If such payment is not delivered to the County office which is described on said invoice within sixty (60) days after the date of the invoice, the County is entitled to recover interest thereon. For all disputed amounts, the City shall provide County with written notice of the dispute including the invoice date, amount, and reasons for dispute within ten (10) days after receipt of the invoice. The parties shall memorialize the resolution of the dispute in writing. For any disputed amounts, interest shall accrue if payment is not received within sixty (60) days

after the dispute resolution is memorialized.

9.3 Interest shall be at the rate of ten percent (10%) per annum or any portion thereof, calculated from the last day of the month in which the services were performed, or in the case of disputed amounts, calculated from the date the resolution is memorialized.

9.4 Notwithstanding the provisions of California Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within sixty (60) days after the date of the invoice, or in the case of disputed amounts, from the date the resolution is memorialized, the County may satisfy such indebtedness, including interest thereon, from any funds of the City on deposit with the County without giving further notice to the City of the County's intention to do so.

10.0 NOTICES

Unless otherwise specified herein, all notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties at the following addresses and to the attention of the person named. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

Notices to County of Los Angeles shall be addressed as follows:

Los Angeles County Sheriff's Department
Contract Law Enforcement Bureau
Attn: Unit Commander
4700 Ramona Boulevard
Monterey Park, California 91754
Phone #:
Fax

Notices to City of shall be addressed as follows:

City of Lakewood
Attn City Clerk
Address: 5050 Clark Avenue, Lakewood, CA 90712
Phone # 562/866-9771
Fax # 562/866-0505

11.0 AMENDMENTS

All changes, modifications, or amendments to this Agreement must be in the form of a written Amendment duly executed by the County Board of Supervisors and an authorized representative of the City. Notwithstanding, the Sheriff or his designee is hereby authorized to execute on behalf of the County any Amendments and/or supplemental agreements referenced in Sections 1.3, 3.0, 4.3, 8.2, and 9.2 of this Agreement.

12.0 AUTHORIZATION WARRANTY

12.1 The City represents and warrants that the person executing this Agreement for the City is an authorized agent who has actual authority to bind the City to each and every term, condition, and obligation of this Agreement and that all requirements of the City have been fulfilled to provide such actual authority.

12.2 The County represents and warrants that the person executing this Agreement for the County is an authorized agent who has actual authority to bind the County to each and every term, condition, and obligation of this Agreement and that all requirements of the County have been fulfilled to provide such actual authority.

13.0 ENTIRE AGREEMENT

This Agreement, Attachment A, and any executed Amendments thereto constitute the complete and exclusive statement of understanding of the parties which supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Section 11.0, Amendments, of this Agreement.

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MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND CITY OF LAKEWOOD

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and the City has caused this Agreement to be executed on its behalf by its duly authorized representative.

COUNTY OF LOS ANGELES

By _____
DON KNABE
Chairman, Board of Supervisors

ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Board of Supervisors

By _____
Deputy

OCT 21 2009

CITY OF LAKEWOOD

By _____
CITY OF LAKEWOOD, MAYOR

ATTEST:

By _____
City Clerk

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#19 AUG 25 2009

SACHI A. HAMAI
EXECUTIVE OFFICER

APPROVED AS TO FORM:
ROBERT E. KALUNIAN
Acting County Counsel

By _____
Deputy County Counsel

APPROVED AS TO FORM:
CITY ATTORNEY

By _____

Patrol Officer Rate

FY 2011-12 Cost

Los Angeles County - Contract Cities
Law Enforcement Services

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

$$\textit{Hourly Rate} = \frac{\$348{,}681}{(56 \text{ hrs/week} \times 52 \text{ weeks/yr})} = \frac{\$348{,}681}{2920 \text{ hrs/year}} = \frac{\mathbf{\$119.41}}{\text{Hour}}$$

Rate includes a county assessed 4% Liability Insurance Surcharge

HOURS OF SERVICE & ESTIMATED CHARGES

CITY: Palmdale 7/1/2011

SERVICE UNITS	UNIT COST	TOTAL UNITS PURCHASED	TOTAL ESTIMATED UNIT COST	LIABILITY @ 4%	TOTAL COST WITH LIABILITY	YEARLY HOURS PER SERVICE UNIT		ANNUAL GOAL (MINUTES)	PERSONNEL REQUIRED
DEPUTY SHERIFF SERVICE UNIT									
40 Hour	$239,478	6	1,436,868.00	57,474.72	1,494,342.72	2086	12,516	750,960	6.9960
56 Hour	$335,270	36	12,069,720.00	482,788.80	12,552,508.80	2920	105,120	6,307,200	58.7520
70 Hour	$419,087	0	0.00	0.00	0.00	3650	0	0	0.0000
Non-Relief	$217,708	8	1,741,664.00	69,666.56	1,811,330.56	1789	14,312	858,720	8.0000
DEPUTY SHERIFF SERVICE UNIT (BONUS LEVEL)									
40 Hour	$252,766	0	0.00	0.00	0.00	2086	0	0	0.0000
56 Hour	$353,873	0	0.00	0.00	0.00	2920	0	0	0.0000
70 Hour	$442,341	0	0.00	0.00	0.00	3650	0	0	0.0000
Non-Relief	$229,788	4	919,152.00	36,766.08	955,918.08	1789	7,156	429,360	4.0000
GROWTH DEPUTY UNITS (Non-Relief Only)									
Deputy	$146,732	4	586,928.00	23,477.12	610,405.12	1789	7,156	429,360	4.0000
Deputy (with dedicated vehicle)	$166,935	0	0.00	0.00	0.00	1789	0	0	0.0000
Deputy, B-1	$159,355	0	0.00	0.00	0.00	1789	0	0	0.0000
Deputy B-1 (with dedicated vehicle)	$179,742	0	0.00	0.00	0.00	1789	0	0	0.0000
GRANT UNITS (Non-Relief Only)									
Deputy	$146,732	3	440,196.00	17,607.84	457,803.84	1789	5,367	322,020	3.0000
Deputy (with dedicated vehicle)	$166,935	0	0.00	0.00	0.00	1789	0	0	0.0000
Deputy B-1 (Motor)	$159,355	2	318,710.00	12,748.40	331,458.40	1789	3,578	214,680	2.0000
Deputy B-1 (with dedicated vehicle)	$179,742	0	0.00	0.00	0.00	1789	0	0	0.0000
SUPPLEMENTAL POSITIONS (Non-Relief Only)									
Lieutenant	$231,501	0	0.00	N/A	0.00	1789	0	0	0.0000
Sergeant (SAO)	$192,725	2	385,450.00	N/A	385,450.00	1789	3,578	214,680	2.0000
Sergeant (Motor)	$203,408	1	203,408.00	8,136.32	211,544.32	1789	1,789	107,340	1.0000
Watch Deputy	$156,059	0	0.00	0.00	0.00	1789	0	0	0.0000
Motor Deputy	$229,788	3	689,364.00	27,574.56	716,938.56	1789	5,367	322,020	3.0000
CSA	$52,729	0	0.00	0.00	0.00	1789	0	0	0.0000
Security Officer	$88,245	0	0.00	0.00	0.00	1789	0	0	0.0000
Law Enforcement Tech (With Vehicle)	$80,102	0	0.00	0.00	0.00	1789	0	0	0.0000
Operations Asst I	$72,374	0	0.00	N/A	0.00	1789	0	0	0.0000
Operations Asst II	$89,942	0	0.00	N/A	0.00	1789	0	0	0.0000
Operations Asst III	$102,997	0	0.00	N/A	0.00	1789	0	0	0.0000
Stn Clerk II	$66,936	1	66,936.00	N/A	66,936.00	1789	1,789	107,340	1.0000
Crime Analyst	$101,721	0	0.00	N/A	0.00	1789	0	0	0.0000
Custody Assistant	$88,618	0	0.00	0.00	0.00	1789	0	0	0.0000
Other (Need to insert cost in next column)		0	0.00	N/A	0.00	1789	0	0	0.0000
ESTIMATED COST FOR SERVICE UNITS **			$18,868,396.00						
			LIABILITY @ 4% =	$736,240.40					
			TOTAL ESTIMATED COST		$19,594,636.40				

	HOURS	MINUTES	PERSONNEL
DEPUTY	149,638	8,990,280	83.7480
DEPUTY, B-1	10,734	644,040	6.0000
LT/SERGEANT	5,367	322,020	3.0000
CSA	0	0	0.0000
CIVILIAN	1,789	107,340	1.0000

SH-AD 575 (REV. 4/11)

Patrol Officer Rate

FY 2012-13 Cost

Los Angeles County - Contract Cities
Law Enforcement Services

The City contracts with the County Sheriff's Department for police patrol services. These officers perform the mandated law enforcement activities described in this claim.

HOURLY RATE CALCULATION:

The hourly rate of a patrol unit (single officer) is calculated as follows:

$$\textit{Hourly Rate} = \frac{\$356{,}454}{(56 \text{ hrs/week} \times 52 \text{ weeks/yr})} = \frac{\$356{,}454}{2920 \text{ hrs/year}} = \frac{\mathbf{\$122.07}}{\text{Hour}}$$

Rate includes a county assessed 4% Liability Insurance Surcharge

HOURS OF SERVICE & ESTIMATED CHARGES

CITY: PALMDALE 7/1/2012

SERVICE UNITS	UNIT COST	TOTAL UNITS PURCHASED	TOTAL ESTIMATED UNIT COST	LIABILITY @ 4 %	TOTAL COST WITH LIABILITY	YEARLY HOURS PER SERVICE UNIT	ANNUAL GOAL (HOURS)	ANNUAL GOAL (MINUTES)	PERSONNEL REQUIRED
DEPUTY SHERIFF SERVICE UNIT									
40 Hour	$244,817	6	1,468,902.00	58,756.08	**1,527,658.08**	2086	12,516	750,960	6.9960
56 Hour	$342,744	36	12,338,784.00	493,551.36	**12,832,335.36**	2920	105,120	6,307,200	58.7520
70 Hour	$428,430	0	0.00	0.00	**0.00**	3650	0	0	0.0000
Non-Relief	$222,561	10	2,225,610.00	89,024.40	**2,314,634.40**	1789	17,890	1,073,400	10.0000
DEPUTY SHERIFF SERVICE UNIT (BONUS LEVEL)									
40 Hour	$258,706	0	0.00	0.00	**0.00**	2086	0	0	0.0000
56 Hour	$362,188	0	0.00	0.00	**0.00**	2920	0	0	0.0000
70 Hour	$452,735	0	0.00	0.00	**0.00**	3650	0	0	0.0000
Non-Relief	$235,187	4	940,748.00	37,629.92	**978,377.92**	1789	7,156	429,360	4.0000
GROWTH DEPUTY UNITS (Non-Relief Only)									
Deputy	$148,175	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Deputy (with dedicated vehicle)	$168,561	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Deputy, B-1	$161,093	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Deputy B-1 (with dedicated vehicle)	$161,479	0	0.00	0.00	**0.00**	1789	0	0	0.0000
GRANT UNITS (Non-Relief Only)									
Deputy	$148,175	3	444,525.00	17,781.00	**462,306.00**	1789	5,367	322,020	3.0000
Deputy (with dedicated vehicle)	$168,561	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Deputy B-1	$161,093	2	322,186.00	12,887.44	**335,073.44**	1789	3,578	214,680	2.0000
Deputy B-1 (with dedicated vehicle)	$161,479	0	0.00	0.00	**0.00**	1789	0	0	0.0000
SUPPLEMENTAL POSITIONS (Non-Relief Only)									
Lieutenant	$233,821	0	0.00	N/A	**0.00**	1789	0	0	0.0000
Sergeant (SAO)	$194,496	2	388,992.00	N/A	**388,992.00**	1789	3,578	214,680	2.0000
Sergeant (Motor)	$205,194	1	205,194.00	8,207.76	**213,401.76**	1789	1,789	107,340	1.0000
Watch Deputy	$159,375	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Motor Deputy	$235,187	2	470,374.00	18,814.96	**489,188.96**	1789	3,578	214,680	2.0000
CSA	$55,996	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Security Officer	$95,568	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Law Enforcement Tech	$80,393	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Operations Asst I	$74,456	0	0.00	N/A	**0.00**	1789	0	0	0.0000
Operations Asst II	$92,456	0	0.00	N/A	**0.00**	1789	0	0	0.0000
Operations Asst III	$105,912	0	0.00	N/A	**0.00**	1789	0	0	0.0000
Stn Clerk II	$68,863	1	68,863.00	N/A	**68,863.00**	1789	1,789	107,340	1.0000
Crime Analyst	$106,441	0	0.00	N/A	**0.00**	1789	0	0	0.0000
Custody Assistant	$86,318	0	0.00	0.00	**0.00**	1789	0	0	0.0000
Other (Need to insert cost in next column)		0	0.00	N/A	**0.00**	1789	0	0	0.0000
ESTIMATED COST FOR SERVICE UNITS **			$18,874,179.00						
			LIABILITY @ 4% =	$736,652.92					
			TOTAL ESTIMATED COST		$19,610,830.92				

	HOURS	MINUTES	PERSONNEL
DEPUTY	144,471	8,668,260	80.7480
DEPUTY, B-1	10,734	644,040	6.0000
LT/SERGEANT	5,367	322,020	3.0000
CSA	0	0	0.0000
CIVILIAN	1,789	107,340	1.0000

SH-AD 375 (REV. 4/12)

Fresno
Audit and
Claims

CITY OF FRESNO

Audit Report

DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS PROGRAM

Chapter 246, Statutes of 1995

July 1, 2008, through June 30, 2012

BETTY T. YEE
California State Controller

May 2015

BETTY T. YEE
California State Controller

May 26, 2015

The Honorable Ashley Swearengin, Mayor
City of Fresno
2600 Fresno Street, Room 2075
Fresno, CA 93721

Dear Mayor Swearengin:

The State Controller's Office audited the costs claimed by the City of Fresno for the legislatively mandated Domestic Violence Arrest Policies and Standards Program (Chapter 246, Statutes of 1995) for the period of July 1, 2008, through June 30, 2012.

The city claimed and was paid $1,132,578 for the mandated program. Our audit found that $717,846 is allowable and $414,732 is unallowable. The costs are unallowable primarily because the city claimed non-mandate-related costs. The State will offset $414,732 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/as

cc: Michael Lima, Controller/Finance Director
City of Fresno
Jerry Dyer, Chief of Police
City of Fresno Police Department
Kim Jackson, Management Analyst III
City of Fresno, Finance Department
Evelyn Suess, Principal Program Budget Analyst
Mandates Unit, Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Fresno for the legislatively mandated Domestic Violence Arrest Policies and Standards Program (Chapter 246, Statutes of 1995) for the period of July 1, 2008, through June 30, 2012.

The city claimed and was paid $1,132,578 for the mandated program. Our audit found that $717,846 is allowable and $414,732 is unallowable. The costs are unallowable primarily because the city claimed non-mandate-related costs. The State will offset $414,732 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

Background

Penal Code section 13701, subdivision (b) (added by Chapter 246, Statutes of 1995), required local law enforcement agencies to develop, adopt, and implement written arrest policies for domestic violence offenders by July 1, 1996. The legislation also required local law enforcement agencies to obtain input from local domestic violence agencies in developing the arrest policies. Under previous law, local law enforcement agencies were required to develop, adopt, and implement written policies for response to domestic violence calls and were encouraged, but not obligated, to consult with domestic violence experts.

On September 25, 1997, the Commission on State Mandates (Commission) determined that Chapter 246, Statutes of 1995, imposed a state-mandated program reimbursable under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The Commission adopted the parameters and guidelines on August 20, 1998 and amended them on October 30, 2009. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated program reimbursable costs.

Objectives, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Domestic Violence Arrest Policies and Standards Program for the period of July 1, 2008, through June 30, 2012.

The objectives of our audit were to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The legal authority to conduct this audit is provided by Government Code sections 12410, 17558.5, and 17561. We did not audit the city's financial statements. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations.

To achieve our audit objectives, we performed the following audit procedures:

- Interviewed employees, completed the internal control questionnaire, and performed a walk-through of the cost components of each claim.
- Traced costs claimed to supporting documentation that showed when the costs were incurred, the validity of such costs, and their relationship to mandated activities.

Conclusion

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

For the audit period, the City of Fresno claimed $1,132,578 for costs of the Domestic Violence Arrest Policies and Standards Program. Our audit found that $717,846 is allowable and $414,732 is unallowable.

For the fiscal year (FY) 2008-09 claim, the State paid the city $245,600. Our audit found that $139,574 is allowable. The State will offset $106,026 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 2009-10 claim, the State paid the city $261,388. Our audit found that $162,346 is allowable. The State will offset $99,042 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 2010-11 claim, the State paid the city $319,045. Our audit found that $194,976 is allowable. The State will offset $124,069 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

For the FY 2011-12 claim, the State paid the city $306,545. Our audit found that $220,950 is allowable. The State will offset $85,595 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

Views of Responsible Officials

We issued a draft audit report on April 15, 2015. Kim Jackson, Management Analyst III, Finance Department responded by email dated May 5, 2015, stating that the city has no changes to the draft audit report.

Restricted Use

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

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

May 26, 2015

Schedule 1—
Summary of Program Costs
July 1, 2008, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference [1]
July 1, 2008, through June 30, 2009				
Direct costs:				
Salaries and benefits	$ 152,442	$ 88,694	$ (63,748)	Findings 1, 2
Indirect costs	93,158	50,880	(42,278)	Findings 1, 2, 3
Total program costs	$ 245,600	139,574	$ (106,026)	
Less amount paid by the state		(245,600)		
Allowable costs claimed in excess of (less than) amount paid		$ (106,026)		
July 1, 2009, through June 30, 2010				
Direct costs:				
Salaries and benefits	$ 159,503	$ 103,369	$ (56,134)	Findings 1, 2
Indirect costs	101,885	58,977	(42,908)	Findings 1, 2, 3
Total program costs	$ 261,388	162,346	$ (99,042)	
Less amount paid by the state		(261,388)		
Allowable costs claimed in excess of (less than) amount paid		$ (99,042)		
July 1, 2010, through June 30, 2011				
Direct costs:				
Salaries and benefits	$ 170,829	$ 111,529	$ (59,300)	Findings 1, 2
Indirect costs	148,216	83,447	(64,769)	Findings 1, 2, 3
Total program costs	$ 319,045	194,976	$ (124,069)	
Less amount paid by the state		(319,045)		
Allowable costs claimed in excess of (less than) amount paid		$ (124,069)		
July 1, 2011, through June 30, 2012				
Direct costs:				
Salaries and benefits	$ 180,154	$ 137,190	$ (42,964)	Findings 1, 2
Indirect costs	126,391	83,760	(42,631)	Findings 1, 2, 3
Total program costs	$ 306,545	220,950	$ (85,595)	
Less amount paid by the state		(306,545)		
Allowable costs claimed in excess of (less than) amount paid		$ (85,595)		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference [1]
Summary: July 1, 2008, through June 30, 2012				
Direct costs:				
Salaries and benefits	$ 662,928	$ 440,782	$ (222,146)	
Indirect costs	469,650	277,064	(192,586)	
Total program costs	$ 1,132,578	717,846	$ (414,732)	
Less amount paid by the state		(1,132,578)		
Allowable costs claimed in excess of (less than) amount paid		$ (414,732)		

[1] See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Overstated and understated claimed costs

The city overstated and understated the number of domestic violence incident reports it claimed during the audit period. This resulted in net understated salaries and benefits costs totaling $5,753; the related indirect cost is $9,607.

For each fiscal year, the city provided a summary report to support the claimed number of domestic violence incident reports. The city created the summary reports using its case management system. The case management system's information did not support the number of domestic violence incident reports that the city claimed. The following table summarizes the audit adjustment for the understated or overstated number of incident reports:

Understated/(overstated) number of reports		(927)		(226)		637		357		
Uniform time allowance (hours)	x	0.48	x	0.48	x	0.48	x	0.48		
Understated/overstated hours		(445)		(108)		306		171		
Claimed productive hourly rate, salaries [1]	x	$37.63	x	$41.09	x	$47.14	x	$48.93		
Understated/(overstated) salaries (A)	$	(16,745)	$	(4,438)	$	14,425	$	8,367		
Benefit rate [1]	x	24.20%	x	29.00%	x	39.00%	x	46.10%		
Understated/(overstated) benefits (B)		(4,052)		(1,287)		5,626		3,857		
Understated/(overstated) salaries and benefits ((C) = (A) + (B))		(20,797)		(5,725)		20,051		12,224	$	5,753
Indirect cost rate claimed (D)	x	75.90%	x	82.40%	x	120.60%	x	102.50%		
Related indirect costs ((E) = (A) x (D))		(12,709)		(3,657)		17,397		8,576		9,607
Audit adjustment, ((F) = (C) + (E))	$	(33,506)	$	(9,382)	$	37,448	$	20,800	$	15,360

[1] Rate applied to salaries.

The program's parameters and guidelines state:

> 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.

The parameters and guidelines allow a uniform time allowance of 29 minutes (0.48 hours) for responding officers to interview both parties (17 minutes) and consider various specified factors (12 minutes) in a domestic violence incident.

Recommendation

We recommend that the city claim the number of domestic violence incident reports that is supported by the city's case management system.

City's Response

The city has no changes to the finding.

FINDING 2— Non-reimbursable costs

The city claimed non-reimbursable salaries and benefits totaling $227,899; the related indirect costs total $166,012.

As noted in Finding 1, the city overstated or understated the total number of domestic violence incident reports for each fiscal year. The following table summarizes the audited population of incident reports and the claimed hours attributable to the audited population:

	Fiscal Year			
	2008-09	2009-10	2010-11	2011-12
Documented number of domestic violence incident reports	5,822	6,000	6,031	5,571
Uniform time allowance (hours)	x 0.48	x 0.48	x 0.48	x 0.48
Claimed hours attributable to documented incident reports [1]	2,814	2,900	2,915	2,693

[1] Calculated using 0.4833

For each fiscal year, we selected a statistical sample from the documented number of domestic violence incident reports (the population) based on a 95% confidence level, a precision rate of +/- 8%, and an expected error rate of 50%. We used statistical samples so that the results could be projected to the population for each fiscal year. We selected a random sample of 146 incident reports for each fiscal year in the audit period. We reviewed the sample incident reports to determine whether the city performed the required mandated program activities. Our review found the following:

- 303 incident reports were fully reimbursable under the mandated program. These reports are reimbursable at 29 minutes (0.48 hours) per report.

- 121 incident reports were partially reimbursable because the officers did not interview both parties involved in the domestic violence incident. These reports are reimbursable at 20.5 minutes (0.34 hours)

per report, based on 8.5 minutes to interview one party and 12 minutes to consider the various factors identified in the parameters and guidelines.

- 160 incident reports were not reimbursable because the incidents did not meet the definition of domestic violence, as defined by Penal Code section 13700. The incidents involved issues such as court order violations, annoying phone calls, and verbal arguments.

The following table summarizes the results of our statistical samples:

	Fiscal Year				
	2008-09	2009-10	2010-11	2011-12	Total
Allowable incident reports	82	79	64	78	303
Partially reimbursable incident reports - only one party interviewed	24	28	31	38	121
Non-mandate-related incident reports	40	39	51	30	160
Total reports sampled	146	146	146	146	584

The following table shows the calculation of unallowable hours based on the results of the statistical samples:

	Fiscal Year				
	2008-09	2009-10	2010-11	2011-12	Total
Allowable incident reports	82	79	64	78	303
Uniform time allowance (hours)	x 0.48	x 0.48	x 0.48	x 0.48	
Subtotal (G)	39.36	37.92	30.72	37.44	
Partially reimbursable incident reports - only one party interviewed	24	28	31	38	121
Allowable uniform time allowance (hours)	x 0.34	x 0.34	x 0.34	x 0.34	
Subtotal (H)	8.16	9.52	10.54	12.92	
Total reimbursable hours for sampled reports ((G) + (H))	47.52	47.44	41.26	50.36	
Statistical sample size	÷ 146	÷ 146	÷ 146	÷ 146	
Reimbursable hours per report	0.3255	0.3249	0.2826	0.3449	
Number of documented incident reports	x 5,822	x 6,000	x 6,031	x 5,571	
Total reimbursable hours	1,895	1,949	1,704	1,921	
Less claimed hours attributable to documented incident reports	(2,814)	(2,900)	(2,915)	(2,693)	
Unallowable hours	(919)	(951)	(1,211)	(772)	

The following table summarizes the unallowable costs based on the unallowable hours identified from the statistical samples:

	Fiscal Year								
	2008-09		2009-10		2010-11		2011-12		Total
Unallowable hours	(919)		(951)		(1,211)		(772)		
Claimed average productive hourly rate (salary)	x $37.63		x $41.09		x $47.14		x $48.93		
Unallowable salaries (J) [1]	$ (34,582)		$ (39,077)		$ (57,087)		$ (37,774)		
Benefit rate	x 24.20%		x 29.00%		x 39.00%		x 46.10%		
Unallowable benefits (K) [1]	(8,369)		(11,332)		(22,264)		(17,414)		
Unallowable salary and benefits ((L) = (J) + (K))	(42,951)		(50,409)		(79,351)		(55,188)		$ (227,899)
Indirect cost rate claimed	x 75.90%		x 82.40%		x 120.60%		x 102.50%		
Related indirect costs (M)	(26,248)		(32,199)		(68,847)		(38,718)		(166,012)
Audit adjustment ((L) + (M))	$ (69,199)		$ (82,608)		$ (148,198)		$ (93,906)		$ (393,911)

[1] Applied to salaries

The parameters and guidelines state:

> 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.

The parameters and guidelines allow a total uniform time allowance of 29 minutes (0.48 hours) for responding officers to interview both parties (17 minutes) and consider various specified factors (12 minutes) in a domestic violence incident.

Recommendation

We recommend that the city claim costs for only those reports that document incidents meeting the definition of domestic violence as provided by Penal Code section 13700. In addition, we recommend that the city claim the portion of the uniform time allowance that is attributable to the mandated activities actually performed.

City's Response

The city has no changes to the finding.

FINDING 3— Overstated indirect costs rates

The city claimed indirect costs based on indirect cost rate proposals (ICRP) prepared for the city's police department. The city overstated its indirect cost rate for each fiscal year. As a result, the city overstated indirect costs claimed by $36,181 for the audit period.

For all fiscal years, the city's ICRP excluded salaries attributable to grant programs (e.g., Cops in School grant, HUD Capitol Program, and Airport Public Safety). Title 2, *Code of Federal Regulations*, Part 225 (Office of Management and Budget (OMB) Circular A-87), Appendix A, Part C, subdivision 3.b. states, "All activities which benefit from the governmental unit's indirect cost . . . will receive an appropriate allocation of indirect costs." We adjusted direct salaries and benefits to include the grant program costs.

The following table summarizes the indirect cost rate audit adjustments:

Cost Component	Costs Reported	Allowable Costs	Audit Adjustment
Fiscal Year (FY) 2008-09			
Direct costs:			
Salaries (A)	$ 66,814,370	$ 71,178,258	$ 4,363,888
Indirect Costs:			
Salaries and benefits	29,469,580	29,469,580	-
Sevices and supplies	21,243,973	21,243,973	-
Total indirect costs (B)	$ 50,713,553	$ 50,713,553	$ -
Allowable indirect cost rate FY 2008-09 ((B) ÷ (A))		71.25%	
FY 2009-10			
Direct costs:			
Salaries (C)	$ 58,436,456	$ 65,430,050	$ 6,993,594
Indirect Costs:			
Salaries and benefits	31,421,412	31,421,412	-
Sevices and supplies	16,719,734	16,719,734	-
Total indirect costs (D)	$ 48,141,146	$ 48,141,146	$ -
Allowable indirect cost rate FY 2009-10 ((D) ÷ (C))		73.60%	
FY 2010-11			
Direct costs:			
Salaries (E)	$ 47,405,439	$ 54,941,936	$ 7,536,497
Indirect Costs:			
Salaries and benefits	39,213,267	39,213,267	-
Sevices and supplies	17,944,771	17,944,771	-
Total indirect costs (F)	$ 57,158,038	$ 57,158,038	$ -
Allowable indirect cost rate FY 2009-10 (F ÷ E)		104.00%	
FY 2011-12			
Direct costs:			
Salaries (G)	$ 51,817,962	$ 59,537,311	$ 7,719,349
Indirect Costs:			
Salaries and benefits	36,639,078	36,639,078	-
Sevices and supplies	16,479,079	16,479,079	-
Total indirect costs (H)	$ 53,118,157	$ 53,118,157	$ -
Allowable indirect cost rate FY 2009-10 (H ÷ G)		89.20%	

The following table summarizes the audit adjustments:

	Fiscal Year				
	2008-09	2009-10	2010-11	2010-11	Total
Allowable indirect cost rate	71.25%	73.60%	104.00%	89.20%	
Less claimed indirect cost rate	(75.90)%	(82.40)%	(120.60)%	(102.50)%	
Unallowable indirect cost rate	(4.65)%	(8.80)%	(16.60)%	(13.30)%	
Allowable salaries	x $ 71,412	x $ 80,131	x $ 80,237	x $ 93,901	
Audit adjustment	$ (3,321)	$ (7,052)	$ (13,319)	$ (12,489)	$ (36,181)

The parameters and guidelines state, "Actual costs must be traceable and supported by source documents that show the validity of such costs. . . ." The parameters and guidelines also state that counties may claim indirect costs using the procedures provided in OMB Circular A-87.

Recommendation

We recommend that the city prepare ICRPs that are supported by its expenditure ledgers and inclusive of all departmental costs. We also recommend that the city allocate costs consistently between fiscal years in accordance with OMB Circular A-87.

City's Response

The city has no changes to the finding.

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

http://www.sco.ca.gov

Claim for Payment
Pursuant to Government Code Section 17561
DOMESTIC VIOLENCE ARREST POLICIES & STANDARDS

For State Controller Use Only

(19) Program Number: 00167
(20) Date Filed ____/____/____
(21) LRS Input ____/____/____

Program 167

(01) Claimant Identification Number	9810320
(02) Claimant Name	City of Fresno
Mailing Address	2600 Fresno Street, Suite 2156
Street Address or P.O. Box	
City	Fresno
State CA	**Zip Code** 93721

Type of Claim	**Estimated Claim**	**Reimbursement Claim**
	(03) Estimated ☐	(09) Reimbursement X
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐

Fiscal Year of Cost	(06)	(12) 2011-12	(29) FORM-1, (10)	126391
Total Claimed	(07)	(13) $306,545	(30) FORM-1, (12)	
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)	(31) FORM-1, (13)	
Less: Estimated Claim Payment Received		(15)	(32)	
Net Claimed Amount		(16) $306,545	(32)	
Due from State	(08)	(17) $306,545	(33)	
Due to State	(09)	(18)	(34)	

(22) FORM-1,(04)(a)	5,214
(23) FORM-1,(04)(b)	49
(24) FORM-1,(06)	306,545
(25) FORM-1,(07)(A)(g)	
(26) FORM-1,(07)(B)(g)	
(27) FORM-1,(07)(C)(g)	
(28) FORM-1, (09)	103

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Divison 4 of Title 1 Government Code.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed

Karen Bradley — Telephone Numbe (559) 621-7033

Controller/ Finance Director — Email Address kim.jackson@fresno.gov

Name of Contact Person for Claim	**Telephone Number**	**E-Mail Address**
Annette S. Chinn (CRS)	***(916) 939-7901***	***AChinnCRS@aol.com***

Revised (12/09) **Form FAM-27**

MANDATED COSTS
DOMESTIC VIOLENCE ARREST POLICIES & STANDARDS
CLAIM SUMMARY

FORM 1

(01) Claimant	(02) Type of Claim		Fiscal Year	
City of Fresno	Reimbursement	X	2011-12	
	Estimated			(see FAM-27 for estimate)

(03) Department Police

(04) Claim Statistics

(a) Number of reported domestic violence incident responses in the fiscal year of claim	5,214
(b) Average productive hourly rate	$48.93
c) Standard time allowed - 29 minutes	0.48 hour

Unit Cost Method

(05) Ongoing Activity D - Implementation of New Policiies	$123,308
(06) Total Direct and Indirect Costs for Activity D	$306,545

Direct Costs	**Object Accounts**				
Actual Cost Method (07) One-Time Activities	(a) Salaries	(b) Benefits	(c) & (e) Services& Supplies and Fixed Assets	(d) Training and Travel	(f) Total
A. Develop of Written Arrest Policies					
B. Adoption of Policies					
C. Training Officers on New Policies					
Ongoing Activity - Implementation of New Policies					
D. Implementation of Written Arrest Policies	$123,308	$56,845			$180,154
(08) Total Direct Costs	$123,308	$56,845			$180,154

Indirect Costs

(09) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	102.5%
(10) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$126,391
(11) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$306,545

Cost Reductions

(12) Less: Offsetting Savings, if applicable		
(13) Less: Other Reimbursements, if applicable		
(14) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$306,545**

Revised (12/09)

INDIRECT COST RATE PROPOSAL
City of Fresno
Police
Fiscal Year
2011-12

Description of Costs		Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits					
Salaries & Wages		$74,097,688		$25,078,485	$49,019,203
Overtime		$2,798,758			$2,798,758
Benefits	46.1%	$34,157,296		$11,560,593	$22,596,703
Total		$111,053,742		$36,639,078	$74,414,664
Services & Supplies					
Prof Svcs/Consulting - Outs		$13,580			$13,580
Public Relations & Informat		$744		$744	
Prof Svcs (Non-Consulting)		$891,936		$891,936	
Outside Legal Services		$121,151		$121,151	
Hazardous Waste Managem		$13,324		$13,324	
Specialized Services /Tech		$160,217		$160,217	
Utilities		$508,618		$508,618	
Landscaping & Grounds Ma		$17,807		$17,807	
O/S Repair, Maint & Serv- I		$22,152		$22,152	
Service Contracts-Office Eq		$446,970		$446,970	
O/S Repair & Maint.--Equip		$16,537		$16,537	
Space Rentals		$348,888		$348,888	
Equipment Rentals--Ex Offi		$5,552		$5,552	
Buildings & Improvements		$17,403	$17,055	$348	$0
Insurance Payments		$826		$826	
Communications		$11,608		$11,608	
Printing & Binding--O/S Ve					
Training		$50,258		$50,258	
Travel & Conference		$21,874		$21,874	
Misc. Subsistence Expense		$287		$287	
Mileage Reimbursement-Nc		$3,746		$3,746	
Clothing & Personal Suppli		$58,580		$58,580	
Office Equipment--Under 3		$19,596	$15,677	$3,919	
Copiers		$29,223	$23,378	$5,845	$0
Small Tools For Field Oper		$1,175	$940	$235	$0
Postage		$21,386		$21,386	
Office Supplies		$112,394		$112,394	
Photographic Supplies & Pr		$456		$456	
Office Equipment Rentals		$3,810		$3,810	
Computer Software		$999	$799	$200	$0
Spec Operating Materials					
Cleaning & Janitorial Suppl		$2,840		$2,840	
Specialty Chemicals & Gas		$55,999		$55,999	
Materials & Parts--Vehicles		$33,442		$33,442	
Materials & Parts--Equipme		$101,412		$101,412	
Provisions & Forage		$11,947		$11,947	
Ammunition		$43,259		$43,259	
Laboratory & Medical Supp		$27,175		$27,175	
Materials & Parts - Bldg & I		$1,449		$1,449	
Oils & Lubricants		$19		$19	
Gasoline		$113,360		$113,360	
New Machinery & Equipme		$20,274	$18,923	$1,352	$0
Replacement Machinery & I		$3,443	$3,214	$230	$0
Equipment		$350	$327	$23	$0
Furniture & Fixtures		$8,002	$7,468	$533	$0
Contract Construction					
County Jail Booking Fees		-$6,301			-$6,301
Outside Agency Support		$3,128			$3,128
Miscellaneous Expenditures		$24		$24	
Oral Board Reimbursement		$434		$434	
Petty Cash--Initial/Increase		-$500		-$500	
Membership & Dues		$6,980	$6,980		
Subscriptions & Publication		$3,936		$3,936	
Interdepartmental Charges		$13,232,477		$13,232,477	
Total		$16,584,246	$94,760	$16,479,079	$10,407
Capital Expenditures					
Total					
Total Expenditures		**$127,637,988**	**$94,760**	**$53,118,157**	**$74,425,071**
Cost Plan Costs					
Total					
Total Alloc. Indirect Costs		**$127,637,988**	**$94,760**	**$53,118,157**	**$74,425,071**

ICRP RATE = **102.5%**
(Rate is Based on Salaries)

$53,118,157 = Total Allowable Indirect Costs
$51,817,962 Total Direct Salaries

City of Fresno
Police
Fiscal Year
2011-12

Name/Position	100% Admin. or Support Staff Annual Salary	
Accountant Auditor II	$	56,270.00
Accounting Techician	$	42,714.00
Admin Clerk II (13)	$	413,076.68
Administrative Manager	$	89,657.00
Background Investigator (7)	$	117,035.60
Community Coordinator	$	37,772.81
Community Sanitation Manager	$	83,754.10
Community Services Officer II (8)	$	334,315.59
Computer Systems Specialist II (1)	$	69,091.13
Computer Systems Specialist III (2)	$	70,371.18
Data Base Administrator	$	79,417.36
Deputy Police Chief (4)	$	522,038.42
Emergency Services Comm. Supr. (5)	$	362,968.78
Emergency Services Dispatcher I (6)	$	103,755.71
Emergency Services Dispatcher II (67)	$	3,232,624.13
Emergency Services Dispatcher III (12)	$	653,878.44
Executive Assist to Director (1)	$	63,976.16
Grant Writer	$	66,878.00
Helicopter Mechanic	$	62,827.11
Helicopter Mechanic Ldwrkr	$	68,770.52
Helicopter Pilot	$	18,541.45
Identification Technician II (12)	$	680,541.33
Identification Technician III (3)	$	196,845.75
Information Services Manager	$	103,477.71
Information Services Supervisor	$	90,139.59
Laborer (10)	$	378,462.78
Law Enforcement Instructor (2)	$	26,656.00
Management Analyst II (2)	$	157,196.00
Management Analyst III (2)	$	168,641.88
Networks Systems Specialist	$	79,700.34
PAR Program Specialist	$	41,354.36
Phlebotomist (3)	$	75,380.02
Police Captain (7)	$	934,934.99
Police Chief	$	192,573.03
Police Data Transcriptionist (2)	$	83,149.75
Police Lieutenant (20)	$	2,289,753.39
Police Officer Recruit (2)	$	90,391.68
Police Sergeant (83)	$	9,307,434.70
Police Specialist (11)	$	887,477.72
Police Tech Services Manager	$	21,701.17
Programmer/Analyst II (1)	$	45,175.15
Programmer/Analyst III (3)	$	220,835.00
Programmer/Analyst IV	$	82,222.90
Property & Evidence Tech (1)	$	50,215.57
Records Supervisor (4)	$	244,548.31
Senior Accountant-Auditor	$	62,834.00
Senior Admin Clerk (27)	$	1,025,298.32
Senior Secretary (3)	$	135,004.30
Senior Storeskeeper	$	45,044.58
Services Aide (1) (PT)	$	5,724.75
Senior Comm. Services Officer (6)	$	338,795.33
Senior Property & Evidence Tech. (2)	$	111,831.31
Staff Assistant (3)	$	36,456.87
Supervising Identification Tech (4)	$	230,014.63
Utility Leadworker (2)	$	88,937.30
TOTAL INDIRECT SALARIES		**$25,078,485**

Police 150000

51101	Permanent Salaries	$	64,481,938.42
51103	Employee Leave Payoff-Non Term	$	2,958,004.50
51109	Leave Payoff At Termination	$	713,300.00
51201	Non-Permanent Salaries	$	472,588.01
51401	Premium Pay	$	5,406,206.95
52901	Recurring Vehicle Allowance	$	65,650.00
		$	**74,097,687.88**
51301	Overtime	$	2,683,658.09
51302	Voluntary Overtime	$	115,100.31
		$	**2,798,758.40**
51102	Permanent Fringe	$	2,473,565.51
51104	Perm Fringe-Health&Welfare	$	8,207,122.44
51105	Perm Fringe-Life&Disab. Ins.	$	22,637.33
51106	Perm Fringe-Pension Fire, PD	$	16,058,422.41
51107	Perm Fringe-Pension, Employees	$	984,976.99
51190	Furlough Savings	$	-
51202	Non-Permanent Fringe	$	34,205.42
51405	Other Employee Benefits	$	722,054.13
51602	Severance H & W	$	11,820.00
52403	HRA Payments	$	679,735.88
52601	Worker's Compensation	$	4,962,755.66
		$	**34,157,295.77**
Tot:	**51000 Employee Services**	**$**	**111,053,742.05**
53302	Prof Svcs/Consulting - Outside	$	13,580.00
53303	Public Relations & Information	$	744.24
53304	Prof Svcs (Non-Consulting)-O/S	$	891,936.12
53306	Outside Legal Services	$	121,150.87
53401	Hazardous Waste Management	$	13,323.85
53402	Specialized Services /Tech	$	160,217.39
54101	Utilities	$	508,618.17
54241	Landscaping & Grounds Maint	$	17,806.93
54301	O/S Repair, Maint & Serv- Bldg	$	22,151.65
54303	Service Contracts-Office Equip	$	446,970.38
54305	O/S Repair & Maint.--Equipment	$	16,536.77
54411	Space Rentals	$	348,888.24
54421	Equipment Rentals--Ex Office	$	5,551.54
54501	Buildings & Improvements	$	17,402.58
55201	Insurance Payments	$	826.00
55301	Communications	$	11,607.85
55501	Printing & Binding--O/S Vendor	$	-
55801	Training	$	50,258.40
55803	Travel & Conference	$	21,874.09
55804	Misc. Subsistence Expense	$	286.94
55805	Mileage Reimbursement-Nonrecur	$	3,745.97
56101	Clothing & Personal Supplies	$	58,579.76
56102	Office Equipment--Under 300	$	19,595.72
56103	Copiers	$	29,222.61
56105	Small Tools For Field Oper	$	1,175.30
56106	Postage	$	21,385.51
56107	Office Supplies	$	112,394.17
56108	Photographic Supplies & Proc	$	456.07
56109	Office Equipment Rentals	$	3,810.43
56110	Computer Software	$	999.00
56111	Spec Operating Materials	$	-
56112	Cleaning & Janitorial Supplies	$	2,840.42
56114	Specialty Chemicals & Gases	$	55,998.82
56115	Materials & Parts--Vehicles	$	33,442.18
56116	Materials & Parts--Equipment	$	101,411.58
56117	Provisions & Forage	$	11,946.87
56119	Ammunition	$	43,258.99
56122	Laboratory & Medical Supplies	$	27,174.53
56123	Materials & Parts - Bldg & Imp	$	1,448.53
56240	Oils & Lubricants	$	19.38
56260	Gasoline	$	113,360.49
57411	New Machinery & Equipment	$	20,274.40
57412	Replacement Machinery & Equip	$	3,443.05
57413	Equipment	$	350.00
57431	Furniture & Fixtures	$	8,001.69
57507	Contract Construction	$	-
58001	County Jail Booking Fees	$	(6,301.12)
58002	Outside Agency Support	$	3,128.02
58005	Miscellaneous Expenditures	$	24.38
58008	Oral Board Reimbursement	$	433.71
58015	Petty Cash--Initial/Increase	$	(500.00)
58016	Membership & Dues	$	6,980.00
58017	Subscriptions & Publications	$	3,936.30
Tot:	**NONPER Non Personnel Expenditure**	**$**	**3,351,768.77**
	Interdepartmental Charges	**$**	**13,232,477.07**
Tot Dept:	**150000 'Police Department**	**$**	**127,637,987.89**
		$	127,637,987.89

Section 8 –

Claiming Instructions

FILING A CLAIM

1. Introduction

The law in the State of California (Government Code Sections 17500 through 17616) provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. These are costs that local agencies are required to incur after July 1, 1980, as a result of any statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service of an existing program.

A reimbursement claim is defined in GC Section 17522 as any claim filed with SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim. An actual claim for the 2009-10 fiscal year, may be filed by **February 15, 2011**, without a late penalty. Claims filed after the deadline will be reduced by a late penalty of **10%, not to exceed $10,000**. Amended claims filed after the deadline will be reduced by **10% of the increased amount** not to exceed $10,000 for the total claim. Initial reimbursement claims filed after the filing deadline will be reduced by a late penalty of **10% with no limitation.** Claims filed more than one year after the deadline will not be accepted by the SCO.

If a claimant is using an indirect cost rate that exceeds 10%, documentation to support the indirect cost rate must be included with the submitted claim. A more detailed discussion of the indirect cost methods available to local agencies can be found in Section 2, Filing a Claim, page 11, **Indirect Costs**. Documentation to support actual costs must be kept on hand by the claimant and made available to the SCO on request as explained in Section 2, Filing a Claim, page 21, **Retention of Claim Records and Supporting Documentation**.

When a program has been reimbursed for three or more years, the Commission may approve the program for inclusion in the State Mandates Apportionment System (SMAS). For programs included in SMAS, the SCO determines the amount of each claimant's entitlement based on an average of three consecutive fiscal years of actual costs adjusted by any changes in the Implicit Price Deflator (IPD). Claimants with an established entitlement receive an annual apportionment adjusted by any changes in the IPD and, under certain circumstances, by any changes in workload. Claimants with an established entitlement are not required to file further claims for the program.

The SCO is authorized to make payments for costs of mandated programs from amounts appropriated by the State Budget Act, by the State Mandates Claims Fund, or by specific legislation. In the event the appropriation is insufficient to pay claims in full, claimants will receive prorated payments in proportion to the dollar amount of approved claims for the program. Balances of prorated payments will be made when supplementary funds become available.

2. Electronic Filing: Local Government e-Claims (LGeC)

LGeC enables claimants and their consultants to securely prepare and submit mandated cost claims via the Internet. LGeC uses a series of data input screens to collect the information needed to prepare a claim and also provides a web service so claims can be uploaded in batch files. The system also incorporates an attachment feature so claimants can electronically attach supporting documentation if required

The LGeC system provides an easy and straightforward approach to the claiming process. Filing claims using LGeC eliminates the manual preparation and submission of paper claims by the locals and the receiving, processing, key entry, verification, and storage of paper claims by the SCO. LGeC also provides mathematical checks and automated error detection to reduce erroneous and incomplete claims, provides the State with an electronic workflow process, and stores the claims in an electronic format. Making the change from paper claims to electronic claims reduces the manual handling of paper claims and decreases the costs incurred by local entities for handling, postage, and storage of claims filed using the LGeC system.

In order to use the LGeC system you will need to obtain a User ID and password for each person who will access the LGeC system. To obtain a User ID and password you must file an application with the SCO. The application and instructions are available on the LGeC Web site located at http://www.sco.ca.gov/ard_lgec.html. Complete the application and other documents as requested and mail them to the SCO using the address provided on the form. The SCO will process the application and issue a User ID and password to each applicant.

In addition, you may want to subscribe to an email distribution list to automatically receive timely, comprehensive information regarding mandated cost claim receipts, payments, test claims, guidelines, electronic claims, and other news and updates. You also will receive related audit reports and mandate information provided by other state agencies.

You can find more information about LGeC and the email distribution lists at http://www.sco.ca.gov/ard_lgec.html. This Web site provides access to the LGeC system, an application for User ID's and passwords, an instructional guide, frequently asked questions (FAQ's) and additional help files. Questions may be directed to LRSDAR@sco.ca.gov, or you may call Local Reimbursements Section, Local Government e-Claims at (916) 324-5729.

3. Types of Claims

Claimants may file a reimbursement claim for actual mandated costs incurred in the prior fiscal year. An entitlement claim may be filed for the purpose of establishing a base year entitlement amount for mandated programs included in SMAS. A claimant who has established a base year entitlement for a program would receive an automatic annual payment, which is reflective of the current costs for the program.

All claims received by the SCO will be reviewed to verify actual costs. An adjustment of the claim will be made if the amount claimed is determined to be excessive, improper, or unreasonable.

A. Reimbursement Claim

A reimbursement claim is defined in GC Section 17522 as any claim filed with the SCO by a local agency for reimbursement of costs incurred for which an appropriation is made for the purpose of paying the claim.

Initial reimbursement claims are first-time claims for reimbursement of costs for one or more prior fiscal year(s) of a program that was previously unfunded. Claims are due one hundred and twenty days from the date of issuance of the claiming instructions for the program by the SCO. The first statute that appropriates funds for the mandated program will specify the fiscal years for which costs are eligible for reimbursement.

Annual ongoing reimbursement claims must be filed by February 15th following the fiscal year in which costs were incurred for the program. Claims for fiscal year 2009-10 will be accepted without late penalty if postmarked or delivered on before February 15th, 2011. Claims filed after the deadline will be reduced by a late penalty of 10%, not to exceed $10,000. However, initial reimbursement claims will be reduced by a late penalty of 10% with no limitation. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed $10,000 for the claim. Claims filed more than one year after the deadline will not be accepted for reimbursement.

B. Entitlement Claim

An entitlement claim is defined in GC Section 17522 as any claim filed by a local agency with the SCO for the sole purpose of establishing or adjusting a base year entitlement for a mandated program that has been included in SMAS. An entitlement claim should not contain nonrecurring or initial start-up costs. There is no statutory deadline for the filing of entitlement claims. However, entitlement claims and supporting documents should be filed by February 15, following the third fiscal year used to develop the entitlement claim, to permit an orderly processing of claims. When the claims are approved and a base year entitlement amount is

determined, the claimant will receive an apportionment reflective of the program's current year costs.

The automatic apportionment is determined by adjusting the claimant's base year entitlement for changes in the IPD of costs of goods and services to governmental agencies, as determined by the State Department of Finance. For programs approved by CSM for inclusion in SMAS on or after January 1, 1988, the payment for each year succeeding the three year in base period is adjusted according to any changes by both the IPD and workload.

SCO will perform this computation for each claimant who has filed claims for three consecutive years. If a claimant has incurred costs for three consecutive years but has not filed a claim in each of those years, the claimant may file an entitlement claim; form FAM-43, to establish a base year entitlement. The form FAM-43 is included in the claiming instructions for SMAS programs. An entitlement claim does not result in the claimant being reimbursed for the costs incurred, but rather entitles the claimant to receive automatic payments from SMAS. Annual apportionments for programs included in the system are paid on or before November 30 of each year.

4. Minimum Claim Amount

For initial claims and annual claims filed on or after September 30, 2002, if the total costs for a given year do not exceed $1,000, no reimbursement will be allowed except as otherwise authorized by GC Section 17564. Combined claims may be filed only when the county is the fiscal agent for the special districts. The county will determine if the submission of a combined claim is economically feasible and will be responsible for disbursing the funds to each special district. A combined claim must show the individual claim costs for each eligible special district. All subsequent claims based upon the same mandate must only be filed in the combined form unless a special district provides to the county and to the Controller, at least 180 days prior to the deadline for filing the claim, a written notice of its intent to file a separate claim.

5. Filing Deadline for Claims

Pursuant to GC Section 17561(d) initial reimbursement claims (first time claims) for reimbursement of costs of a previously unfunded mandated program must be filed within one hundred and twenty days from the date the SCO issues the claiming instructions for the program. When paying a timely filed claim for initial reimbursement, the Controller may withhold twenty percent of the amount of the claim until the claim is audited to verify the actual amount of the mandated costs. Initial reimbursement claims filed after the filing deadline will be reduced by ten percent of the amount that would have been allowed had the claim been timely filed.

The Controller may withhold payment of any late claim for initial reimbursement until the next deadline for funded claims unless sufficient funds are available to pay the claim after all timely filed claims have been paid. All initial reimbursement claims for all fiscal years required to be filed on their initial filing date for a program will be considered as one claim for the purpose of computing any late claim penalty. In no case will a reimbursement claim be paid if submitted more than one year after the filing deadline specified in the Controller's claiming instructions on funded mandates.

Pursuant to GC Section 17560, annual reimbursement claims (recurring claims) for costs incurred during the previous fiscal year must be filed with the SCO and postmarked on or before February 15th following the fiscal year in which costs were incurred. If the annual reimbursement claim is filed after the deadline, but within one year of the deadline, the approved claim must be reduced by a 10% late penalty, not to exceed $10,000. Amended claims filed after the deadline will be reduced by 10% of the increased amount not to exceed $10,000 for the total claim. Claims may not be filed more than one year after the deadline.

6. Payment of Claims

In order for the SCO to authorize payment of a claim, the Certification of Claim, form FAM-27, must be properly filled out, signed, and dated by the entity's authorized officer. When using the LGeC system the logon ID and password of the authorized officer is used for the signature and is applied

by the LGeC system when the claim is submitted. Pursuant to GC 17561(d), reimbursement claims are paid by October 15 or sixty days after the date the appropriation for the claim is effective, whichever is later. In the event the amount appropriated by the Legislature is insufficient to pay the approved amount in full for a program, claimants will receive a prorated payment in proportion to the amount of approved claims timely filed and on hand at the time of proration.

A claimant is entitled to receive accrued interest at the pooled money investment account rate if the payment was made more than 60 days after the claim filing deadline or the actual date of claim receipt, whichever is later. For an initial claim, interest begins to accrue when the payment is made more than one year after the adoption of the program's statewide cost estimate. SCO may withhold up to twenty percent of the amount of an initial claim until the claim is audited to verify the actual amount of the mandated costs.

The SCO reports the amounts of insufficient appropriations to the State Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the Chairperson of the respective committee in each House of the Legislature, who consider appropriations in order to assure appropriation of these funds in the Budget Act. If these funds cannot be appropriated on a timely basis in the Budget Act, this information is transmitted to the Commission which will include these amounts in its report to assure that an appropriation is sufficient to pay the claims that will be included in the next local government claims bill or other appropriation bills. When the supplementary funds become available, the balance of the claims will be paid.

Unless specified in the statutes, regulations, or P's & G's, the determination of allowable and unallowable costs for mandates is based on the P's & G's adopted by the Commission. The determination of allowable reimbursable mandated costs for unfunded mandates is made by the Commission. SCO determines allowable reimbursable costs, subject to amendment by the Commission, for mandates funded by special legislation. Allowable costs are those direct and indirect costs, less applicable credits, considered eligible for reimbursement. In order for costs to be allowable and thus eligible for reimbursement, the costs must meet the following general criteria:

1. The cost is necessary and reasonable for proper and efficient administration of the mandate and not a general expense required to carry out the overall responsibilities of government.
2. The cost is allocable to a particular cost objective identified in the P's & G's.
3. The cost is net of any applicable credits that offset or reduce expenses of items allocable to the mandate.

The SCO has identified certain costs that should not be claimed as direct program costs unless specified as reimbursable under the program's P's & G's. These costs include, but are not limited to, subscriptions, depreciation, memberships, conferences, workshops, general education, and travel costs.

7. State Mandates Apportionment System (SMAS)

Chapter 1534, Statutes of 1985, established SMAS, a method of paying certain mandated programs as apportionments. This method is utilized whenever a program has been approved for inclusion in SMAS by the Commission.

When a mandated program has been included in SMAS, the SCO will determine a base year entitlement amount for each local agency that has submitted reimbursement claims, (or entitlement claims), for three consecutive fiscal years. A base year entitlement amount is determined by averaging the approved reimbursement claims, (or entitlement claims), for 1982-83, 1983-84, and 1984-85 years or any three consecutive fiscal years thereafter. The amounts are first adjusted by any change in the IPD, which is applied separately to each year's costs for the three years that comprise the base period. The base period means the three fiscal years immediately succeeding the Commission's approval.

Each local agency with an established base year entitlement for the program will receive automatic annual payments from the SCO reflective of the program's current year costs. The amount of

apportionment is adjusted annually for any change in the IPD. If the mandated program was included in SMAS after January 1, 1988, the annual apportionment is adjusted for any change in both the IPD and workload.

For cities and counties, workload means a change in population within their boundaries; for special districts, a change in population of the county in which the largest percentage of the district's population is located.

In the event a local agency has incurred costs for three consecutive fiscal years but did not file a reimbursement claim in one or more of those fiscal years, the local agency may file an entitlement claim for each of those missed years to establish a base year entitlement. An entitlement claim means any claim filed by a local agency with the SCO for the sole purpose of establishing a base year entitlement. A base year entitlement may not include any non-recurring or initial start-up costs.

Initial apportionments are made on an individual program basis. After the initial year, all apportionments are made by November 30th. The amount to be apportioned is the base year entitlement adjusted by annual changes in the IPD for the cost of goods and services to governmental agencies as determined by the State Department of Finance.

In the event the local agency determines that the amount of apportionment does not accurately reflect costs incurred to comply with a mandate, the process of adjusting an established base year entitlement upon which the apportionment is based is set forth in GC Section 17615.8 and requires the approval of the Commission.

The following programs are placed in SMAS:

Program Name	Chapter/Statute	Program Number
Conservatorship: Developmentally Disabled Adults	1304/80	67
Coroners Costs	498/77	88
Mentally Retarded Defendants: Diversion	1253/80	66
Senior Citizens Property Tax Postponement	1242/77	18

Listed are state mandated local programs and counties that are entitled to receive automatic apportionments in those fiscal years in which the program is funded.

Counties of:	Ch. 498/77 Coroners Costs	Ch. 1242/77 Senior Citizens Property Tax Postponement	Ch. 1253/80 Mentally Retarded Defendants: Diversion	Ch. 1304/80 Developmentally Disabled Adults: Conservatorship
Alameda		x	x	x
Butte		x	x	x
Calaveras		x	x	x
Contra Costa		x	x	x
El Dorado		x	x	x
Fresno		x	x	x
Humbolt		x	x	x
Kern		x	x	x
Lake		x	x	x
Los Angeles	x	x	x	x
Marin		x	x	x
Mendocino		x	x	x
Monterey		x	x	x
Napa	x	x	x	x
Nevada		x	x	x
Orange	x	x	x	x
Placer		x	x	x
Plumas		x	x	x
Riverside		x	x	x
Sacramento		x	x	x
San Bernardino	x	x	x	x
San Diego		x	x	x
San Francisco		x	x	x
San Joaquin	x	x		
San Luis Obispo	x	x	x	x
San Mateo		x	x	x
Santa Barbara		x	x	x
Santa Clara	x	x	x	x
Santa Cruz		x	x	x
Shasta		x	x	x
Solano		x	x	x
Sonoma	x	x	x	x
Stanislaus		x	x	x
Tulare	x	x	x	x
Tuolumne		x		
Ventura	x	x	x	x
Yolo		x	x	x
Yuba		x		

8. Direct Costs

A direct cost is a cost that can be identified specifically with a particular program or activity. Documentation to support direct costs must be kept on hand unless otherwise specified in the claiming instructions and made available to the SCO on request

It is the responsibility of the claimant to maintain documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

Costs typically classified as direct costs are:

(1) Employee Wages, Salaries, and Fringe Benefits

For each of the mandated activities performed, the claimant must list the names of the employees who worked on the mandate, their job classification, hours worked on the mandate, and rate of pay. The claimant may, in-lieu of reporting actual compensation and fringe benefits, use a productive hourly rate:

(a) Productive Hourly Rate Options

A local agency may use one of the following methods to compute productive hourly rates:

- Actual annual productive hours for each employee
- The weighted-average annual productive hours for each job title, or
- 1,800* annual productive hours for all employees

If actual annual productive hours or weighted-average annual productive hours for each job title is chosen, the claimant must maintain documentation of how these hours were computed.

* 1,800 annual productive hours excludes the following employee time:

o Paid holidays

o Vacation earned

o Sick leave taken

o Informal time off

o Jury duty

o Military leave taken.

(b) Compute a Productive Hourly Rate

1. Compute a productive hourly rate for salaried employees to include actual fringe benefit costs. The methodology for converting a salary to a productive hourly rate is to compute the employee's annual salary and fringe benefits and divide by the annual productive hours.

Table 1: Productive Hourly Rate, Annual Salary + Benefits Method

Formula:	Description:
[(EAS + Benefits) ÷ APH] = PHR	EAS = Employee's Annual Salary
	APH = Annual Productive Hours
[($26,000 + $8,099)] ÷ 1,800 hrs = 18.94	PHR = Productive Hourly Rate

- As illustrated in Table 1, if you assume an employee's compensation was $26,000 and $8,099 for annual salary and fringe benefits, respectively, using the "Salary + Benefits Method," the productive hourly rate would be $18.94. To convert a biweekly salary to Annual Salary, multiply the biweekly salary by 26. To convert a monthly salary to Annual Salary, multiply the monthly salary by 12. Use the same methodology to convert other salary periods.

2. A claimant may also compute the productive hourly rate by using the "Percent of Salary Method."

Table 2: Productive Hourly Rate, Percent of Salary Method

Example:

Step 1: *Fringe Benefits as a Percent of Salary*		**Step 2:** *Productive Hourly Rate*
Retirement	15.00 %	**Formula:**
Social Security & Medicare	7.65	[(EAS x (1 + FBR)) ÷ APH] = PHR
Health & Dental Insurance	5.25	
Workers Compensation	3.25	[($26,000 x (1.3115)) ÷ 1,800] = $18.94
Total	**31.15 %**	

Description:

EAS = Employee's Annual Salary	APH = Annual Productive Hours
FBR = Fringe Benefit Rate	PHR = Productive Hourly Rate

- As illustrated in Table 2, both methods produce the same productive hourly rate.

Reimbursement for personnel services includes, but is not limited to, compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include employer's contributions for social security, pension plans, insurance, worker's compensation insurance and similar payments. These benefits are eligible for reimbursement as long as they are distributed equitably to all activities. Whether these costs are allowable is based on the following presumptions:

- The amount of compensation is reasonable for the service rendered.
- The compensation paid and benefits received are appropriately authorized by the governing board.
- Amounts charged for personnel services are based on payroll documents that are supported by time and attendance or equivalent records for individual employees.
- The methods used to distribute personnel services should produce an equitable distribution of direct and indirect allowable costs.

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at the higher-level position may be claimed if it can be shown

that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The numbers of hours in excess of normal expected hours are not reimbursable.

(c) Calculating an Average Productive Hourly Rate

In those instances where the claiming instructions allow a unit as a basis of claiming costs, the direct labor component of the unit cost should be expressed as an average productive hourly rate and can be determined as follows:

Table 3: Calculating an Average Productive Hourly Rate

	Time Spent	Productive Hourly Rate	Total Cost by Employee
Employee A	1.25 hrs	$6.00	$7.50
Employee B	0.75 hrs	4.50	3.38
Employee C	3.50 hrs	10.00	35.00
Total	5.50 hrs		$45.88
Average Productive Hourly Rate is $45.88 ÷ 5.50 hrs. = $8.34			

(d) Employer's Benefits Contribution

A local agency has the option of claiming actual employer's fringe benefit contributions or may compute an average fringe benefit cost for the employee's job classification and claim it as a percentage of direct labor. The same time base should be used for both salary and fringe benefits when computing a percentage. For example, if health and dental insurance payments are made annually, use an annual salary. After the percentage of salary for each fringe benefit is computed, total them. For example:

Employer's Contribution	% to Salary
Retirement	15.00%
Social Security	7.65%
Health and Dental Insurance	5.25%
Worker's Compensation	0.75%
Total	28.65%

(2) Materials and Supplies

Only actual expenses can be claimed for materials and supplies, which were acquired and consumed specifically for the purpose of a mandated program. The claimant must list the materials and supplies that were used to perform the mandated activity, the number of units consumed, the cost per unit, and the total dollar amount claimed. Materials and supplies purchased to perform a particular mandated activity are expected to be reasonable in quality, quantity and cost. Purchases in excess of reasonable quality, quantity, and cost are not reimbursable. Materials and supplies withdrawn from inventory and charged to the mandated activity must be based on a recognized method of pricing, consistently applied. Purchases may be claimed at the

actual price after deducting discounts, rebates and allowances received by local agencies.

(a) Calculating a Unit Cost for Materials and Supplies

In those instances where the claiming instructions suggest that a unit cost be developed for use as a basis of claiming costs mandated by the State, the materials and supplies component of the unit cost should be expressed as a unit cost of materials and supplies as shown in Table 1 or Table 2:

Table 1: Calculating a Unit Cost for Materials and Supplies

Supplies	Cost Per Unit	Amount of Supplies Used Per Activity	Unit Cost of Supplies Per Activity
Paper	0.02	4	$0.08
Files	0.10	1	0.10
Envelopes	0.03	2	0.06
Photocopies	0.10	4	0.40
			$0.64

Table 2: Calculating a Unit Cost for Materials and Supplies

Supplies	Supplies Used	Unit Cost of Supplies Per Activity
Paper ($10.00 for 500 sheet ream)	250 Sheets	$5.00
Files ($2.50 for box of 25)	10 Folders	1.00
Envelopes ($3.00 for box of 100)	50 Envelopes	1.50
Photocopies ($0.05 per copy)	40 Copies	2.00
		$9.50

If the number of reimbursable instances are 25, then the unit cost of supplies is $0.38 per reimbursable instance ($9.50 ÷ 25).

(3) Contract Services

The cost of contract services is allowable if the local agency lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must give the name of the contractor; explain the reason for having to hire a contractor; describe the mandated activities performed; give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate shall not exceed the rate specified in the claiming instructions for the mandated program. The contractor's invoice, or statement, which includes an itemized list of costs for activities performed, must accompany the claim.

(4) Equipment Rental Costs

Equipment purchases and leases (with an option to purchase) are not reimbursable as a direct cost unless specifically allowed by the claiming instructions for the particular mandate. Equipment rentals used solely for the mandate, are reimbursable to the extent such costs do not exceed the retail purchase price of the equipment plus a finance charge. The claimant must explain the purpose and use for the equipment, the time period for which the equipment was rented and the total cost of the rental. If the equipment is used for purposes other than reimbursable activities, only the prorata portion of the rental costs can be claimed.

(5) Capital Outlay

Capital outlays for land, buildings, equipment, furniture and fixtures may be claimed if the claiming instructions specify them as allowable. If they are allowable, the claiming instructions for the program will specify a basis for the reimbursement. If the fixed asset or equipment is also used for purposes other than reimbursable activities for a specific mandate, only the prorata portion of the purchase price used to implement the reimbursable activities can be claimed.

(6) Travel Expenses

Travel expenses are normally reimbursable in accordance with travel rules and regulations of the local jurisdiction. For some programs, however, the claiming instructions may specify certain limitations on expenses, or that expenses can only be reimbursed in accordance with the State Board of Control travel standards. When claiming travel expenses, the claimant must explain the purpose of the trip, identify the name and address of the persons incurring the expense, the date and time of departure and return for the trip, description of each expense claimed, the cost of transportation, number of private auto mileage traveled, and the cost of tolls and parking with receipts required for charges over $10.00.

(7) Documentation

It is the responsibility of the claimant to make available to the SCO, upon request, documentation in the form of general and subsidiary ledgers, purchase orders, invoices, contracts, canceled warrants, equipment usage records, land deeds, receipts, employee time sheets, agency travel guidelines, inventory records, and other relevant documents to support claimed costs. The type of documentation necessary for each claim may differ with the type of mandate.

9. Indirect Costs

GC Section 17564(b) provides that claims for indirect costs must be filed in the manner prescribed by the SCO. Indirect costs (or overhead) are those costs incurred for a common or joint purpose, benefiting more than one program and are not directly assignable to a particular program without efforts disproportionate to the result achieved. Indirect costs may include both (1) the overhead costs for the unit performing the mandate and (2) the costs of central government services distributed through the central service cost allocation plan and not otherwise treated as a direct cost.

Previously, the costs of elected officials were considered expenses related to general government and, thus, were unallowable for reimbursement purposes. Recent interpretation has moved in the opposite direction, except for those items of cost, which are unallowable in the cost principles set forth in Office of Management and Budget Circular (OMB) Circular A-87 (Title 2 CFR Part 225). A cost that is necessary for proper and efficient administration of a program and is identifiable to that program is eligible for consideration as allocable indirect costs. Allocable costs for time spent on programs, must be supported by time record.

Local agencies have the option of using 10% of direct labor as indirect costs or claiming indirect costs through a department's Indirect Cost Rate Proposal (ICRP) for the program prepared in accordance with the provisions of Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225.) (Refer to the Appendix-Costs Computation: Indirect Costs). An ICRP must be prepared if the claim for indirect costs is in excess of 10% of direct salaries; the ICRP must be submitted with the claim.

A. Fixed 10% Rate Method

Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. The use of the 10% rate may benefit small agencies where it is inefficient to prepare an ICRP.

Direct Costs Incurred By	On Behalf of	
Auditor	Welfare Administration	Health Department
Warrant Writing:		
A. Salary of employee working	$5,000	$1,000
B. Benefits of above	800	200
C. Cost of paper	350	100
D. First-line supervision (salaries)	3,000	500
E. Indirect cost 10% of A + D	800	150
Total amount charged to benefited departments for warrant writing services	$9,950	$1,950

Direct Costs Incurred By	On Behalf of	
Building & Grounds Department	Welfare Administration	Health Department
Maintenance of Buildings:		
A. Salary of employees performing maintenance	$1,000	$500
B. Benefits of above	200	100
C. Cleaning supplies	250	150
D. First-line supervision (salaries)	500	200
E. Indirect cost 10% of A + D	150	70
Total amount charged to benefited departments for building maintenance services	$2,100	$1,020

Any local agency using this method for claiming costs must submit a statement similar to the

example above and with supporting data. The cost data required for desk audit purposes are described in the claiming instructions for that mandated program under Salaries and Employee Benefits, Materials and Supplies, Contract Services, Travel Expenses, etc.

B. Indirect Cost Rate Proposal Method

If a local agency elects not to utilize the 10% fixed rate method but wants to claim indirect costs, it must prepare an ICRP for the program. The proposal must follow the provisions of the Office of Management and Budget (OMB) Circular A-87 (Title 2 CFR Part 225), *Cost Principles for State, Local, and Indian Tribal Governments*. The development of the indirect cost rate proposal requires that the indirect cost pool include only those costs which are incurred for a common or joint purpose that benefit more than one cost objective. The indirect cost pool may only include costs that can be shown to provide benefits to the program. In addition, total allocable indirect costs may only include costs, which cannot be directly charged to an identifiable cost center (i.e., program).

A method for preparing a departmental indirect cost rate proposal for programs is presented as Exhibit 1. Only this format is acceptable under the SCO reimbursement requirements. If more than one department is involved in the reimbursement program, each department must have their own indirect cost rate proposal for the program.

INDIRECT COST RATE PROPOSAL
PUBLIC DEFENDER'S OFFICE INVESTIGATION PROGRAM
FISCAL YEAR 20___-20___

Exhibit 1

(A) Description of Costs	Total Costs	(B) Excludable Unallowable Costs	(C) Allowable Indirect Costs	(D) Allowable Direct Costs	Identifiable Program Costs: Investigation PC 987.9	Identifiable Program Costs: All Others
Salaries & Benefits						
Salaries & Wages	$ 1,150,000	$ 50,000 (F)	$ 150,000	$ 950,000 (F)	$ 100,000	$ 850,000
Overtime	20,000	0	20,000	0	0	0
Benefits	230,000	10,000	30,000	190,000	20,000	170,000
Total	$ 1,400,000	$ 60,000	$ 200,000	$ 1,140,000	$ 120,000	$ 1,020,000
Services & Supplies						
Office Expense	$ 200,000	$ 10,000	$ 20,000	$ 170,000	$ 10,000	$ 160,000
Communications	100,000	2,000	10,000	88,000	1,000	87,000
Transportation	120,000	5,000	0	115,000	5,000	110,000
Special Dept Expense (Contracts)	250,000	0	0	250,000	0	250,000
Other, Pass Through Program	800,000	800,000	0	0	0	0
Total	$ 1,470,000	$ 817,000	$ 30,000	$ 623,000	$ 16,000	$ 607,000
Capital Expenditures	$ 100,000	$ 100,000				
Total Budgetary Expenditures	$ 2,970,000	$ 977,000	$ 230,000	$ 1,763,000	$ 136,000	$ 1,627,000
Distribution Base						
Cost Plan Costs						
Building Use (Each line item should be reviewed to see if it benefits the mandate to insure a fair and equitable distribution.)	$ 50,000	$ 2,000	$ 6,000	$ 42,000	$ 2,000	$ 40,000
Equipment Use	30,000	1,000	3,000	26,000	1,000	25,000
Data Processing	50,000	5,000	30,000	15,000	0	15,000
Auditor	20,000	0	20,000	0	0	0
Personnel	10,000	1,000	1,000	8,000	1,000	7,000
Roll Forward	10,000	0	10,000	0	0	0
Total	$ 170,000 (E)	$ 9,000	$ 70,000	$ 91,000	$ 4,000	$ 87,000
Total Allocable Indirect Costs			$ 300,000 (F)			
Distribution of Allocable Indirect Costs Based on Salaries & Wages		$ 15,000	$ (300,000)	$ 285,000	$ 30,000	$ 255,000
Totals	$ 3,140,000	$ 1,001,000	$ 0	$ 2,139,000	$ 170,000	$ 1,969,000

(1) Notes to Exhibit 1

(a) The department's ICRP plan for the distribution of costs to programs must follow the same format as shown on Exhibit 1. Specifically, there must be columns as follows: Description of Costs, Total Cost, Excludable and Unallowable Costs (may be combined or separated), Allowable Indirect Costs, and Allowable Direct Costs (which are further allocated to identifiable programs and other). No other format will be accepted.

(b) Excluded costs are all costs that are unallowable and unallocable according to specific guidelines (OMB 2 CFR Part 225 and state laws).

Examples:

Contributions and donations: Cost of amusement; social activities and related incidental costs such as meals, beverages, lodging, rentals, transportation and gratuities; and pass through revenues to another unit or organization.

(c) Allocable indirect costs are costs that are not identifiable to a specific program or cost pool and indirectly benefit all cost pools.

(d) Direct costs are costs that benefit a specific program or cost pool.

(e) Overhead costs are distributed to the department in the cost allocation plan, which was prepared in accordance with the OMB 2 CFR Part 225. Use the same year's cost allocation plan for developing the ICRP as the year for which the ICRP is being prepared. Do not include a roll forward adjustment when the program is in its initial year.

(f) Distribution base for the computation of the indirect cost rate is total salaries and wages.

Total Allocable Direct Costs (direct S&W)	$950,000
Excluded and Unallowable Costs (direct S&W)	50,000
Distribution Base	$1,000,000

Therefore, the Indirect Cost Rate for Penal Code 987.9 Program is:

$$\text{ICRP} = \frac{\text{Allowable Indirect Costs}}{\text{Total Salaries and Wages}} = \frac{\$300,000}{\$1,000,000} = 30.00\%$$

10. Time Study Guidelines

Background

Two methods are acceptable for documenting employee time charged to mandated cost programs: 1) Actual Time Reporting and 2) Time Study. These methods are described below. Application of time study results is restricted. As explained in the Time Study Results section below, the results may be projected forward a maximum of two years or applied retroactively to initial claims, current-year claims, and late-filed claims, provided certain criteria are met.

Actual Time Reporting

Each program's P's & G's define reimbursable activities for each mandated cost program. When employees work on multiple activities, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation that meets the following standards:

- They must reflect an after-the-fact (contemporaneous) distribution of the actual activity of each employee;
- They must account for the total activity for which each employee is compensated;
- They must be prepared at least monthly and must coincide with one or more pay periods; and
- They must be signed by the employee.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for time distribution.

Time Study

In certain cases, a time study may be used to substitute for continuous records of actual time spent on multiple activities and/or programs. An effective time study requires that an activity be a task that is repetitive in nature. Activities that require a varying level of effort are not appropriate for time studies.

Time Study Plan

The claimant must develop a plan before the time study is conducted. The claimant must retain the time study plan for audit purposes. The plan must identify the following:

- Time period(s) to be studied – The plan must show that all time periods selected are representative of the fiscal year, and the results can be reasonably projected to approximate actual costs;
- Activities and/or programs to be studied – For each mandated program included, the time study must separately identify each reimbursable activity defined in the mandated program's P's & G's, which are derived from the program's Statement of Decision. If a reimbursable activity in the P's & G's identifies separate and distinct sub-activities, these sub-activities must also be treated as individual activities;

For example, sub-activities (a), (b), and (c) under Reimbursable Activity (B)(1) of the local agency's Domestic Violence Treatment Services: Authorization and Case Management program relate to information to be discussed during victim notification by the probation department and therefore are not separate and distinct activities. These sub-activities do not have to be separately studied.

- Process used to accomplish each reimbursable activity – Use flowcharts or similar analytical tools and/or written desk procedures to describe the process for each activity;
- Employee universe – The employee universe used in the time study must include all positions for which salaries and wages are to be allocated by means of the time study;
- Employee sample selection methodology – The plan must show that employees selected are representative of the employee universe, and the results can be reasonably projected to approximate actual costs. In addition, the employee sample size should be proportional to the variation in time spent to perform a task. The sample size should be larger for tasks with significant time variations;
- Time increments to be recorded – The time increments used should be sufficient to recognize the number of different activities performed and the dynamics of these responsibilities. Very large increments (such as one hour or more) might be used for employees performing only a few functions that change very slowly over time. Very small increments (a number of minutes) may be needed for employees performing more short-term tasks.

Random moment sampling is not an acceptable alternative to continuous time records for mandated cost claims. Random moment sampling techniques are most applicable in situations where employees perform many different types of activities on a variety of programs with small time increments throughout the fiscal year.

Time Study Documentation

Time studies must:

- Be supported by time records that are completed contemporaneously;
- Report activity on a daily basis;
- Be sufficiently detailed to reflect all mandated activities and/or programs performed during a specific time period; and
- Coincide with one or more pay periods.

Time records must be signed by the employee (electronic signatures are acceptable) and be supported by corroborating evidence, which validates that the work was actually performed. As with actual time reporting, budget estimates or other distribution percentages determined before services are performed do not qualify as valid time studies.

Time Study Results

Time study results must be summarized to show how the time study supports the costs claimed for each activity. Any variations from the procedures identified in the original time study plan must be documented and explained. Current-year costs must be used to prepare a time study. Claimants may project time study results to no more than two subsequent fiscal years. A claimant may not apply time study results retroactively.

- Annual Reimbursement Claims – Claimants may use time studies to support costs incurred on or after January 1, 2005. Claimants may not use time studies for the period July 1, 2004, through December 31, 2004, unless (1) the program's P's & G's specifically allows time studies, and (2) the time study is prepared based on mandated activity occurring between July 1, 2004, and December 31, 2004.
- Initial Claims –When filing an initial claim for new mandated programs, claimants may only use time study results for costs incurred on or after January 1, 2005. Claimants may not use time studies to support costs incurred before January 1, 2005, unless (1) the program's P's & G's specifically allow time studies, and (2) the claimant prepares separate time studies for each fiscal year preceding January 1, 2005, based on mandated activity occurring during those years.

When projecting time study results, the claimant must certify that there have been no significant changes between years in either (1) the requirements of each mandated program activity or (2) the processes and procedures used to accomplish the activity. For all years, the claimant must maintain corroborating evidence that validates the mandated activity was actually performed. Time study results used to support subsequent years' claims are subject to the recordkeeping requirements for those claims.

11. Offsets Against State Mandated Claims

When part or all the costs of a mandated program are specifically reimbursable from non-local agency sources (e.g., state, federal, foundation, etc.), only that portion of any increased costs payable from local agency funds is eligible for reimbursement under the provisions of Government Code Section 17561.

A. Example 1

This example shows how the offset against a state mandated claim is determined for local agencies receiving block grant revenues not based on a formula allocation. Listed below are six situations, which may occur at a local agency level. For hypothetical program costs of $100,000: (1) through (4) show intended funding at 100% from non-local agency sources and (5) through (6) show cost sharing on a 50/50 basis with the local agency. Of the $100,000 program cost, $2,500 is the cost of state mandated activity. Offset against state mandated

claims is the amount of actual non-local agency funding which exceeds the difference between program costs and state mandated costs. The offset against state mandated claims cannot exceed the amount of state mandated costs. In (4), non-local revenues were fully realized to cover the entire cost of the program, including the state mandate activity; therefore, the offset against state mandated claims is $2,500. In (1), non-local revenues were less than expected. Non-local agency funding was not in excess of the difference between program costs and state mandated costs. As a result, the offset against state mandated claims is zero and $2,500 is claimable as mandated costs. In (5), the local agency is sharing 50% of the program cost. Since non-local revenues of $50,000 were fully realized, the offset against state mandated claims is $1,250.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
A.	Block Grants (funding not based on a formula allocation)				
1.	$100,000	$95,000	$2,500	$-0-	$2,500
2.	100,000	97,000	2,500	-0-	2,500
3.	100,000	98,000	2,500	500	2,000
4.	100,000	100,000	2,500	2,500	-0-
5.	100,000 *	50,000	2,500	1,250	1,250
6.	If in (5) the non-local matching share is less than the amount expected, for example $49,000, the offset against state mandated claims is $250. Therefore, the claimable mandated costs are $2,250				

* Local agency share is $50,000 of the program costs.

B. Example 2

This example shows how the offset against state mandated claims are determined for local agencies receiving special project funds based on approved actual costs. Non-local revenues for special projects must be applied proportionately to approve costs. In (2), the entire program cost was approved. Since the non-local agency source covers 75% of the program cost, it also proportionately covered 75% of the $2,500 state mandated costs, or $1,875.

	Program Costs	Actual Non-Local Agency Funding	State Mandated Costs	Offset Against State Mandated Claims	Claimable Mandated Costs
B.	Special Projects (funding based on approved actual costs)				
1.	$100,000	$100,000	$2,500	$2,500	$-0-
2.	100,000 **	75,000	2,500	1,875	625
3.	If in (2) the non-local matching share is less than the amount expected, because only $60,000 of the program costs were determined to be valid by the contracting agency, then a proportionate share of state mandated costs is likewise reduced to $1,500. The offset against state mandated claim is $1,125. Therefore, the claimable mandated costs are $375.				

** Local agency share is $25,000 of the program costs.

With respect to local agencies, the offset against state mandated claims for applicable federal and state local assistance programs includes, but is not limited to, the following funding sources:

Federal and State Funding Sources

Governing Authority

Federal Programs

CETA, PL 93-203	Federal-Health – Administration
Federal Aid for Construction	Federal-Public Assistance – Administration
Federal Aid for Disaster	

State Programs

State Aid for Agriculture	State-Health – Administration
State Aid for Construction	State-Public Assistance - Administration
State Aid for Corrections	

12. Notice of Claim Adjustment

All claims submitted to the SCO are reviewed to determine if the claim was prepared in accordance with the claiming instructions. Claimants will receive a *Notice of Claim Adjustment* detailing any adjustment made by the SCO.

13. Audit of Costs

Pursuant to GC Section 17558.5, Subdivision (b), the SCO may conduct a field review of any claim after it has been submitted, prior to the reimbursement of the claim to determine if costs are related to the mandate, are reasonable and not excessive, and the claim was prepared in accordance with SCO's claiming instructions and the P's & G's adopted by the Commission. If any adjustments are made to a claim, a Notice of Claim Adjustment specifying the claim activity adjusted, the amount

adjusted, and the reason for the adjustment, will be mailed within thirty days after payment of the claim.

14. Source Documents

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 stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure Section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

15. Claim Forms and Instructions

A claimant may submit a computer generated report in substitution for Form-1 and Form-2 provided the format of the report and data fields contained within the report are identical to the claim forms included with these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file a reimbursement claim. The SCO will revise the manual and claim forms as necessary.

A. Form-2, Activity Cost Detail

This form is used to segregate the detail costs by claim component. In some mandates, specific reimbursable activities have been identified for each component. The expenses reported on this form must be supported by the official financial records of the claimant.

B. Form-1, Claim Summary

This form is used to summarize direct costs by component and compute allowable indirect costs for the mandate. The direct costs summarized on this form are derived from Form-2 and are carried forward to form FAM-27.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized officer of the entity. All applicable information from Form-1 must be carried forward to this form in order for the SCO to process the claim for payment. An original and one copy of the FAM-27 are required.

Submit a signed original and one copy of form FAM-27, Claim for Payment. **To expedite the payment process, please sign the FAM-27 with blue ink, and attach a copy of the form FAM-27 to the top of the claim package.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

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

If delivered by
Other delivery services:

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

16. Retention of Claiming Instructions

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. This Manual should be retained for future reference, and the forms should be duplicated to meet your filing requirements. Annually, new or revised forms, instructions, and any other information claimants may need to file claims will be placed on the SCO's Web site located at www.sco.ca.gov/ard_mancost.html.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, send e-mail to lrsdar@sco.ca.gov, or call the Local Reimbursements Section at (916) 324-5729.

17. Retention of Claim Records and Supporting Documentation

Pursuant to GC Section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency pursuant to this chapter 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 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 the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit will be completed not later than two years after the date that the audit was commenced.

All documents used to support the reimbursable activities 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. Supporting documents must be made available to SCO on request.

MANDATED COST MANUAL FOR LOCAL AGENCIES

STATE OF CALIFORNIA

STATE CONTROLLER'S OFFICE

July 1, 2012

OFFICE OF THE STATE CONTROLLER

STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2011-16

IDENTITY THEFT

SEPTEMBER 30, 2011

REVISED JULY 1, 2012

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 Identity Theft (IT) program. The Parameters and Guidelines (P's & G's) are included as an integral part of the claiming instructions.

On March 27, 2009, the Commission on State Mandates found that Penal Code section 530.6(a), as added by Chapter 956, Statutes of 2000, mandates a new program or higher level of service for local law enforcement agencies within the meaning of Article XIII B, section 6 of the California Constitution, and imposes costs mandated by the state pursuant to GC section 17514.

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 city or county whose law enforcement agency incurs increased costs as a result of this mandate is eligible to claim for reimbursement.

Reimbursement Claim Deadline

Claims for the **2011-2012** fiscal year may be filed by **February 15, 2013**, without a late penalty**. Claims filed more than one year after the filing date will not be accepted.**

Penalty

- **Initial 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, subdivision (d)(3).

- **Annual Reimbursement Claim**

  When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount; $10,000 maximum penalty, pursuant to GC section 17568.

Minimum Claim Cost

GC section 17564, subdivision (a), provides that no claim may be filed pursuant to GC 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 the 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 P's & G's adopted by the 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 the SCO as deemed necessary. Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a claimant is subject to audit by the 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 the 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 the 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 the 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 the Controller 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.

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.**

Use the following mailing addresses:

If delivered by
U.S. Postal Service:

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

If delivered by
other delivery services:

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

If you have any questions, you may e-mail **LRSDAR@sco.ca.gov** or call the Local Reimbursements Section at (916) 324-5729.

Adopted: July 28, 2011

PARAMETERS AND GUIDELINES

Penal Code Section 530.6(a)

Statutes 2000, Chapter 956

Identity Theft
03-TC-08

I. SUMMARY OF THE MANDATE

The test claim statute requires local law enforcement agencies to take a police report and begin an investigation when a complainant residing within their jurisdiction reports suspected identity theft.

On March 27, 2009, the Commission found that Penal Code section 530.6(a), as added by Statutes 2000, chapter 956, mandates a new program or higher level of service for local law enforcement agencies within the meaning of article XIII B, section 6 of the California Constitution, and imposes costs mandated by the state pursuant to Government Code section 17514 for the following activities only:

- take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information; and,
- begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose.

II. ELIGIBLE CLAIMANTS

Any city, county, or city and county whose law enforcement agency incurs increased costs as a result of this reimbursable state-mandated program is eligible to claim reimbursement of these costs.

III. PERIOD OF REIMBURSEMENT

Government Code section 17557(e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The City of Newport Beach filed the test claim on September 25, 2003, establishing eligibility for reimbursement beginning July 1, 2002. Therefore, costs incurred for compliance with the mandated activities are reimbursable on or after July 1, 2002.

Reimbursement for state-mandated costs may be claimed as follows:

1. Actual costs for one fiscal year shall be included in each claim.
2. Pursuant to Government Code section 17561(d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.
3. Pursuant to Government Code section 17560(a), a local agency may, by February 15 following the fiscal year in which costs were incurred, file an annual reimbursement claim that details the costs actually incurred for that fiscal year.
4. In the event revised claiming instructions are issued by the Controller pursuant to Government Code section 17558(c), between November 15 and February 15, a local agency filing an annual reimbursement claim shall have 120 days following the issuance date of the revised claiming instructions to file a claim. (Gov. Code §17560 (b).)
5. If the total costs for a given fiscal year do not exceed $1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564(a).
6. There shall be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

IV. REIMBURSABLE ACTIVITIES

To be eligible for mandated cost reimbursement for any given 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 to 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, time sheets, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, calendars, 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 reported 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.

For each eligible claimant, the following ongoing activities are eligible for reimbursement:

1. Either a) or b) below:

   a) Take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected

identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report; or

b) Reviewing the identity theft report completed on-line by the identity theft victim.

2. Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose. The purpose of the investigation is to assist the victims in clearing their names. Reimbursement is not required to complete the investigation for purposes of criminal prosecution.

Providing a copy of the report to the complainant is not reimbursable under this program.

Referring the matter to the law enforcement agency where the suspected crime was committed for further investigation of the facts is also not reimbursable under this program,

V. CLAIM PREPARATION AND SUBMISSION

Each of the following cost elements must be identified for the reimbursable activities identified in section IV of this document. Each reimbursable cost must be supported by source documentation as described in section IV. Additionally, each reimbursement claim must be filed in a timely manner.

A. Direct Cost Reporting

Direct costs are those costs incurred specifically for reimbursable activities. The following direct costs are eligible for reimbursement.

1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities and attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services during the period covered by the reimbursement claim. If the contract services were also used for purposes other than the reimbursable activities, only the pro-rata portion of the services used to implement the reimbursable activities can be

claimed. Submit contract consultant and invoices with the claim and a description of the contract scope of services.

4. Fixed Assets

Report the purchase price paid for fixed assets (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

B. Indirect Cost Rates

Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include: (1) the overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in 2 CFR Part 225 (Office of Management and Budget (OMB) Circular A-87). Claimants have the option of using 10% of labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate claimed exceeds 10%.

If the claimant chooses to prepare an ICRP, both the direct costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B)) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B)). However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

The distributions base may be: (1) total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.); (2) direct salaries and wages; or (3) another base which results in an equitable distribution.

In calculating an ICRP, the claimant shall have the choice of one of the following methodologies:

1. The allocation of allowable indirect costs (as defined and described in 2 CRF Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B)) shall be accomplished by: (1) classifying a department's total costs for the base period as either direct or indirect; and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to mandates. The

rate should be expressed as a percentage which the total amount of allowable indirect costs bears to the base selected; or

2. The allocation of allowable indirect costs (as defined and described in 2 CFR Part 225, Appendix A and B (OMB Circular A-87 Attachments A and B)) shall be accomplished by: (1) separating a department into groups, such as divisions or sections, and then classifying the division's or section's total costs for the base period as either direct or indirect; and (2) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate that is used to distribute indirect costs to mandates. The rate should be expressed as a percentage which the total amount of allowable indirect costs bears to the base selected.

VI. RECORD RETENTION

Pursuant to Government Code section 17558.5(a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter[1] is subject to the initiation of an audit by the State Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

VII. OFFSETTING REVENUES AND REIMBURSEMENTS

Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

VIII. STATE CONTROLLER'S CLAIMING INSTRUCTIONS

Pursuant to Government Code section 17558(b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561(d)(1)(A), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

IX. REMEDIES BEFORE THE COMMISSION

Upon the request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for

[1] This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557(d)(1), and California Code of Regulations, title 2, section 1183.2.

X. LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES

The statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the statement of decision, is on file with the Commission.

IDENTITY THEFT
CLAIM FOR PAYMENT

For State Controller Use Only

(19) Program Number 00321
(20) Date Filed
(21) LRS Input

PROGRAM 321

(01) Claimant Identification Number

(02) Claimant Name

County of Location

Street Address or P.O. Box Suite

City State Zip Code

		Type of Claim	Reimbursement Claim Data	
			(22) FORM 1, (04) 1. (a) (g)	
			(23) FORM 1, (04) 1. (b) (g)	
			(24) FORM 1, (04) 2. (g)	
			(25) FORM 1, (06)	
			(26) FORM 1, (07)	
	(03)	(09) Reimbursement ☐	(27) FORM 1, (09)	
	(04)	(10) Combined ☐	(28) FORM 1, (10)	
	(05)	(11) Amended ☐	(29)	
Fiscal Year of Cost	(06)	(12)	(30)	
Total Claimed Amount	(07)	(13)	(31)	
Less: **10% Late Penalty** (refer to attached Instructions)		(14)	(32)	
Less: **Prior Claim Payment Received**		(15)	(33)	
Net Claimed Amount		(16)	(34)	
Due from State	(08)	(17)	(35)	
Due to State		(18)	(36)	

(37) CERTIFICATION OF CLAIM

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.

I further certify that there was no application other than from the claimant, nor any grants or payments 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.

The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Officer

Date Signed _____

Telephone Number _____

E-Mail Address _____

Type or Print Name and Title of Authorized Signatory

(38) Name of Agency Contact Person for Claim

Telephone Number _____

E-mail Address _____

Name of Consulting Firm/Claim Preparer

Telephone Number _____

E-mail Address _____

PROGRAM 321	IDENTITY THEFT CLAIM FOR PAYMENT INSTRUCTIONS	FORM FAM-27

(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 claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim was filed on time. Otherwise, enter the penalty amount as a result of the calculation formula as follows:

- Late Initial 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 (36) Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form 1, (04) 1. a) (g), means the information is located on Form 1, line (04) **1**.a), column (g). 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. 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**.

(37) Read the statement of Certification of Claim. The claim must be dated, signed by the agency's authorized officer, and must type or print name, title, date signed, 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 e-mail 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 e-mail 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
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

Address, if delivered by other delivery service:

OFFICE OF THE STATE CONTROLLER
ATTN: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

PROGRAM 321	IDENTITY THEFT CLAIM SUMMARY	FORM 1

(01) Claimant	(02) Fiscal Year 20___/20___
(03) Department	

Direct Costs	**Object Accounts**						
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(f) Travel	(g) Total
1. Choose either a) or b)							
a) Taking police report in violation of PC §530.5							
b) Reviewing online ID theft report							
2. Investigation of facts							
(05) Total Direct Costs							

Indirect Costs		
(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)]	

Cost Reduction		
(09) Less: Offsetting Revenues		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (08) - {line (09) + line (10)}]	

PROGRAM 321	IDENTITY THEFT CLAIM SUMMARY INSTRUCTIONS	FORM 1

(01) Enter the name of the claimant.

(02) Enter the fiscal year of costs.

(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 totals from Form 2, line (05), columns (d) through (i), to Form 1, block (04), columns (a) through (f), in the appropriate row. Total each row.

(05) Total columns (a) through (g).

(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 the Office of Management and Budget OMB Circular A-87 (Title 2 CFR Part 225). 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)(g), 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.

(11) From 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) for the Reimbursement Claim.

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant

(02) Fiscal Year 20___/20___

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

☐ Taking police report in violation of PC §530.5 ☐ Investigation of facts

☐ Reviewing online ID theft report

(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) Fixed Assets	(i) Travel
(05) Total ☐ Subtotal ☐ Page:____of____								

PROGRAM 321	IDENTITY THEFT ACTIVITY COST DETAIL INSTRUCTIONS	FORM 2

(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 applicable activity.

(04) The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box checked in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than 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 Controller to initiate an audit will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns									Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Salaries	Employee Name/Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked						
Benefits	Activities Performed	Benefit Rate			Benefits = Benefit Rate x Salaries					
Materials and Supplies	Description of Supplies Used	Unit Cost	Quantity Used			Cost = Unit Cost x Quantity Used				
Contract Services	Name of Contractor Specific Tasks Performed	Hourly Rate	Hours Worked Inclusive Dates of Service				Cost = Hourly Rate x Hours Worked			Copy of Contract and Invoices
Fixed Assets	Description of Equipment Purchased	Unit Cost	Usage					Cost = Unit Cost x Usage		
Travel	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode						Total Travel Cost = Rate x Days or Miles	

(05) Total line (04), columns (d) through (i) and enter the sum 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 (i) to Form 1, block (04), columns (a) through (f) in the appropriate row.

Federal OMB/2 CFR Guidelines

OFFICE OF MANAGEMENT AND BUDGET

2 CFR Part 225

Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A–87)

AGENCY: Office of Management and Budget

ACTION: Relocation of policy guidance to 2 CFR chapter II.

SUMMARY: The Office of Management and Budget (OMB) is relocating Circular A–87, ''Cost Principles for State, Local, and Indian Tribal Governments,'' to Title 2 in the Code of Federal Regulations (2 CFR), Subtitle A, Chapter II, part 225 as part of an initiative to provide the public with a central location for Federal government policies on grants and other financial assistance and nonprocurement agreements. Consolidating the OMB guidance and co-locating the agency regulations provides a good foundation for streamlining and simplifying the policy framework for grants and agreements as part of the efforts to implement the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106–107).

DATES: This document is effective August 31, 2005. This document republishes the existing OMB Circular A–87, which already is in effect.

FOR FURTHER INFORMATION CONTACT: Gil Tran, Office of Federal Financial Management, Office of Management and Budget, telephone 202–395–3052 (direct) or 202–395–3993 (main office) and e-mail: *Hai_M._Tran@omb.eop.gov*.

SUPPLEMENTARY INFORMATION: On May 10, 2004 [69 FR 25970], we revised the three OMB circulars containing Federal cost principles. The purpose of those revisions was to simplify the cost principles by making the descriptions of similar cost items consistent across the circulars where possible, thereby reducing the possibility of misinterpretation. Those revisions, a result of OMB and Federal agency efforts to implement Public Law 106–107, were effective on June 9, 2004.

In this document, we relocate OMB Circular A–87 to the CFR, in Title 2 which was established on May 11, 2004 [69 FR 26276] as a central location for OMB and Federal agency policies on grants and agreements.

Our relocation of OMB Circular A–87 does not change the substance of the circular. Other than adjustments needed to conform to the formatting requirements of the CFR, this notice relocates in 2 CFR the version of OMB Circular A–87 as revised by the May 10, 2004 notice.

List of Subjects in 2 CFR Part 225

Accounting, Grant administration, Grant programs, Reporting and recordkeeping requirements, State, local, and Indian tribal governments.

Dated: August 8, 2005.

Joshua B. Bolten,

Director.

Authority and Issuance

■ For the reasons set forth above, the Office of Management and Budget amends 2 CFR Subtitle A, Chapter II, by adding a part 225 as set forth below.

PART 225—COST PRINCIPLES FOR STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS (OMB CIRCULAR A–87)

Sec.

225.5 Purpose.
225.10 Authority
225.15 Background
225.20 Policy.
225.25 Definitions.
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225.35 Federal agency responsibilities.
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Appendix A to Part 225—General Principles for Determining Allowable Costs
Appendix B to Part 225—Selected Items of Cost
Appendix C to Part 225—State/Local-Wide Central Service Cost Allocation Plans
Appendix D to Part 225—Public Assistance Cost Allocation Plans
Appendix E to Part 225—State and Local Indirect Cost Rate Proposals

Authority: 31 U.S.C. 503; 31 U.S.C. 1111; 41 U.S.C. 405; Reorganization Plan No. 2 of 1970; E.O. 11541, 35 FR 10737, 3 CFR, 1966–1970, p. 939.

§ 225.5 Purpose.

This part establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units).

§ 225.10 Authority.

This part is issued under the authority of the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Procedures Act of 1950, as amended; the Chief Financial Officers Act of 1990; Reorganization Plan No. 2 of 1970; and Executive Order No. 11541 (''Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President'').

§ 225.15 Background.

As part of the government-wide grant streamlining effort under Public Law 106–107, Federal Financial Award Management Improvement Act of 1999, OMB led an interagency workgroup to simplify and make consistent, to the extent feasible, the various rules used to award Federal grants. An interagency task force was established in 2001 to review existing cost principles for Federal awards to State, local, and Indian tribal governments; colleges and universities; and non-profit organizations. The task force studied ''Selected Items of Cost'' in each of the three cost principles to determine which items of costs could be stated consistently and/or more clearly.

§ 225.20 Policy.

This part establishes principles and standards to provide a uniform approach for determining costs and to promote effective program delivery, efficiency, and better relationships between governmental units and the Federal Government. The principles are for determining allowable costs only. They are not intended to identify the circumstances or to dictate the extent of Federal and governmental unit participation in the financing of a particular Federal award. Provision for profit or other increment above cost is outside the scope of this part.

§ 225.25 Definitions.

Definitions of key terms used in this part are contained in Appendix A to this part, Section B.

§ 225.30 OMB responsibilities.

The Office of Management and Budget (OMB) will review agency regulations and implementation of this part, and will provide policy interpretations and assistance to insure effective and efficient implementation. Any exceptions will be subject to approval by OMB. Exceptions will only be made in particular cases where adequate justification is presented.

§ 225.35 Federal agency responsibilities.

Agencies responsible for administering programs that involve cost reimbursement contracts, grants, and other agreements with governmental units shall issue regulations to implement the provisions of this part and its appendices.

§ 225.40 Effective date of changes.

This part is effective August 31, 2005.

§ 225.45 Relationship to previous issuance.

(a) The guidance in this part previously was issued as OMB Circular

A–87. Appendix A to this part contains the guidance that was in Attachment A (general principles) to the OMB circular; Appendix B contains the guidance that was in Attachment B (selected items of cost); Appendix C contains the information that was in Attachment C (state/local-wide central service cost allocation plans); Appendix D contains the guidance that was in Attachment D (public assistance cost allocation plans); and Appendix E contains the guidance that was in Attachment E (state and local indirect cost rate proposals).

(b) This part supersedes OMB Circular A–87, as amended May 10, 2004, which superseded Circular A–87, as amended and issued May 4, 1995.

§ 225.50 Policy review date.

This part will have a policy review three years from the date of issuance.

§ 225.55 Information contact.

Further information concerning this part may be obtained by contacting the Office of Federal Financial Management, Financial Standards and Reporting Branch, Office of Management and Budget, Washington, DC 20503, telephone 202–395–3993.

Appendix A to Part 225—General Principles for Determining Allowable Costs

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General Principles for Determining Allowable Costs

A. *Purpose and Scope*

1. Objectives. This Appendix establishes principles for determining the allowable costs incurred by State, local, and federally-recognized Indian tribal governments (governmental units) under grants, cost reimbursement contracts, and other agreements with the Federal Government (collectively referred to in this appendix and other appendices to 2 CFR part 225 as ''Federal awards''). The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal or governmental unit participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by law. Provision for profit or other increment above cost is outside the scope of 2 CFR part 225.

2. Policy guides.

a. The application of these principles is based on the fundamental premises that:

(1) Governmental units are responsible for the efficient and effective administration of Federal awards through the application of sound management practices.

(2) Governmental units assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.

(3) Each governmental unit, in recognition of its own unique combination of staff, facilities, and experience, will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration of Federal awards.

b. Federal agencies should work with States or localities which wish to test alternative mechanisms for paying costs for administering Federal programs. The Office of Management and Budget (OMB) encourages Federal agencies to test fee-for-service alternatives as a replacement for current cost-reimbursement payment methods in response to the National Performance Review's (NPR) recommendation. The NPR recommended the fee-for-service approach to reduce the burden associated with maintaining systems for charging administrative costs to Federal programs and preparing and approving cost allocation plans. This approach should also increase incentives for administrative efficiencies and improve outcomes.

3. Application.

a. These principles will be applied by all Federal agencies in determining costs incurred by governmental units under Federal awards (including subawards) except those with (1) publicly-financed educational institutions subject to, 2 CFR part 220, Cost Principles for Educational Institutions (OMB Circular A–21), and (2) programs administered by publicly-owned hospitals and other providers of medical care that are subject to requirements promulgated by the sponsoring Federal agencies. However, 2 CFR part 225 does apply to all central service and department/agency costs that are allocated or billed to those educational institutions, hospitals, and other providers of medical care or services by other State and local government departments and agencies.

b. All subawards are subject to those Federal cost principles applicable to the particular organization concerned. Thus, if a subaward is to a governmental unit (other than a college, university or hospital), 2 CFR part 225 shall apply; if a subaward is to a commercial organization, the cost principles applicable to commercial organizations shall apply; if a subaward is to a college or university, 2 CFR part 220 (Circular A–21) shall apply; if a subaward is to a hospital, the cost principles used by the Federal awarding agency for awards to hospitals shall apply, subject to the provisions of subsection A.3.a. of this Appendix; if a subaward is to some other non-profit organization, 2 CFR part 230, Cost Principles for Non-Profit Organizations (Circular A–122), shall apply.

c. These principles shall be used as a guide in the pricing of fixed price arrangements where costs are used in determining the appropriate price.

d. Where a Federal contract awarded to a governmental unit incorporates a Cost Accounting Standards (CAS) clause, the requirements of that clause shall apply. In such cases, the governmental unit and the cognizant Federal agency shall establish an appropriate advance agreement on how the governmental unit will comply with applicable CAS requirements when estimating, accumulating and reporting costs under CAS-covered contracts. The agreement shall indicate that 2 CFR part 225 (OMB Circular A–87) requirements will be applied to other Federal awards. In all cases, only one set of records needs to be maintained by the governmental unit.

e. Conditional exemptions.

(1) OMB authorizes conditional exemption from OMB administrative requirements and cost principles for certain Federal programs with statutorily-authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(2) To promote efficiency in State and local program administration, when Federal non-entitlement programs with common purposes have specific statutorily-authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non-Federal sources, Federal agencies may exempt these covered State-administered, non-entitlement grant programs from certain OMB grants management requirements. The

exemptions would be from all but the allocability of costs provisions of Appendix A subsection C.3 of 2 CFR part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A–87); Appendix A, Section C.4 of 2 CFR 220, Cost Principles for Educational Institutions (Circular A–21); Appendix A, subsection A.4 of 2 CFR 230 Cost Principles for Non-Profit Organizations (Circular A–122); and from all of the administrative requirements provisions of 2 CFR part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (Circular A–110), and the agencies' grants management common rule.

(3) When a Federal agency provides this flexibility, as a prerequisite to a State's exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of 2 CFR part 225 (OMB Circular A–87), and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: Funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not used for general expenses required to carry out other responsibilities of a State or its subrecipients.

B. *Definitions*

1. ''Approval or authorization of the awarding or cognizant Federal agency'' means documentation evidencing consent prior to incurring a specific cost. If such costs are specifically identified in a Federal award document, approval of the document constitutes approval of the costs. If the costs are covered by a State/local-wide cost allocation plan or an indirect cost proposal, approval of the plan constitutes the approval.

2. ''Award'' means grants, cost reimbursement contracts and other agreements between a State, local and Indian tribal government and the Federal Government.

3. ''Awarding agency'' means (a) with respect to a grant, cooperative agreement, or cost reimbursement contract, the Federal agency, and (b) with respect to a subaward, the party that awarded the subaward.

4. ''Central service cost allocation plan'' means the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

5. ''Claim'' means a written demand or written assertion by the governmental unit or grantor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of award terms, or other relief arising under or relating to the award. A voucher, invoice or other routine request for payment that is not a dispute when submitted is not a claim. Appeals, such as those filed by a governmental unit in response to questioned audit costs, are not considered claims until a final management decision is made by the Federal awarding agency.

6. ''Cognizant agency'' means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under 2 CFR part 225 on behalf of all Federal agencies. OMB publishes a listing of cognizant agencies.

7. ''Common Rule'' means the ''Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments; Final Rule'' originally issued at 53 FR 8034–8103 (March 11, 1988). Other common rules will be referred to by their specific titles.

8. ''Contract'' means a mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to): Awards and notices of awards; job orders or task orders issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and, bilateral contract modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301 *et seq.*

9. ''Cost'' means an amount as determined on a cash, accrual, or other basis acceptable to the Federal awarding or cognizant agency. It does not include transfers to a general or similar fund.

10. ''Cost allocation plan'' means central service cost allocation plan, public assistance cost allocation plan, and indirect cost rate proposal. Each of these terms is further defined in this section.

11. ''Cost objective'' means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred.

12. ''Federally-recognized Indian tribal government'' means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

13. ''Governmental unit'' means the entire State, local, or federally-recognized Indian tribal government, including any component thereof. Components of governmental units may function independently of the governmental unit in accordance with the term of the award.

14. ''Grantee department or agency'' means the component of a State, local, or federally-recognized Indian tribal government which is responsible for the performance or administration of all or some part of a Federal award.

15. ''Indirect cost rate proposal'' means the documentation prepared by a governmental unit or component thereof to substantiate its request for the establishment of an indirect cost rate as described in Appendix E of 2 CFR part 225.

16. ''Local government'' means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a non-profit corporation under State law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

17. ''Public assistance cost allocation plan'' means a narrative description of the procedures that will be used in identifying, measuring and allocating all administrative costs to all of the programs administered or supervised by State public assistance agencies as described in Appendix D of 2 CFR part 225.

18. ''State'' means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments.

C. *Basic Guidelines*

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

b. Be allocable to Federal awards under the provisions of 2 CFR part 225.

c. Be authorized or not prohibited under State or local laws or regulations.

d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.

e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

g. Except as otherwise provided for in 2 CFR part 225, be determined in accordance with generally accepted accounting principles.

h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.

i. Be the net of all applicable credits.

j. Be adequately documented.

2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally-funded. In determining reasonableness of a given cost, consideration shall be given to:

a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.

b. The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.

c. Market prices for comparable goods or services.

d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.

e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

3. Allocable costs.

a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.

c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in 2 CFR part 225 may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.

d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Appendices C, D, and E to this part.

4. Applicable credits.

a. Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: Purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

b. In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to Federal awards. (See Appendix B to this part, item 11, ''Depreciation and use allowances,'' for areas of potential application in the matter of Federal financing of activities.)

D. *Composition of Cost*

1. Total cost. The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.

2. Classification of costs. There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost. Guidelines for determining direct and indirect costs charged to Federal awards are provided in the sections that follow.

E. *Direct Costs*

1. General. Direct costs are those that can be identified specifically with a particular final cost objective.

2. Application. Typical direct costs chargeable to Federal awards are:

a. Compensation of employees for the time devoted and identified specifically to the performance of those awards.

b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.

c. Equipment and other approved capital expenditures.

d. Travel expenses incurred specifically to carry out the award.

3. Minor items. Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

F. *Indirect Costs*

1. General. Indirect costs are those: Incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. The term ''indirect costs,'' as used herein, applies to costs of this type originating in the grantee department, as well as those incurred by other departments in supplying goods, services, and facilities. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect costs within a governmental unit department or in other agencies providing services to a governmental unit department. Indirect cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

2. Cost allocation plans and indirect cost proposals. Requirements for development and submission of cost allocation plans and indirect cost rate proposals are contained in Appendices C, D, and E to this part.

3. Limitation on indirect or administrative costs.

a. In addition to restrictions contained in 2 CFR part 225, there may be laws that further limit the amount of administrative or indirect cost allowed.

b. Amounts not recoverable as indirect costs or administrative costs under one Federal award may not be shifted to another Federal award, unless specifically authorized by Federal legislation or regulation.

G. Interagency Services. The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro rate share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Appendix C to this part.

H. Required Certifications. Each cost allocation plan or indirect cost rate proposal required by Appendices C and E to this part must comply with the following:

1. No proposal to establish a cost allocation plan or an indirect cost rate, whether submitted to a Federal cognizant agency or maintained on file by the governmental unit, shall be acceptable unless such costs have been certified by the governmental unit using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Appendices C and E to this part. The certificate must be signed on behalf of the governmental unit by an individual at a level no lower than chief financial officer of the governmental unit that submits the proposal or component covered by the proposal.

2. No cost allocation plan or indirect cost rate shall be approved by the Federal Government unless the plan or rate proposal has been certified. Where it is necessary to establish a cost allocation plan or an indirect cost rate and the governmental unit has not submitted a certified proposal for establishing such a plan or rate in accordance with the requirements, the Federal Government may either disallow all indirect costs or unilaterally establish such a plan or rate. Such a plan or rate may be based upon audited historical data or such other data that have been furnished to the cognizant Federal agency and for which it can be demonstrated that all unallowable costs have been excluded. When a cost allocation plan or indirect cost rate is unilaterally established by the Federal Government because of failure of the governmental unit to submit a certified proposal, the plan or rate established will be set to ensure that potentially unallowable costs will not be reimbursed.

Appendix B to Part 225—Selected Items of Cost

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29. Patent costs
30. Plant and homeland security costs
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33. Proposal costs
34. Publication and printing costs
35. Rearrangement and alteration costs
36. Reconversion costs
37. Rental costs of building and equipment
38. Royalties and other costs for the use of patents
39. Selling and marketing
40. Taxes
41. Termination costs applicable to sponsored agreements
42. Training costs
43. Travel costs

Sections 1 through 43 provide principles to be applied in establishing the allowability or unallowability of certain items of cost. These principles apply whether a cost is treated as direct or indirect. A cost is allowable for Federal reimbursement only to the extent of benefits received by Federal awards and its conformance with the general policies and principles stated in Appendix A to this part. Failure to mention a particular item of cost in these sections is not intended to imply that it is either allowable or unallowable; rather, determination of allowability in each case should be based on the treatment or standards provided for similar or related items of cost.

1. *Advertising and public relations costs.*

a. The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.

b. The term public relations includes community relations and means those activities dedicated to maintaining the image of the governmental unit or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

c. The only allowable advertising costs are those which are solely for:

(1) The recruitment of personnel required for the performance by the governmental unit of obligations arising under a Federal award;

(2) The procurement of goods and services for the performance of a Federal award;

(3) The disposal of scrap or surplus materials acquired in the performance of a Federal award except when governmental units are reimbursed for disposal costs at a predetermined amount; or

(4) Other specific purposes necessary to meet the requirements of the Federal award.

d. The only allowable public relations costs are:

(1) Costs specifically required by the Federal award;

(2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of Federal awards (these costs are considered necessary as part of the outreach effort for the Federal award); or

(3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

e. Costs identified in subsections c and d if incurred for more than one Federal award or for both sponsored work and other work of the governmental unit, are allowable to the extent that the principles in Appendix A to this part, sections E. (''Direct Costs'') and F. (''Indirect Costs'') are observed.

f. Unallowable advertising and public relations costs include the following:

(1) All advertising and public relations costs other than as specified in subsections 1.c, d, and e of this appendix;

(2) Costs of meetings, conventions, convocations, or other events related to other activities of the governmental unit, including:

(a) Costs of displays, demonstrations, and exhibits;

(b) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and

(c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;

(3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs;

(4) Costs of advertising and public relations designed solely to promote the governmental unit.

2. *Advisory councils.* Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to Federal awards.

3. *Alcoholic beverages.* Costs of alcoholic beverages are unallowable.

4. *Audit costs and related services.*

a. The costs of audits required by , and performed in accordance with, the Single Audit Act, as implemented by Circular A–133, ''Audits of States, Local Governments, and Non-Profit Organizations'' are allowable. Also see 31 U.S.C. 7505(b) and section 230 (''Audit Costs'') of Circular A–133.

b. Other audit costs are allowable if included in a cost allocation plan or indirect cost proposal, or if specifically approved by the awarding agency as a direct cost to an award.

c. The cost of agreed-upon procedures engagements to monitor subrecipients who are exempted from A–133 under section 200(d) are allowable, subject to the conditions listed in A–133, section 230 (b)(2).

5. *Bad debts.* Bad debts, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, related collection costs, and related legal costs, are unallowable.

6. *Bonding costs.*

a. Bonding costs arise when the Federal Government requires assurance against financial loss to itself or others by reason of the act or default of the governmental unit. They arise also in instances where the governmental unit requires similar assurance. Included are such bonds as bid, performance, payment, advance payment, infringement, and fidelity bonds.

b. Costs of bonding required pursuant to the terms of the award are allowable.

c. Costs of bonding required by the governmental unit in the general conduct of its operations are allowable to the extent that such bonding is in accordance with sound business practice and the rates and premiums are reasonable under the circumstances.

7. *Communication costs.* Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services and the like are allowable.

8. *Compensation for personal services.*

a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this and other appendices under 2 CFR Part 225, and that the total compensation for individual employees:

(1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non-Federal activities;

(2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and

(3) Is determined and supported as provided in subsection h.

b. Reasonableness. Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the governmental unit. In cases where the kinds of employees required for Federal awards are not found in the other activities of the governmental unit, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the employing government competes for the kind of employees involved. Compensation surveys providing data representative of the labor market involved will be an acceptable basis for evaluating reasonableness.

c. Unallowable costs. Costs which are unallowable under other sections of these principles shall not be allowable under this section solely on the basis that they constitute personnel compensation.

d. Fringe benefits.

(1) Fringe benefits are allowances and services provided by employers to their

employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable to the extent that the benefits are reasonable and are required by law, governmental unit-employee agreement, or an established policy of the governmental unit.

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: They are provided under established written leave policies; the costs are equitably allocated to all related activities, including Federal awards; and, the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit.

(3) When a governmental unit uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component.

(4) The accrual basis may be only used for those types of leave for which a liability as defined by Generally Accepted Accounting Principles (GAAP) exists when the leave is earned. When a governmental unit uses the accrual basis of accounting, in accordance with GAAP, allowable leave costs are the lesser of the amount accrued or funded.

(5) The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in section 22, Insurance and indemnification); pension plan costs (see subsection e.); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, whether treated as indirect costs or as direct costs, shall be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities.

e. Pension plan costs. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the governmental unit.

(1) For pension plans financed on a pay-as-you-go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) Pension costs calculated using an actuarial cost-based method recognized by GAAP are allowable for a given fiscal year if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursement and the governmental unit's contribution to the pension fund. Adjustments may be made by cash refund or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the pension fund.

(3) Amounts funded by the governmental unit in excess of the actuarially determined amount for a fiscal year may be used as the governmental unit's contribution in future periods.

(4) When a governmental unit converts to an acceptable actuarial cost method, as defined by GAAP, and funds pension costs in accordance with this method, the unfunded liability at the time of conversion shall be allowable if amortized over a period of years in accordance with GAAP.

(5) The Federal Government shall receive an equitable share of any previously allowed pension costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

f. Post-retirement health benefits. Post-retirement health benefits (PRHB) refers to costs of health insurance or health services not included in a pension plan covered by subsection 8.e. of this appendix for retirees and their spouses, dependents, and survivors. PRHB costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written polices of the governmental unit.

(1) For PRHB financed on a pay as-you-go method, allowable costs will be limited to those representing actual payments to retirees or their beneficiaries.

(2) PRHB costs calculated using an actuarial cost method recognized by GAAP are allowable if they are funded for that year within six months after the end of that year. Costs funded after the six month period (or a later period agreed to by the cognizant agency) are allowable in the year funded. The cognizant agency may agree to an extension of the six month period if an appropriate adjustment is made to compensate for the timing of the charges to the Federal Government and related Federal reimbursements and the governmental unit's contributions to the PRHB fund. Adjustments may be made by cash refund, reduction in current year's PRHB costs, or other equitable procedures to compensate the Federal Government for the time value of Federal reimbursements in excess of contributions to the PRHB fund.

(3) Amounts funded in excess of the actuarially determined amount for a fiscal year may be used as the government's contribution in a future period.

(4) When a governmental unit converts to an acceptable actuarial cost method and funds PRHB costs in accordance with this method, the initial unfunded liability attributable to prior years shall be allowable if amortized over a period of years in accordance with GAAP, or, if no such GAAP period exists, over a period negotiated with the cognizant agency.

(5) To be allowable in the current year, the PRHB costs must be paid either to:

(a) An insurer or other benefit provider as current year costs or premiums, or

(b) An insurer or trustee to maintain a trust fund or reserve for the sole purpose of providing post-retirement benefits to retirees and other beneficiaries.

(6) The Federal Government shall receive an equitable share of any amounts of previously allowed post-retirement benefit costs (including earnings thereon) which revert or inure to the governmental unit in the form of a refund, withdrawal, or other credit.

g. Severance pay.

(1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by law, employer-employee agreement, or established written policy.

(2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.

(3) Abnormal or mass severance pay will be considered on a case-by-case basis and is allowable only if approved by the cognizant Federal agency.

h. Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) of this appendix unless a statistical sampling system (see subsection 8.h.(6) of this appendix) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non-Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after-the-fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;

(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection 8.h.(6)(c) of this appendix;

(ii) The entire time period involved must be covered by the sample; and

(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection 8.h.(6)(a) of this appendix may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

i. Donated services.

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the provisions of the Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

9. *Contingency provisions.* Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are unallowable. The term ''contingency reserve'' excludes self-insurance reserves (see section 22.c. of this appendix), pension plan reserves (see section 8.e.), and post-retirement health and other benefit reserves (section 8.f.) computed using acceptable actuarial cost methods.

10. *Defense and prosecution of criminal and civil proceedings, and claims.*

a. The following costs are unallowable for contracts covered by 10 U.S.C. 2324(k), ''Allowable costs under defense contracts.''

(1) Costs incurred in defense of any civil or criminal fraud proceeding or similar proceeding (including filing of false certification brought by the United States where the contractor is found liable or has pleaded nolo contendere to a charge of fraud or similar proceeding (including filing of a false certification).

(2) Costs incurred by a contractor in connection with any criminal, civil or administrative proceedings commenced by the United States or a State to the extent provided in 10 U.S.C. 2324(k).

b. Legal expenses required in the administration of Federal programs are allowable. Legal expenses for prosecution of claims against the Federal Government are unallowable.

11. *Depreciation and use allowances.*

a. Depreciation and use allowances are means of allocating the cost of fixed assets to periods benefiting from asset use. Compensation for the use of fixed assets on hand may be made through depreciation or use allowances. A combination of the two methods may not be used in connection with a single class of fixed assets (*e.g.*, buildings, office equipment, computer equipment, etc.) except as provided for in subsection g. Except for enterprise funds and internal service funds that are included as part of a State/local cost allocation plan, classes of assets shall be determined on the same basis used for the government-wide financial statements.

b. The computation of depreciation or use allowances shall be based on the acquisition cost of the assets involved. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used. The value of an asset donated to the governmental unit by an unrelated third party shall be its fair market value at the time of donation. Governmental or quasi-governmental organizations located within the same State shall not be considered unrelated third parties for this purpose.

c. The computation of depreciation or use allowances will exclude:

(1) The cost of land;

(2) Any portion of the cost of buildings and equipment borne by or donated by the Federal Government irrespective of where title was originally vested or where it presently resides; and

(3) Any portion of the cost of buildings and equipment contributed by or for the governmental unit, or a related donor organization, in satisfaction of a matching requirement.

d. Where the depreciation method is followed, the following general criteria apply:

(1) The period of useful service (useful life) established in each case for usable capital assets must take into consideration such factors as type of construction, nature of the equipment used, historical usage patterns, technological developments, and the renewal and replacement policies of the governmental unit followed for the individual items or classes of assets involved. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portions than in the later portions of its useful life, the straight line method of depreciation shall be used.

(2) Depreciation methods once used shall not be changed unless approved by the Federal cognizant or awarding agency. When the depreciation method is introduced for application to an asset previously subject to a use allowance, the annual depreciation charge thereon may not exceed the amount that would have resulted had the depreciation method been in effect from the date of acquisition of the asset. The combination of use allowances and depreciation applicable to the asset shall not exceed the total acquisition cost of the asset or fair market value at time of donation.

e. When the depreciation method is used for buildings, a building's shell may be segregated from the major component of the building (*e.g.*, plumbing system, heating, and air conditioning system, etc.) and each major component depreciated over its estimated useful life, or the entire building (*i.e.*, the shell and all components) may be treated as a single asset and depreciated over a single useful life.

f. Where the use allowance method is followed, the following general criteria apply:

(1) The use allowance for buildings and improvements (including land improvements, such as paved parking areas, fences, and sidewalks) will be computed at an annual rate not exceeding two percent of acquisition costs.

(2) The use allowance for equipment will be computed at an annual rate not exceeding 6⅔ percent of acquisition cost.

(3) When the use allowance method is used for buildings, the entire building must be treated as a single asset; the building's components (*e.g.*, plumbing system, heating and air condition, etc.) cannot be segregated from the building's shell. The two percent limitation, however, need not be applied to equipment which is merely attached or fastened to the building but not permanently fixed to it and which is used as furnishings or decorations or for specialized purposes (*e.g.*, dentist chairs and dental treatment units, counters, laboratory benches bolted to the floor, dishwashers, modular furniture, carpeting, etc.). Such equipment will be considered as not being permanently fixed to the building if it can be removed without the destruction of, or need for costly or extensive alterations or repairs, to the building or the equipment. Equipment that meets these criteria will be subject to the 6⅔ percent equipment use allowance limitation.

g. A reasonable use allowance may be negotiated for any assets that are considered to be fully depreciated, after taking into consideration the amount of depreciation previously charged to the government, the estimated useful life remaining at the time of negotiation, the effect of any increased maintenance charges, decreased efficiency due to age, and any other factors pertinent to the utilization of the asset for the purpose contemplated.

h. Charges for use allowances or depreciation must be supported by adequate property records. Physical inventories must be taken at least once every two years (a statistical sampling approach is acceptable) to ensure that assets exist, and are in use. Governmental units will manage equipment in accordance with State laws and procedures. When the depreciation method is followed, depreciation records indicating the amount of depreciation taken each period must also be maintained.

12. *Donations and contributions.*

a. Contributions or donations rendered. Contributions or donations, including cash, property, and services, made by the governmental unit, regardless of the recipient, are unallowable.

b. Donated services received:

(1) Donated or volunteer services may be furnished to a governmental unit by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the Federal Grants Management Common Rule.

(2) The value of donated services utilized in the performance of a direct cost activity shall, when material in amount, be considered in the determination of the governmental unit's indirect costs or rate(s) and, accordingly, shall be allocated a proportionate share of applicable indirect costs.

(3) To the extent feasible, donated services will be supported by the same methods used by the governmental unit to support the allocability of regular personnel services.

13. *Employee morale, health, and welfare costs.*

a. The costs of employee information publications, health or first-aid clinics and/or infirmaries, recreational activities, employee counseling services, and any other expenses incurred in accordance with the governmental unit's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance are allowable.

b. Such costs will be equitably apportioned to all activities of the governmental unit. Income generated from any of these activities will be offset against expenses.

14. *Entertainment.* Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

15. *Equipment and other capital expenditures.*

a. For purposes of this subsection 15, the following definitions apply:

(1) ''Capital Expenditures'' means expenditures for the acquisition cost of capital assets (equipment, buildings, land), or expenditures to make improvements to capital assets that materially increase their value or useful life. Acquisition cost means the cost of the asset including the cost to put it in place. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in, or excluded from the acquisition cost in accordance with the governmental unit's regular accounting practices.

(2) ''Equipment'' means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or $5000.

(3) ''Special purpose equipment'' means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers.

(4) ''General purpose equipment'' means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

b. The following rules of allowability shall apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency.

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $5000 or more have the prior approval of the awarding agency.

(3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior approval of the awarding agency.

(4) When approved as a direct charge pursuant to section 15.b(1), (2), and (3)of this appendix, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the awarding agency. In addition, Federal awarding agencies are authorized at their option to waive or delegate the prior approval requirement.

(5) Equipment and other capital expenditures are unallowable as indirect costs. However, see section 11 of this appendix, Depreciation and use allowance, for rules on the allowability of use allowances or depreciation on buildings, capital improvements, and equipment. Also, see section 37 of this appendix, Rental costs, concerning the allowability of rental costs for land, buildings, and equipment.

(6) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable use allowances or depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency.

(7) When replacing equipment purchased in whole or in part with Federal funds, the governmental unit may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

16. *Fines and penalties.* Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the Federal award or written instructions by the awarding agency authorizing in advance such payments.

17. *Fund raising and investment management costs.*

a. Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable, regardless of the purpose for which the funds will be used.

b. Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable. However, such costs associated with investments covering pension, self-insurance, or other funds which include Federal participation allowed by this and other appendices of 2 CFR part 225 are allowable.

c. Fund raising and investment activities shall be allocated an appropriate share of indirect costs under the conditions described in subsection C.3.b. of Appendix A to this part.

18. *Gains and losses on disposition of depreciable property and other capital assets*

and substantial relocation of Federal programs.

a. (1) Gains and losses on the sale, retirement, or other disposition of depreciable property shall be included in the year in which they occur as credits or charges to the asset cost grouping(s) in which the property was included. The amount of the gain or loss to be included as a credit or charge to the appropriate asset cost grouping(s) shall be the difference between the amount realized on the property and the undepreciated basis of the property.

(2) Gains and losses on the disposition of depreciable property shall not be recognized as a separate credit or charge under the following conditions:

(a) The gain or loss is processed through a depreciation account and is reflected in the depreciation allowable under sections 11 and 15 of this appendix.

(b) The property is given in exchange as part of the purchase price of a similar item and the gain or loss is taken into account in determining the depreciation cost basis of the new item.

(c) A loss results from the failure to maintain permissible insurance, except as otherwise provided in subsection 22.d of this appendix.

(d) Compensation for the use of the property was provided through use allowances in lieu of depreciation.

b. Substantial relocation of Federal awards from a facility where the Federal Government participated in the financing to another facility prior to the expiration of the useful life of the financed facility requires Federal agency approval. The extent of the relocation, the amount of the Federal participation in the financing, and the depreciation charged to date may require negotiation of space charges for Federal awards.

c. Gains or losses of any nature arising from the sale or exchange of property other than the property covered in subsection 18.a. of this appendix, *e.g.*, land or included in the fair market value used in any adjustment resulting from a relocation of Federal awards covered in subsection b. shall be excluded in computing Federal award costs.

19. *General government expenses.*

a. The general costs of government are unallowable (except as provided in section 43 of this appendix, Travel costs). These include:

(1) Salaries and expenses of the Office of the Governor of a State or the chief executive of a political subdivision or the chief executive of federally-recognized Indian tribal government;

(2) Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;

(3) Costs of the judiciary branch of a government;

(4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by program statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General); and

(5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

b. For federally-recognized Indian tribal governments and Councils Of Governments (COGs), the portion of salaries and expenses directly attributable to managing and operating Federal programs by the chief executive and his staff is allowable.

20. *Goods or services for personal use.* Costs of goods or services for personal use of the governmental unit's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

21. *Idle facilities and idle capacity.*

As used in this section the following terms have the meanings set forth below:

(1) ''Facilities'' means land and buildings or any portion thereof, equipment individually or collectively, or any other tangible capital asset, wherever located, and whether owned or leased by the governmental unit.

(2) ''Idle facilities'' means completely unused facilities that are excess to the governmental unit's current needs.

(3) ''Idle capacity'' means the unused capacity of partially used facilities. It is the difference between: that which a facility could achieve under 100 percent operating time on a one-shift basis less operating interruptions resulting from time lost for repairs, setups, unsatisfactory materials, and other normal delays; and the extent to which the facility was actually used to meet demands during the accounting period. A multi-shift basis should be used if it can be shown that this amount of usage would normally be expected for the type of facility involved.

(4) ''Cost of idle facilities or idle capacity'' means costs such as maintenance, repair, housing, rent, and other related costs, e.g., insurance, interest, property taxes and depreciation or use allowances.

b. The costs of idle facilities are unallowable except to the extent that:

(1) They are necessary to meet fluctuations in workload; or

(2) Although not necessary to meet fluctuations in workload, they were necessary when acquired and are now idle because of changes in program requirements, efforts to achieve more economical operations, reorganization, termination, or other causes which could not have been reasonably foreseen. Under the exception stated in this subsection, costs of idle facilities are allowable for a reasonable period of time, ordinarily not to exceed one year, depending on the initiative taken to use, lease, or dispose of such facilities.

c. The costs of idle capacity are normal costs of doing business and are a factor in the normal fluctuations of usage or indirect cost rates from period to period. Such costs are allowable, provided that the capacity is reasonably anticipated to be necessary or was originally reasonable and is not subject to reduction or elimination by use on other Federal awards, subletting, renting, or sale, in accordance with sound business, economic, or security practices. Widespread idle capacity throughout an entire facility or among a group of assets having substantially the same function may be considered idle facilities.

22. *Insurance and indemnification.*

a. Costs of insurance required or approved and maintained, pursuant to the Federal award, are allowable.

b. Costs of other insurance in connection with the general conduct of activities are allowable subject to the following limitations:

(1) Types and extent and cost of coverage are in accordance with the governmental unit's policy and sound business practice.

(2) Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal Government property are unallowable except to the extent that the awarding agency has specifically required or approved such costs.

c. Actual losses which could have been covered by permissible insurance (through a self-insurance program or otherwise) are unallowable, unless expressly provided for in the Federal award or as described below. However, the Federal Government will participate in actual losses of a self insurance fund that are in excess of reserves. Costs incurred because of losses not covered under nominal deductible insurance coverage provided in keeping with sound management practice, and minor losses not covered by insurance, such as spoilage, breakage, and disappearance of small hand tools, which occur in the ordinary course of operations, are allowable.

d. Contributions to a reserve for certain self-insurance programs including workers compensation, unemployment compensation, and severance pay are allowable subject to the following provisions:

(1) The type of coverage and the extent of coverage and the rates and premiums would have been allowed had insurance (including reinsurance) been purchased to cover the risks. However, provision for known or reasonably estimated self-insured liabilities, which do not become payable for more than one year after the provision is made, shall not exceed the discounted present value of the liability. The rate used for discounting the liability must be determined by giving consideration to such factors as the governmental unit's settlement rate for those liabilities and its investment rate of return.

(2) Earnings or investment income on reserves must be credited to those reserves.

(3) Contributions to reserves must be based on sound actuarial principles using historical experience and reasonable assumptions. Reserve levels must be analyzed and updated at least biennially for each major risk being insured and take into account any reinsurance, coinsurance, etc. Reserve levels related to employee-related coverages will normally be limited to the value of claims submitted and adjudicated but not paid, submitted but not adjudicated, and incurred but not submitted. Reserve levels in excess of the amounts based on the above must be identified and justified in the cost allocation plan or indirect cost rate proposal.

(4) Accounting records, actuarial studies, and cost allocations (or billings) must recognize any significant differences due to types of insured risk and losses generated by the various insured activities or agencies of the governmental unit. If individual departments or agencies of the governmental

unit experience significantly different levels of claims for a particular risk, those differences are to be recognized by the use of separate allocations or other techniques resulting in an equitable allocation.

(5) Whenever funds are transferred from a self-insurance reserve to other accounts (e.g., general fund), refunds shall be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer.

e. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., subsection 8.f. for post retirement health benefits), are allowable in the year of payment provided the governmental unit follows a consistent costing policy and they are allocated as a general administrative expense to all activities of the governmental unit.

f. Insurance refunds shall be credited against insurance costs in the year the refund is received.

g. Indemnification includes securing the governmental unit against liabilities to third persons and other losses not compensated by insurance or otherwise. The Federal Government is obligated to indemnify the governmental unit only to the extent expressly provided for in the Federal award, except as provided in subsection 22.d of this appendix.

h. Costs of commercial insurance that protects against the costs of the contractor for correction of the contractor's own defects in materials or workmanship are unallowable.

23. *Interest.*

a. Costs incurred for interest on borrowed capital or the use of a governmental unit's own funds, however represented, are unallowable except as specifically provided in subsection b. or authorized by Federal legislation.

b. Financing costs (including interest) paid or incurred which are associated with the otherwise allowable costs of building acquisition, construction, or fabrication, reconstruction or remodeling completed on or after October 1, 1980 is allowable subject to the conditions in section 23.b.(1) through (4) of this appendix. Financing costs (including interest) paid or incurred on or after September 1, 1995 for land or associated with otherwise allowable costs of equipment is allowable, subject to the conditions in section 23.b. (1) through (4) of this appendix.

(1) The financing is provided (from other than tax or user fee sources) by a bona fide third party external to the governmental unit;

(2) The assets are used in support of Federal awards;

(3) Earnings on debt service reserve funds or interest earned on borrowed funds pending payment of the construction or acquisition costs are used to offset the current period's cost or the capitalized interest, as appropriate. Earnings subject to being reported to the Federal Internal Revenue Service under arbitrage requirements are excludable.

(4) For debt arrangements over $1 million, unless the governmental unit makes an initial equity contribution to the asset purchase of 25 percent or more, the governmental unit shall reduce claims for interest cost by an amount equal to imputed interest earnings on excess cash flow, which is to be calculated as follows. Annually, non-Federal entities shall prepare a cumulative (from the inception of the project) report of monthly cash flows that includes inflows and outflows, regardless of the funding source. Inflows consist of depreciation expense, amortization of capitalized construction interest, and annual interest cost. For cash flow calculations, the annual inflow figures shall be divided by the number of months in the year (i.e., usually 12) that the building is in service for monthly amounts. Outflows consist of initial equity contributions, debt principal payments (less the pro rata share attributable to the unallowable costs of land) and interest payments. Where cumulative inflows exceed cumulative outflows, interest shall be calculated on the excess inflows for that period and be treated as a reduction to allowable interest cost. The rate of interest to be used to compute earnings on excess cash flows shall be the three-month Treasury bill closing rate as of the last business day of that month.

(5) Interest attributable to fully depreciated assets is unallowable.

24. *Lobbying.*

a. General. The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans is an unallowable cost. Lobbying with respect to certain grants, contracts, cooperative agreements, and loans shall be governed by the common rule, ''New Restrictions on Lobbying'' (see Section J.24 of Appendix A to 2 CFR part 220), including definitions, and the Office of Management and Budget ''Government-wide Guidance for New Restrictions on Lobbying'' and notices published at 54 FR 52306 (December 20, 1989), 55 FR 24540 (June 15, 1990), and 57 FR 1772 (January 15, 1992), respectively.

b. Executive lobbying costs. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable. Improper influence means any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a federally-sponsored agreement or regulatory matter on any basis other than the merits of the matter.

25. *Maintenance, operations, and repairs.* Unless prohibited by law, the cost of utilities, insurance, security, janitorial services, elevator service, upkeep of grounds, necessary maintenance, normal repairs and alterations, and the like are allowable to the extent that they: keep property (including Federal property, unless otherwise provided for) in an efficient operating condition, do not add to the permanent value of property or appreciably prolong its intended life, and are not otherwise included in rental or other charges for space. Costs which add to the permanent value of property or appreciably prolong its intended life shall be treated as capital expenditures (see sections 11 and 15 of this appendix).

26. *Materials and supplies costs.*

a. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.

b. Purchased materials and supplies shall be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs.

c. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs.

d. Where federally-donated or furnished materials are used in performing the Federal award, such materials will be used without charge.

27. *Meetings and conferences.* Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. But see section 14, Entertainment costs, of this appendix.

28. *Memberships, subscriptions, and professional activity costs.*

a. Costs of the governmental unit's memberships in business, technical, and professional organizations are allowable.

b. Costs of the governmental unit's subscriptions to business, professional, and technical periodicals are allowable.

c. Costs of membership in civic and community, social organizations are allowable as a direct cost with the approval of the Federal awarding agency.

d. Costs of membership in organizations substantially engaged in lobbying are unallowable.

29. *Patent costs.*

a. The following costs relating to patent and copyright matters are allowable: cost of preparing disclosures, reports, and other documents required by the Federal award and of searching the art to the extent necessary to make such disclosures; cost of preparing documents and any other patent costs in connection with the filing and prosecution of a United States patent application where title or royalty-free license is required by the Federal Government to be conveyed to the Federal Government; and general counseling services relating to patent and copyright matters, such as advice on patent and copyright laws, regulations, clauses, and employee agreements (but see sections 32, Professional service costs, and 38, Royalties and other costs for use of patents and copyrights, of this appendix).

b. The following costs related to patent and copyright matter are unallowable: Cost of preparing disclosures, reports, and other documents and of searching the art to the extent necessary to make disclosures not required by the award; costs in connection with filing and prosecuting any foreign patent application; or any United States patent application, where the Federal award does not require conveying title or a royalty-free license to the Federal Government (but see section 38, Royalties and other costs for use of patents and copyrights, of this appendix).

30. *Plant and homeland security costs.* Necessary and reasonable expenses incurred for routine and homeland security to protect facilities, personnel, and work products are allowable. Such costs include, but are not limited to, wages and uniforms of personnel engaged in security activities; equipment; barriers; contractual security services; consultants; etc. Capital expenditures for homeland and plant security purposes are subject to section 15, Equipment and other capital expenditures, of this appendix.

31. *Pre-award costs.* Pre-award costs are those incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary to comply with the proposed delivery schedule or period of performance. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency.

32. *Professional service costs.*

a. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the governmental unit, are allowable, subject to subparagraphs b and c when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government. In addition, legal and related services are limited under section 10 of this appendix.

b. In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

(1) The nature and scope of the service rendered in relation to the service required.

(2) The necessity of contracting for the service, considering the governmental unit's capability in the particular area.

(3) The past pattern of such costs, particularly in the years prior to Federal awards.

(4) The impact of Federal awards on the governmental unit's business (*i.e.*, what new problems have arisen).

(5) Whether the proportion of Federal work to the governmental unit's total business is such as to influence the governmental unit in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal grants and contracts.

(6) Whether the service can be performed more economically by direct employment rather than contracting.

(7) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-Federal awards.

(8) Adequacy of the contractual agreement for the service (*e.g.*, description of the service, estimate of time required, rate of compensation, and termination provisions).

c. In addition to the factors in subparagraph b, retainer fees to be allowable must be supported by available or rendered evidence of bona fide services available or rendered.

33. *Proposal costs.* Costs of preparing proposals for potential Federal awards are allowable. Proposal costs should normally be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and indirect cost rate proposal. However, proposal costs may be charged directly to Federal awards with the prior approval of the Federal awarding agency.

34. *Publication and printing costs.*

a. Publication costs include the costs of printing (including the processes of composition, plate-making, press work, binding, and the end products produced by such processes), distribution, promotion, mailing, and general handling. Publication costs also include page charges in professional publications.

b. If these costs are not identifiable with a particular cost objective, they should be allocated as indirect costs to all benefiting activities of the governmental unit.

c. Page charges for professional journal publications are allowable as a necessary part of research costs where:

(1) The research papers report work supported by the Federal Government; and

(2) The charges are levied impartially on all research papers published by the journal, whether or not by federally-sponsored authors.

35. *Rearrangement and alteration costs.* Costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable. Special arrangements and alterations costs incurred specifically for a Federal award are allowable with the prior approval of the Federal awarding agency.

36. *Reconversion costs.* Costs incurred in the restoration or rehabilitation of the governmental unit's facilities to approximately the same condition existing immediately prior to commencement of Federal awards, less costs related to normal wear and tear, are allowable.

37. *Rental costs of buildings and equipment.*

a. Subject to the limitations described in subsections b. through d. of this section, rental costs are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the property leased. Rental arrangements should be reviewed periodically to determine if circumstances have changed and other options are available.

b. Rental costs under ''sale and lease back'' arrangements are allowable only up to the amount that would be allowed had the governmental unit continued to own the property. This amount would include expenses such as depreciation or use allowance, maintenance, taxes, and insurance.

c. Rental costs under ''less-than-arm's-length'' leases are allowable only up to the amount (as explained in section 37.b of this appendix) that would be allowed had title to the property vested in the governmental unit. For this purpose, a less-than-arm's-length lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other. Such leases include, but are not limited to those between divisions of a governmental unit; governmental units under common control through common officers, directors, or members; and a governmental unit and a director, trustee, officer, or key employee of the governmental unit or his immediate family, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. For example, a governmental unit may establish a separate corporation for the sole purpose of owning property and leasing it back to the governmental unit.

d. Rental costs under leases which are required to be treated as capital leases under GAAP are allowable only up to the amount (as explained in subsection 37.b of this appendix) that would be allowed had the governmental unit purchased the property on the date the lease agreement was executed. The provisions of Financial Accounting Standards Board Statement 13, Accounting for Leases, shall be used to determine whether a lease is a capital lease. Interest costs related to capital leases are allowable to the extent they meet the criteria in section 23 of this appendix. Unallowable costs include amounts paid for profit, management fees, and taxes that would not have been incurred had the governmental unit purchased the facility.

38. *Royalties and other costs for the use of patents.*

a. Royalties on a patent or copyright or amortization of the cost of acquiring by purchase a copyright, patent, or rights thereto, necessary for the proper performance of the award are allowable unless:

(1) The Federal Government has a license or the right to free use of the patent or copyright.

(2) The patent or copyright has been adjudicated to be invalid, or has been administratively determined to be invalid.

(3) The patent or copyright is considered to be unenforceable.

(4) The patent or copyright is expired.

b. Special care should be exercised in determining reasonableness where the royalties may have been arrived at as a result of less-than-arm's-length bargaining, *e.g.:*

(1) Royalties paid to persons, including corporations, affiliated with the governmental unit.

(2) Royalties paid to unaffiliated parties, including corporations, under an agreement entered into in contemplation that a Federal award would be made.

(3) Royalties paid under an agreement entered into after an award is made to a governmental unit.

c. In any case involving a patent or copyright formerly owned by the governmental unit, the amount of royalty allowed should not exceed the cost which would have been allowed had the governmental unit retained title thereto.

39. *Selling and marketing.* Costs of selling and marketing any products or services of the governmental unit are unallowable (unless allowed under section 1. of this appendix as allowable public relations costs or under section 33. of this appendix as allowable proposal costs.

40. *Taxes.*

a. Taxes that a governmental unit is legally required to pay are allowable, except for self-

assessed taxes that disproportionately affect Federal programs or changes in tax policies that disproportionately affect Federal programs. This provision is applicable to taxes paid during the governmental unit's first fiscal year that begins on or after January 1, 1998, and applies thereafter.

b. Gasoline taxes, motor vehicle fees, and other taxes that are in effect user fees for benefits provided to the Federal Government are allowable.

c. This provision does not restrict the authority of Federal agencies to identify taxes where Federal participation is inappropriate. Where the identification of the amount of unallowable taxes would require an inordinate amount of effort, the cognizant agency may accept a reasonable approximation thereof.

41. *Termination costs applicable to sponsored agreements.* Termination of awards generally gives rise to the incurrence of costs, or the need for special treatment of costs, which would not have arisen had the Federal award not been terminated. Cost principles covering these items are set forth below. They are to be used in conjunction with the other provisions of this appendix in termination situations.

a. The cost of items reasonably usable on the governmental unit's other work shall not be allowable unless the governmental unit submits evidence that it would not retain such items at cost without sustaining a loss. In deciding whether such items are reasonably usable on other work of the governmental unit, the awarding agency should consider the governmental unit's plans and orders for current and scheduled activity. Contemporaneous purchases of common items by the governmental unit shall be regarded as evidence that such items are reasonably usable on the governmental unit's other work. Any acceptance of common items as allocable to the terminated portion of the Federal award shall be limited to the extent that the quantities of such items on hand, in transit, and on order are in excess of the reasonable quantitative requirements of other work.

b. If in a particular case, despite all reasonable efforts by the governmental unit, certain costs cannot be discontinued immediately after the effective date of termination, such costs are generally allowable within the limitations set forth in this and other appendices of 2 CFR part 225, except that any such costs continuing after termination due to the negligent or willful failure of the governmental unit to discontinue such costs shall be unallowable.

c. Loss of useful value of special tooling, machinery, and equipment is generally allowable if:

(1) Such special tooling, special machinery, or equipment is not reasonably capable of use in the other work of the governmental unit,

(2) The interest of the Federal Government is protected by transfer of title or by other means deemed appropriate by the awarding agency, and

(3) The loss of useful value for any one terminated Federal award is limited to that portion of the acquisition cost which bears the same ratio to the total acquisition cost as the terminated portion of the Federal award bears to the entire terminated Federal award and other Federal awards for which the special tooling, machinery, or equipment was acquired.

d. Rental costs under unexpired leases are generally allowable where clearly shown to have been reasonably necessary for the performance of the terminated Federal award less the residual value of such leases, if:

(1) The amount of such rental claimed does not exceed the reasonable use value of the property leased for the period of the Federal award and such further period as may be reasonable, and

(2) The governmental unit makes all reasonable efforts to terminate, assign, settle, or otherwise reduce the cost of such lease. There also may be included the cost of alterations of such leased property, provided such alterations were necessary for the performance of the Federal award, and of reasonable restoration required by the provisions of the lease.

e. Settlement expenses including the following are generally allowable:

(1) Accounting, legal, clerical, and similar costs reasonably necessary for:

(a) The preparation and presentation to the awarding agency of settlement claims and supporting data with respect to the terminated portion of the Federal award, unless the termination is for default (see Subpart __.44 of the Grants Management Common Rule (see § 215.5) implementing OMB Circular A–102); and

(b) The termination and settlement of subawards.

(2) Reasonable costs for the storage, transportation, protection, and disposition of property provided by the Federal Government or acquired or produced for the Federal award, except when grantees or contractors are reimbursed for disposals at a predetermined amount in accordance with Subparts __.31 and __.32 of the Grants Management Common Rule (see § 215.5) implementing OMB Circular A–102.

f. Claims under subawards, including the allocable portion of claims which are common to the Federal award, and to other work of the governmental unit are generally allowable. An appropriate share of the governmental unit's indirect expense may be allocated to the amount of settlements with subcontractors and/or subgrantees, provided that the amount allocated is otherwise consistent with the basic guidelines contained in Appendix A to this part. The indirect expense so allocated shall exclude the same and similar costs claimed directly or indirectly as settlement expenses.

42. *Training costs.* The cost of training provided for employee development is allowable.

43. *Travel costs.*

a. General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the governmental unit. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the governmental unit's non-federally-sponsored activities. Notwithstanding the provisions of section 19 of this appendix, General government expenses, travel costs of officials covered by that section are allowable with the prior approval of an awarding agency when they are specifically related to Federal awards.

b. Lodging and subsistence. Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the governmental unit in its regular operations as the result of the governmental unit's written travel policy. In the absence of an acceptable, written governmental unit policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code (''Travel and Subsistence Expenses; Mileage Allowances''), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under Federal awards (48 CFR 31.205–46(a)).

c. Commercial air travel.

(1) Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except when such accommodations would:

(a) Require circuitous routing;

(b) Require travel during unreasonable hours;

(c) Excessively prolong travel;

(d) Result in additional costs that would offset the transportation savings; or

(e) Offer accommodations not reasonably adequate for the traveler's medical needs. The governmental unit must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

(2) Unless a pattern of avoidance is detected, the Federal Government will generally not question a governmental unit's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the governmental unit can demonstrate either of the following:

(aa) That such airfare was not available in the specific case; or

(b) That it is the governmental unit's overall practice to make routine use of such airfare.

d. Air travel by other than commercial carrier. Costs of travel by governmental unit-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of allowable commercial air travel, as provided for in subsection 43.c. of this appendix, is unallowable.

e. Foreign travel. Direct charges for foreign travel costs are allowable only when the travel has received prior approval of the awarding agency. Each separate foreign trip

must receive such approval. For purposes of this provision, ''foreign travel'' includes any travel outside Canada, Mexico, the United States, and any United States territories and possessions. However, the term ''foreign travel'' for a governmental unit located in a foreign country means travel outside that country.

Appendix C to Part 225—State/Local-Wide Central Service Cost Allocation Plans

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A. *General.*

1. Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally-supported awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process. All costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

2. Guidelines and illustrations of central service cost allocation plans are provided in a brochure published by the Department of Health and Human Services entitled ''A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government.'' A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20401.

B. *Definitions.*

1. ''Billed central services'' means central services that are billed to benefitted agencies and/or programs on an individual fee-for-service or similar basis. Typical examples of billed central services include computer services, transportation services, insurance, and fringe benefits.

2. ''Allocated central services'' means central services that benefit operating agencies but are not billed to the agencies on a fee-for-service or similar basis. These costs are allocated to benefitted agencies on some reasonable basis. Examples of such services might include general accounting, personnel administration, purchasing, etc.

3. ''Agency or operating agency'' means an organizational unit or sub-division within a governmental unit that is responsible for the performance or administration of awards or activities of the governmental unit.

C. *Scope of the Central Service Cost Allocation Plans.* The central service cost allocation plan will include all central service costs that will be claimed (either as a billed or an allocated cost) under Federal awards and will be documented as described in section E. Costs of central services omitted from the plan will not be reimbursed.

D. *Submission Requirements.*

1. Each State will submit a plan to the Department of Health and Human Services for each year in which it claims central service costs under Federal awards. The plan should include a projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year), and a reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year.

2. Each local government that has been designated as a ''major local government'' by the Office of Management and Budget (OMB) is also required to submit a plan to its cognizant agency annually. OMB periodically lists major local governments in the **Federal Register**.

3. All other local governments claiming central service costs must develop a plan in accordance with the requirements described in this appendix and maintain the plan and related supporting documentation for audit. These local governments are not required to submit their plans for Federal approval unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub-recipient, the primary recipient will be responsible for negotiating indirect cost rates and/or monitoring the sub-recipient's plan.

4. All central service cost allocation plans will be prepared and, when required, submitted within six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs. Extensions may be granted by the cognizant agency on a case-by-case basis.

E. *Documentation Requirements for Submitted Plans.* The documentation requirements described in this section may be modified, expanded, or reduced by the cognizant agency on a case-by-case basis. For example, the requirements may be reduced for those central services which have little or no impact on Federal awards. Conversely, if a review of a plan indicates that certain additional information is needed, and will likely be needed in future years, it may be routinely requested in future plan submissions. Items marked with an asterisk (*) should be submitted only once; subsequent plans should merely indicate any changes since the last plan.

1. General. All proposed plans must be accompanied by the following: An organization chart sufficiently detailed to show operations including the central service activities of the State/local government whether or not they are shown as benefiting from central service functions; a copy of the Comprehensive Annual Financial Report (or a copy of the Executive Budget if budgeted costs are being proposed) to support the allowable costs of each central service activity included in the plan; and, a certification (see subsection 4.) that the plan was prepared in accordance with this and other appendices to this part, contains only allowable costs, and was prepared in a manner that treated similar costs consistently among the various Federal awards and between Federal and non-Federal awards/activities.

2. Allocated central services. For each allocated central service, the plan must also include the following: A brief description of the service*, an identification of the unit rendering the service and the operating agencies receiving the service, the items of expense included in the cost of the service, the method used to distribute the cost of the service to benefitted agencies, and a summary schedule showing the allocation of each service to the specific benefitted agencies. If any self-insurance funds or fringe benefits costs are treated as allocated (rather than billed) central services, documentation discussed in subsections 3.b. and c. shall also be included.

3. Billed services.

a. General. The information described below shall be provided for all billed central services, including internal service funds, self-insurance funds, and fringe benefit funds.

b. Internal service funds.

(1) For each internal service fund or similar activity with an operating budget of $5 million or more, the plan shall include: A brief description of each service; a balance sheet for each fund based on individual accounts contained in the governmental unit's accounting system; a revenue/expenses statement, with revenues broken out by source, *e.g.*, regular billings, interest earned, etc.; a listing of all non-operating transfers (as defined by Generally Accepted Accounting Principles (GAAP)) into and out of the fund; a description of the procedures (methodology) used to charge the costs of each service to users, including how billing rates are determined; a schedule of current rates; and, a schedule comparing total revenues (including imputed revenues) generated by the service to the allowable costs of the service, as determined under this and other appendices of this part, with an explanation of how variances will be handled.

(2) Revenues shall consist of all revenues generated by the service, including unbilled and uncollected revenues. If some users were not billed for the services (or were not billed at the full rate for that class of users), a schedule showing the full imputed revenues associated with these users shall be provided. Expenses shall be broken out by object cost categories (*e.g.*, salaries, supplies, etc.).

c. Self-insurance funds. For each self-insurance fund, the plan shall include: The fund balance sheet; a statement of revenue and expenses including a summary of billings and claims paid by agency; a listing of all non-operating transfers into and out of the fund; the type(s) of risk(s) covered by the fund (*e.g.*, automobile liability, workers' compensation, etc.); an explanation of how the level of fund contributions are determined, including a copy of the current actuarial report (with the actuarial assumptions used) if the contributions are determined on an actuarial basis; and, a description of the procedures used to charge or allocate fund contributions to benefitted activities. Reserve levels in excess of claims submitted and adjudicated but not paid, submitted but not adjudicated, and incurred but not submitted must be identified and explained.

d. Fringe benefits. For fringe benefit costs, the plan shall include: A listing of fringe benefits provided to covered employees, and the overall annual cost of each type of benefit; current fringe benefit policies*; and procedures used to charge or allocate the costs of the benefits to benefitted activities. In addition, for pension and post-retirement health insurance plans, the following information shall be provided: the governmental unit's funding policies, *e.g.*, legislative bills, trust agreements, or State-mandated contribution rules, if different from actuarially determined rates; the pension plan's costs accrued for the year; the amount funded, and date(s) of funding; a copy of the current actuarial report (including the actuarial assumptions); the plan trustee's report; and, a schedule from the activity showing the value of the interest cost associated with late funding.

4. Required certification. Each central service cost allocation plan will be accompanied by a certification in the following form:

Certificate of Cost Allocation Plan

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish cost allocations or billings for [identify period covered by plan] are allowable in accordance with the requirements of 2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A–87), and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

Governmental Unit: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

F. *Negotiation and Approval of Central Service Plans.*

1. All proposed central service cost allocation plans that are required to be submitted will be reviewed, negotiated, and approved by the Federal cognizant agency on a timely basis. The cognizant agency will review the proposal within six months of receipt of the proposal and either negotiate/approve the proposal or advise the governmental unit of the additional documentation needed to support/evaluate the proposed plan or the changes required to make the proposal acceptable. Once an agreement with the governmental unit has been reached, the agreement will be accepted and used by all Federal agencies, unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special consideration, the funding agency will, prior to the time the plans are negotiated, notify the cognizant agency.

2. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re-opening if the agreement is subsequently found to violate a statute or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The results of the negotiation shall be made available to all Federal agencies for their use.

3. Negotiated cost allocation plans based on a proposal later found to have included costs that: Are unallowable as specified by law or regulation, as identified in Appendix B of this part, or by the terms and conditions of Federal awards, or are unallowable because they are clearly not allocable to Federal awards, shall be adjusted, or a refund shall be made at the option of the Federal cognizant agency. These adjustments or refunds are designed to correct the plans and do not constitute a reopening of the negotiation.

G. *Other Policies.*

1. Billed central service activities. Each billed central service activity must separately account for all revenues (including imputed revenues) generated by the service, expenses incurred to furnish the service, and profit/loss.

2. Working capital reserves. Internal service funds are dependent upon a reasonable level of working capital reserve to operate from one billing cycle to the next. Charges by an internal service activity to provide for the establishment and maintenance of a reasonable level of working capital reserve, in addition to the full recovery of costs, are allowable. A working capital reserve as part of retained earnings of up to 60 days cash expenses for normal operating purposes is considered reasonable. A working capital reserve exceeding 60 days may be approved by the cognizant Federal agency in exceptional cases.

3. Carry-forward adjustments of allocated central service costs. Allocated central service costs are usually negotiated and approved for a future fiscal year on a ''fixed with carry-forward'' basis. Under this procedure, the fixed amounts for the future year covered by agreement are not subject to adjustment for that year. However, when the actual costs of the year involved become known, the differences between the fixed amounts previously approved and the actual costs will be carried forward and used as an adjustment to the fixed amounts established for a later year. This ''carry-forward'' procedure applies to all central services whose costs were fixed in the approved plan. However, a carry-forward adjustment is not permitted, for a central service activity that was not included in the approved plan, or for unallowable costs that must be reimbursed immediately.

4. Adjustments of billed central services. Billing rates used to charge Federal awards shall be based on the estimated costs of providing the services, including an estimate of the allocable central service costs. A comparison of the revenue generated by each billed service (including total revenues whether or not billed or collected) to the actual allowable costs of the service will be made at least annually, and an adjustment will be made for the difference between the revenue and the allowable costs. These adjustments will be made through one of the following adjustment methods: A cash refund to the Federal Government for the Federal share of the adjustment, credits to the amounts charged to the individual programs, adjustments to future billing rates, or adjustments to allocated central service costs. Adjustments to allocated central services will not be permitted where the total amount of the adjustment for a particular service (Federal share and non-Federal) share exceeds $500,000.

5. Records retention. All central service cost allocation plans and related documentation used as a basis for claiming costs under Federal awards must be retained for audit in accordance with the records retention requirements contained in the Common Rule.

6. Appeals. If a dispute arises in the negotiation of a plan between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

7. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

Appendix D to Part 225—Public Assistance Cost Allocation Plans

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C. Policy
D. Submission, Documentation, and Approval of Public Assistance Cost Allocation Plans
E. Review of Implementation of Approved Plans
F. Unallowable Costs

A. *General.* Federally-financed programs administered by State public assistance agencies are funded predominately by the Department of Health and Human Services (HHS). In support of its stewardship requirements, HHS has published requirements for the development, documentation, submission, negotiation, and approval of public assistance cost allocation plans in Subpart E of 45 CFR part 95. All administrative costs (direct and indirect) are normally charged to Federal awards by implementing the public assistance cost allocation plan. This appendix extends these requirements to all Federal agencies whose programs are administered by a State public assistance agency. Major federally-financed programs typically administered by State public assistance agencies include: Temporary Assistance to Needy Families (TANF), Medicaid, Food Stamps, Child Support Enforcement, Adoption Assistance and Foster Care, and Social Services Block Grant.

B. *Definitions.*

1. ''State public assistance agency'' means a State agency administering or supervising the administration of one or more public assistance programs operated by the State as identified in Subpart E of 45 CFR part 95. For the purpose of this appendix, these programs include all programs administered by the State public assistance agency.

2. ''State public assistance agency costs'' means all costs incurred by, or allocable to, the State public assistance agency, except expenditures for financial assistance, medical vendor payments, food stamps, and payments for services and goods provided directly to program recipients.

C. *Policy.* State public assistance agencies will develop, document and implement, and the Federal Government will review, negotiate, and approve, public assistance cost allocation plans in accordance with Subpart E of 45 CFR part 95. The plan will include all programs administered by the State public assistance agency. Where a letter of approval or disapproval is transmitted to a State public assistance agency in accordance with Subpart E, the letter will apply to all Federal agencies and programs. The remaining sections of this appendix (except for the requirement for certification) summarize the provisions of Subpart E of 45 CFR part 95.

D. *Submission, Documentation, and Approval of Public Assistance Cost Allocation Plans.*

1. State public assistance agencies are required to promptly submit amendments to the cost allocation plan to HHS for review and approval.

2. Under the coordination process outlined in subsection E, affected Federal agencies will review all new plans and plan amendments and provide comments, as appropriate, to HHS. The effective date of the plan or plan amendment will be the first day of the quarter following the submission of the plan or amendment, unless another date is specifically approved by HHS. HHS, as the cognizant agency acting on behalf of all affected Federal agencies, will, as necessary, conduct negotiations with the State public assistance agency and will inform the State agency of the action taken on the plan or plan amendment.

E. *Review of Implementation of Approved Plans.*

1. Since public assistance cost allocation plans are of a narrative nature, the review during the plan approval process consists of evaluating the appropriateness of the proposed groupings of costs (cost centers) and the related allocation bases. As such, the Federal Government needs some assurance that the cost allocation plan has been implemented as approved. This is accomplished by reviews by the funding agencies, single audits, or audits conducted by the cognizant audit agency.

2. Where inappropriate charges affecting more than one funding agency are identified, the cognizant HHS cost negotiation office will be advised and will take the lead in resolving the issue(s) as provided for in Subpart E of 45 CFR part 95.

3. If a dispute arises in the negotiation of a plan or from a disallowance involving two or more funding agencies, the dispute shall be resolved in accordance with the appeals procedures set out in 45 CFR part 75. Disputes involving only one funding agency will be resolved in accordance with the funding agency's appeal process.

4. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, the Office of Management and Budget will lend assistance, as required, to resolve such problems in a timely manner.

F. *Unallowable Costs.* Claims developed under approved cost allocation plans will be based on allowable costs as identified in 2 CFR part 225. Where unallowable costs have been claimed and reimbursed, they will be refunded to the program that reimbursed the unallowable cost using one of the following methods: a cash refund, offset to a subsequent claim, or credits to the amounts charged to individual awards.

Appendix E to Part 225—State and Local Indirect Cost Rate Proposals

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1. Fringe benefit rates
2. Billed services provided by the grantee agency
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A. *General.*

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

2. Indirect costs include the indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and the costs of central governmental services distributed through the central service cost allocation plan (as described in Appendix C to this part) and not otherwise treated as direct costs.

3. Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards. Guidelines and illustrations of indirect cost proposals are provided in a brochure published by the Department of Health and Human Services entitled ''A Guide for State and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government.'' A copy of this brochure may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20401.

4. Because of the diverse characteristics and accounting practices of governmental units, the types of costs which may be classified as indirect costs cannot be specified in all situations. However, typical examples of indirect costs may include certain State/local-wide central service costs, general administration of the grantee department or agency, accounting and personnel services performed within the grantee department or agency, depreciation

or use allowances on buildings and equipment, the costs of operating and maintaining facilities, etc.

5. This appendix does not apply to State public assistance agencies. These agencies should refer instead to Appendix D to this part.

B. *Definitions.*

1. ''Indirect cost rate proposal'' means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate.

2. ''Indirect cost rate'' is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base.

3. ''Indirect cost pool'' is the accumulated costs that jointly benefit two or more programs or other cost objectives.

4. ''Base'' means the accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) used to distribute indirect costs to individual Federal awards. The direct cost base selected should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.

5. ''Predetermined rate'' means an indirect cost rate, applicable to a specified current or future period, usually the governmental unit's fiscal year. This rate is based on an estimate of the costs to be incurred during the period. Except under very unusual circumstances, a predetermined rate is not subject to adjustment. (Because of legal constraints, predetermined rates are not permitted for Federal contracts; they may, however, be used for grants or cooperative agreements.) Predetermined rates may not be used by governmental units that have not submitted and negotiated the rate with the cognizant agency. In view of the potential advantages offered by this procedure, negotiation of predetermined rates for indirect costs for a period of two to four years should be the norm in those situations where the cost experience and other pertinent facts available are deemed sufficient to enable the parties involved to reach an informed judgment as to the probable level of indirect costs during the ensuing accounting periods.

6. ''Fixed rate'' means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

7. ''Provisional rate'' means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on Federal awards pending the establishment of a ''final'' rate for that period.

8. ''Final rate'' means an indirect cost rate applicable to a specified past period which is based on the actual allowable costs of the period. A final audited rate is not subject to adjustment.

9. ''Base period'' for the allocation of indirect costs is the period in which such costs are incurred and accumulated for allocation to activities performed in that period. The base period normally should coincide with the governmental unit's fiscal year, but in any event, shall be so selected as to avoid inequities in the allocation of costs.

C. *Allocation of Indirect Costs and Determination of Indirect Cost Rates.*

1. General.

a. Where a governmental unit's department or agency has only one major function, or where all its major functions benefit from the indirect costs to approximately the same degree, the allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation procedures as described in subsection 2 of this appendix.

b. Where a governmental unit's department or agency has several major functions which benefit from its indirect costs in varying degrees, the allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefitted functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

c. Specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in subsections 2, 3 and 4 of this appendix.

2. Simplified method.

a. Where a grantee agency's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by classifying the grantee agency's total costs for the base period as either direct or indirect, and dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate which is used to distribute indirect costs to individual Federal awards. The rate should be expressed as the percentage which the total amount of allowable indirect costs bears to the base selected. This method should also be used where a governmental unit's department or agency has only one major function encompassing a number of individual projects or activities, and may be used where the level of Federal awards to that department or agency is relatively small.

b. Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs must be included in the direct costs if they represent activities to which indirect costs are properly allocable.

c. The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as pass-through funds, major subcontracts, etc.), direct salaries and wages, or another base which results in an equitable distribution.

3. Multiple allocation base method.

a. Where a grantee agency's indirect costs benefit its major functions in varying degrees, such costs shall be accumulated into separate cost groupings. Each grouping shall then be allocated individually to benefitted functions by means of a base which best measures the relative benefits.

b. The cost groupings should be established so as to permit the allocation of each grouping on the basis of benefits provided to the major functions. Each grouping should constitute a pool of expenses that are of like character in terms of the functions they benefit and in terms of the allocation base which best measures the relative benefits provided to each function. The number of separate groupings should be held within practical limits, taking into consideration the materiality of the amounts involved and the degree of precision needed.

c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Federal Government and the governmental unit. In general, any cost element or related factor associated with the governmental unit's activities is potentially adaptable for use as an allocation base provided that: it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like), and it is common to the benefitted functions during the base period.

d. Except where a special indirect cost rate(s) is required in accordance with subsection 4, the separate groupings of indirect costs allocated to each major function shall be aggregated and treated as a common pool for that function. The costs in the common pool shall then be distributed to individual Federal awards included in that function by use of a single indirect cost rate.

e. The distribution base used in computing the indirect cost rate for each function may be total direct costs (excluding capital expenditures and other distorting items such as pass-through funds, major subcontracts, etc.), direct salaries and wages, or another base which results in an equitable distribution. An indirect cost rate should be developed for each separate indirect cost pool developed. The rate in each case should be stated as the percentage relationship between the particular indirect cost pool and the distribution base identified with that pool.

4. Special indirect cost rates.

a. In some instances, a single indirect cost rate for all activities of a grantee department or agency or for each major function of the agency may not be appropriate. It may not take into account those different factors which may substantially affect the indirect costs applicable to a particular program or group of programs. The factors may include the physical location of the work, the level of administrative support required, the nature of the facilities or other resources

employed, the organizational arrangements used, or any combination thereof. When a particular award is carried out in an environment which appears to generate a significantly different level of indirect costs, provisions should be made for a separate indirect cost pool applicable to that award. The separate indirect cost pool should be developed during the course of the regular allocation process, and the separate indirect cost rate resulting therefrom should be used, provided that: the rate differs significantly from the rate which would have been developed under subsections 2. and 3. of this appendix, and the award to which the rate would apply is material in amount.

b. Although 2 CFR part 225 adopts the concept of the full allocation of indirect costs, there are some Federal statutes which restrict the reimbursement of certain indirect costs. Where such restrictions exist, it may be necessary to develop a special rate for the affected award. Where a ''restricted rate'' is required, the procedure for developing a non-restricted rate will be used except for the additional step of the elimination from the indirect cost pool those costs for which the law prohibits reimbursement.

D. *Submission and Documentation of Proposals.*

1. Submission of indirect cost rate proposals.

a. All departments or agencies of the governmental unit desiring to claim indirect costs under Federal awards must prepare an indirect cost rate proposal and related documentation to support those costs. The proposal and related documentation must be retained for audit in accordance with the records retention requirements contained in the Common Rule.

b. A governmental unit for which a cognizant agency assignment has been specifically designated must submit its indirect cost rate proposal to its cognizant agency. The Office of Management and Budget (OMB) will periodically publish lists of governmental units identifying the appropriate Federal cognizant agencies. The cognizant agency for all governmental units or agencies not identified by OMB will be determined based on the Federal agency providing the largest amount of Federal funds. In these cases, a governmental unit must develop an indirect cost proposal in accordance with the requirements of 2 CFR 225 and maintain the proposal and related supporting documentation for audit. These governmental units are not required to submit their proposals unless they are specifically requested to do so by the cognizant agency. Where a local government only receives funds as a sub-recipient, the primary recipient will be responsible for negotiating and/or monitoring the sub-recipient's plan.

c. Each Indian tribal government desiring reimbursement of indirect costs must submit its indirect cost proposal to the Department of the Interior (its cognizant Federal agency).

d. Indirect cost proposals must be developed (and, when required, submitted) within six months after the close of the governmental unit's fiscal year, unless an exception is approved by the cognizant Federal agency. If the proposed central service cost allocation plan for the same period has not been approved by that time, the indirect cost proposal may be prepared including an amount for central services that is based on the latest federally-approved central service cost allocation plan. The difference between these central service amounts and the amounts ultimately approved will be compensated for by an adjustment in a subsequent period.

2. Documentation of proposals. The following shall be included with each indirect cost proposal:

a. The rates proposed, including subsidiary work sheets and other relevant data, cross referenced and reconciled to the financial data noted in subsection b of this appendix. Allocated central service costs will be supported by the summary table included in the approved central service cost allocation plan. This summary table is not required to be submitted with the indirect cost proposal if the central service cost allocation plan for the same fiscal year has been approved by the cognizant agency and is available to the funding agency.

b. A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the Federal cognizant agency in a subsequent proposal.

c. The approximate amount of direct base costs incurred under Federal awards. These costs should be broken out between salaries and wages and other direct costs.

d. A chart showing the organizational structure of the agency during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency. (Once this is submitted, only revisions need be submitted with subsequent proposals.)

3. Required certification. Each indirect cost rate proposal shall be accompanied by a certification in the following form:

Certificate of Indirect Costs

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish billing or final indirect costs rates for [identify period covered by rate] are allowable in accordance with the requirements of the Federal award(s) to which they apply and 2 CFR part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A–87). Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

E. *Negotiation and Approval of Rates.*

1. Indirect cost rates will be reviewed, negotiated, and approved by the cognizant Federal agency on a timely basis. Once a rate has been agreed upon, it will be accepted and used by all Federal agencies unless prohibited or limited by statute. Where a Federal funding agency has reason to believe that special operating factors affecting its awards necessitate special indirect cost rates, the funding agency will, prior to the time the rates are negotiated, notify the cognizant Federal agency.

2. The use of predetermined rates, if allowed, is encouraged where the cognizant agency has reasonable assurance based on past experience and reliable projection of the grantee agency's costs, that the rate is not likely to exceed a rate based on actual costs. Long-term agreements utilizing predetermined rates extending over two or more years are encouraged, where appropriate.

3. The results of each negotiation shall be formalized in a written agreement between the cognizant agency and the governmental unit. This agreement will be subject to re-opening if the agreement is subsequently found to violate a statute, or the information upon which the plan was negotiated is later found to be materially incomplete or inaccurate. The agreed upon rates shall be made available to all Federal agencies for their use.

4. Refunds shall be made if proposals are later found to have included costs that are unallowable as specified by law or regulation, as identified in Appendix B to this part, or by the terms and conditions of Federal awards, or are unallowable because they are clearly not allocable to Federal awards. These adjustments or refunds will be made regardless of the type of rate negotiated (predetermined, final, fixed, or provisional).

F. *Other Policies.*

1. Fringe benefit rates. If overall fringe benefit rates are not approved for the governmental unit as part of the central service cost allocation plan, these rates will be reviewed, negotiated and approved for individual grantee agencies during the indirect cost negotiation process. In these cases, a proposed fringe benefit rate computation should accompany the indirect cost proposal. If fringe benefit rates are not used at the grantee agency level (*i.e.*, the agency specifically identifies fringe benefit costs to individual employees), the governmental unit should so advise the cognizant agency.

2. Billed services provided by the grantee agency. In some cases, governmental units provide and bill for services similar to those covered by central service cost allocation plans (*e.g.*, computer centers). Where this

occurs, the governmental unit should be guided by the requirements in Appendix C to this part relating to the development of billing rates and documentation requirements, and should advise the cognizant agency of any billed services. Reviews of these types of services (including reviews of costing/billing methodology, profits or losses, etc.) will be made on a case-by-case basis as warranted by the circumstances involved.

3. Indirect cost allocations not using rates. In certain situations, a governmental unit, because of the nature of its awards, may be required to develop a cost allocation plan that distributes indirect (and, in some cases, direct) costs to the specific funding sources. In these cases, a narrative cost allocation methodology should be developed, documented, maintained for audit, or submitted, as appropriate, to the cognizant agency for review, negotiation, and approval.

4. Appeals. If a dispute arises in a negotiation of an indirect cost rate (or other rate) between the cognizant agency and the governmental unit, the dispute shall be resolved in accordance with the appeals procedures of the cognizant agency.

5. Collection of unallowable costs and erroneous payments. Costs specifically identified as unallowable and charged to Federal awards either directly or indirectly will be refunded (including interest chargeable in accordance with applicable Federal agency regulations).

6. OMB assistance. To the extent that problems are encountered among the Federal agencies and/or governmental units in connection with the negotiation and approval process, OMB will lend assistance, as required, to resolve such problems in a timely manner.

[FR Doc. 05–16649 Filed 8–30–05; 8:45 am]

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OFFICE OF MANAGEMENT AND BUDGET

2 CFR Part 230

Cost Principles for Non-Profit Organizations (OMB Circular A–122)

AGENCY: Office of Management and Budget.

ACTION: Relocation of policy guidance to 2 CFR chapter II.

SUMMARY: The Office of Management and Budget (OMB) is relocating Circular A–122, ''Cost Principles for Non-Profit Organizations,'' to Title 2 in the Code of Federal Regulations (CFR), subtitle A, chapter II, part 230. This relocation is part of our broader initiative to create 2 CFR as a single location where the public can find both OMB guidance for grants and agreements and the associated Federal agency implementing regulations. The broader initiative provides a good foundation for streamlining and simplifying the policy framework for grants and agreements, one objective of OMB and Federal agency efforts to implement the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106–107).

DATES: Part 230 is effective August 31, 2005. This document republishes the existing OMB Circular A–122, which already is in effect.

FOR FURTHER INFORMATION CONTACT: Gil Tran, Office of Federal Financial Management, Office of Management and Budget, telephone 202–395–3052 (direct) or 202–395–3993 (main office) and e-mail: *Hai_M._Tran@omb.eop.gov*.

SUPPLEMENTARY INFORMATION: On May 10, 2004 [69 FR 25970], we revised the three OMB circulars containing Federal cost principles. The purpose of those revisions was to simplify the cost principles by making the descriptions of similar cost items consistent across the circulars where possible, thereby reducing the possibility of misinterpretation. Those revisions, a result of OMB and Federal agency efforts to implement Public Law 106–107, were effective on June 9, 2004.

In this document, we relocate OMB Circular A–122 to the CFR, in Title 2 which was established on May 11, 2004 [69 FR 26276] as a central location for OMB and Federal agency policies on grants and agreements.

Our relocation of OMB Circular A–122 does not change the substance of the circular. Other than adjustments needed to conform to the formatting requirements of the CFR, this document relocates in 2 CFR the version of OMB Circular A–122 as revised by the May 10, 2004 notice.

List of Subjects in 2 CFR Part 230

Accounting, Grant programs, Grants administration, Non-profit organizations, Reporting and recordkeeping requirements.

Dated: August 8, 2005.

Joshua B. Bolten,

Director.

Authority and Issuance

■ For the reasons set forth above, the Office of Management and Budget amends 2 CFR Subtitle A, chapter II, by adding a part 230 as set forth below.

PART 230—COST PRINCIPLES FOR NON-PROFIT ORGANIZATIONS (OMB CIRCULAR A–122)

Sec.

230.5 Purpose.
230.10 Scope.
230.15 Policy.
230.20 Applicability.
230.25 Definitions
230.30 OMB responsibilities.
230.35 Federal agency responsibilities.
230.40 Effective date of changes.
230.45 Relationship to previous issuance.
230.50 Information Contact.
Appendix A to Part 230—General Principles
Appendix B to Part 230—Selected Items of Cost
Appendix C to Part 230—Non-Profit Organizations Not Subject to This Part

Authority: 31 U.S.C. 503; 31 U.S.C. 1111; 41 U.S.C. 405; Reorganization Plan No. 2 of 1970; E.O. 11541, 35 FR 10737, 3 CFR, 1966–1970, p. 939

§ 230.5 Purpose.

This part establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations.

§ 230.10 Scope.

(a) This part does not apply to colleges and universities which are covered by 2 CFR part 220 Cost Principles for Educational Institutions (OMB Circular A–21); State, local, and federally-recognized Indian tribal governments which are covered by 2 CFR part 225 Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A–87); or hospitals.

(b) The principles deal with the subject of cost determination, and make no attempt to identify the circumstances or dictate the extent of agency and non-profit organization participation in the financing of a particular project. Provision for profit or other increment above cost is outside the scope of this part.

§ 230.15 Policy.

The principles are designed to provide that the Federal Government bear its fair share of costs except where restricted or prohibited by law. The principles do not attempt to prescribe the extent of cost sharing or matching on grants, contracts, or other agreements. However, such cost sharing or matching shall not be accomplished through arbitrary limitations on individual cost elements by Federal agencies.

§ 230.20 Applicability.

(a) These principles shall be used by all Federal agencies in determining the costs of work performed by non-profit organizations under grants, cooperative agreements, cost reimbursement contracts, and other contracts in which costs are used in pricing, administration, or settlement. All of these instruments are hereafter referred to as awards. The principles do not apply to awards under which an organization is not required to account to the Federal Government for actual costs incurred.

Section 9 –

Final State Audit Report or Other Written Notices of Adjustment

MALIA M. COHEN
California State Controller

June 21, 2023

Anne Duke, Deputy Director
Hesperia Finance Division
9700 Seventh Avenue
Hesperia, CA 92345

Dear Ms. Duke:

The State Controller's Office reviewed costs claimed by the City of Hesperia for the legislatively mandated Identity Theft Program (Chapter 956, Statutes of 2000) for the period of July 1, 2002, through June 30, 2013. We conducted our review under the authority of Government Code sections 12410, 17558.5, and 17561. Our review was limited to confirming that the city reported the correct number of identity theft police reports taken on a violation of Penal Code section 530.5, calculated its contract hourly rates correctly, and validated the indirect costs claimed.

The city claimed $196,301 for costs of the mandated program. Our review found that $115,473 is allowable and $80,828 is unallowable. The costs are unallowable because the city claimed unallowable indirect costs, as quantified in the Schedule and described in the Review Results. The State made no payment to the city. The State will pay $115,473, contingent upon available appropriations.

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

This final letter report contains an adjustment to costs claimed by the city. If you disagree with the review finding, 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.

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/ac

Attachments

Re: S22-MCC-9001

cc: The Honorable Brigit Bennington, Mayor
City of Hesperia
Chris Hill, Principal Program Budget Analyst
Local Government Unit, California Department of Finance
Ted Doan, Finance Budget Analyst
Local Government Unit, California Department of Finance
Darryl Mar, Manager
Local Reimbursements Section
State Controller's Office
Everett Luc, Supervisor
Local Reimbursements Section
State Controller's Office

Attachment 1—
Summary of Program Costs
July 1, 2002, through June 30, 2013

Cost Elements	Actual Costs Claimed[1]	Allowable per Review	Review Adjustment[2]
July 1, 2002, through June 30, 2003			
Direct costs:			
Salaries:			
Taking a police report on a violation of Penal Code (PC) §530.5	$ 2,951	$ -	$ (2,951)
Beginning an investigation of facts	2,330	-	(2,330)
Total salaries	5,281	-	(5,281)
Contract services:			
Taking a police report on a violation of PC §530.5	-	3,198	3,198
Beginning an investigation of facts	-	2,641	2,641
Total contract services	-	5,839	5,839
Total direct costs	5,281	5,839	558
Indirect costs	4,890	-	(4,890)
Total program costs	$ 10,171	5,839	$ (4,332)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 5,839	
July 1, 2003, through June 30, 2004			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 2,589	$ -	$ (2,589)
Beginning an investigation of facts	2,127	-	(2,127)
Total salaries	4,716	-	(4,716)
Contract services:			
Taking a police report on a violation of PC §530.5	-	2,719	2,719
Beginning an investigation of facts	-	2,245	2,245
Total contract services	-	4,964	4,964
Total direct costs	4,716	4,964	248
Indirect costs	3,952	-	(3,952)
Total program costs	$ 8,668	4,964	$ (3,704)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 4,964	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed[1]	Allowable per Review	Review Adjustment[2]
July 1, 2004, through June 30, 2005			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 4,214	$ -	$ (4,214)
Beginning an investigation of facts	3,541	-	(3,541)
Total salaries	7,755	-	(7,755)
Contract services:			
Taking a police report on a violation of PC §530.5	-	4,410	4,410
Beginning an investigation of facts	-	3,725	3,725
Total contract services	-	8,135	8,135
Total direct costs	7,755	8,135	380
Indirect costs	5,762		(5,762)
Total program costs	$ 13,517	8,135	$ (5,382)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 8,135	
July 1, 2005, through June 30, 2006			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 4,814	$ -	$ (4,814)
Beginning an investigation of facts	3,674	-	(3,674)
Total salaries	8,488	-	(8,488)
Contract services:			
Taking a police report on a violation of PC §530.5	-	5,182	5,182
Beginning an investigation of facts	-	4,286	4,286
Total contract services	-	9,468	9,468
Total direct costs	8,488	9,468	980
Indirect costs	6,085	-	(6,085)
Total program costs	$ 14,573	9,468	$ (5,105)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 9,468	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed[1]	Allowable per Review	Review Adjustment[2]
July 1, 2006, through June 30, 2007			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 6,151	$ -	$ (6,151)
Beginning an investigation of facts	4,666	-	(4,666)
Total salaries	10,817	-	(10,817)
Contract services:			
Taking a police report on a violation of PC §530.5	-	6,955	6,955
Beginning an investigation of facts	-	5,790	5,790
Total contract services	-	12,745	12,745
Total direct costs	10,817	12,745	1,928
Indirect costs	10,860	-	(10,860)
Total program costs	$ 21,677	12,745	$ (8,932)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 12,745	
July 1, 2007, through June 30, 2008			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 7,526	$ -	$ (7,526)
Beginning an investigation of facts	6,219	-	(6,219)
Total salaries	13,745	-	(13,745)
Contract services:			
Taking a police report on a violation of PC §530.5	-	8,245	8,245
Beginning an investigation of facts	-	6,849	6,849
Total contract services	-	15,094	15,094
Total direct costs	13,745	15,094	1,349
Indirect costs	13,539	-	(13,539)
Total program costs	$ 27,284	15,094	$ (12,190)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 15,094	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed[1]	Allowable per Review	Review Adjustment[2]
July 1, 2008, through June 30, 2009			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 8,065	$ -	$ (8,065)
Beginning an investigation of facts	6,675	-	(6,675)
Total salaries	14,740	-	(14,740)
Contract services:			
Taking a police report on a violation of PC §530.5	-	9,040	9,040
Beginning an investigation of facts	-	7,519	7,519
Total contract services	-	16,559	16,559
Total direct costs	14,740	16,559	1,819
Indirect costs	13,458	-	(13,458)
Total program costs	$ 28,198	16,559	$ (11,639)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 16,559	
July 1, 2009, through June 30, 2010			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 5,666	$ -	$ (5,666)
Beginning an investigation of facts	4,677	-	(4,677)
Total salaries	10,343	-	(10,343)
Contract services:			
Taking a police report on a violation of PC §530.5	-	6,100	6,100
Beginning an investigation of facts	-	5,060	5,060
Total contract services	-	11,160	11,160
Total direct costs	10,343	11,160	817
Indirect costs	9,753	-	(9,753)
Total program costs	$ 20,096	11,160	$ (8,936)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 11,160	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed[1]	Allowable per Review	Review Adjustment[2]
July 1, 2010, through June 30, 2011			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 4,377	$ -	$ (4,377)
Beginning an investigation of facts	3,908	-	(3,908)
Total salaries	8,285	-	(8,285)
Contract services:			
Taking a police report on a violation of PC §530.5	-	6,150	6,150
Beginning an investigation of facts	-	5,115	5,115
Total contract services	-	11,265	11,265
Total direct costs	8,285	11,265	2,980
Indirect costs	7,606	-	(7,606)
Total program costs	$ 15,891	11,265	$ (4,626)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 11,265	
July 1, 2011, through June 30, 2012			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 6,135	$ -	$ (6,135)
Beginning an investigation of facts	4,576	-	(4,576)
Total salaries	10,711	-	(10,711)
Contract services:			
Taking a police report on a violation of PC §530.5	-	6,888	6,888
Beginning an investigation of facts	-	5,183	5,183
Total contract services	-	12,071	12,071
Total direct costs	10,711	12,071	1,360
Indirect costs	10,465	-	(10,465)
Total program costs	$ 21,176	12,071	$ (9,105)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 12,071	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed[1]	Allowable per Review	Review Adjustment[2]
July 1, 2012, through June 30, 2013			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 4,635	$ -	$ (4,635)
Beginning an investigation of facts	3,143	-	(3,143)
Total salaries	7,778	-	(7,778)
Contract services:			
Taking a police report on a violation of PC §530.5	-	4,837	4,837
Beginning an investigation of facts	-	3,336	3,336
Total contract services	-	8,173	8,173
Total direct costs	7,778	8,173	395
Indirect costs	7,272	-	(7,272)
Total program costs	$ 15,050	8,173	$ (6,877)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 8,173	
Summary: July 1, 2002, through June 30, 2013			
Direct costs:			
Salaries:			
Taking a police report on a violation of PC §530.5	$ 57,123	$ -	$ (57,123)
Beginning an investigation of facts	45,536	-	(45,536)
Total salaries	102,659	-	(102,659)
Contract services:			
Taking a police report on a violation of PC §530.5	-	63,724	63,724
Beginning an investigation of facts	-	51,749	51,749
Total contract services	-	115,473	115,473
Total direct costs	102,659	115,473	12,814
Indirect costs	93,642	-	(93,642)
Total program costs	$ 196,301	115,473	$ (80,828)
Less amount paid by the State[3]		-	
Allowable costs claimed in excess of amount paid		$ 115,473	

[1] Differences in actual costs claimed are due to rounding errors.

[2] See Attachment 2, Review Results.

[3] Payment amount current as of March 7, 2023.

Attachment 2—
Review Results
July 1, 2002, through June 30, 2013

BACKGROUND

Penal Code (PC) section 530.6(a), as added by the Statutes of 2000, Chapter 956, requires a local law enforcement agency to take a police report and begin an investigation when a complainant residing within its jurisdiction reports suspected identity theft.

On March 27, 2009, the Commission on State Mandates (Commission) found that this legislation mandates a new program or higher level of service for local law enforcement agencies within the meaning of Article XIII B, section 6 of the California Constitution, and imposes costs mandated by the State pursuant to Government Code section 17514.

The Commission determined that each claimant is allowed to claim and be reimbursed for the following ongoing activities identified in parameters and guidelines (Section IV., "Reimbursable Activities"):

1. Either a) or b) below:

   a) Take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that personal identifying information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report; or

   b) Reviewing the identity theft report completed on-line by the identity theft victim.

   Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose. The purpose of the investigation is to assist the victims in clearing their names. Reimbursement is not required to complete the investigation for purposes of criminal prosecution.

The Commission also determined that the reimbursable activities do not include providing a copy of the report to the complainant or referring the matter to the law enforcement agency in the location where the suspected crime was committed.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with Government Code section 17558, the State Controller's Office (SCO) issues the *Mandated Cost Manual for Local Agencies (Mandated Cost Manual)* to assist local agencies in claiming mandated program reimbursable costs.

FINDING—Overstated Identity Theft Program costs

The City of Hesperia claimed $196,301 ($102,659 in salary costs and $93,642 in related indirect costs) for the Identity Theft Program. We found that $115,473 is allowable and $80,828 is unallowable. The costs are unallowable because the city claimed unallowable indirect costs.

The city used the correct methodology to calculate salary costs. It multiplied the number of identity theft police reports by the time required to perform the reimbursable activities, and it multiplied the product by hourly rates obtained from the city's contracts with the San Bernardino County Sheriff's Department (SBCSD). The SBCSD's contracts included costs for salaries and benefits, as well as additional administrative costs.

However, the city should have classified its salary costs as contract services costs because no city staff members performed the reimbursable activities. The city contracted with San Bernardino County to have the SBCSD perform all of its law enforcement services during the review period. Therefore, the city did not incur any salary costs—or indirect costs related to salary costs—but rather incurred contract services costs. We reallocated the costs to the appropriate cost category of Contract Services.

The following table summarizes the claimed, allowable, and review adjustment amounts by fiscal year:

			(A)	(B)	(C)	(D)=(A)+(B)+(C)
	Salaries			Related	Contract	Total
Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment	Indirect Cost Adjustment	Services Adjustment	Audit Adjustment
2002-03	$ 5,281	$ -	$ (5,281)	$ (4,890)	$ 5,839	$ (4,332)
2003-04	4,716	-	(4,716)	(3,952)	4,964	(3,704)
2004-05	7,755	-	(7,755)	(5,762)	8,135	(5,382)
2005-06	8,488	-	(8,488)	(6,085)	9,468	(5,105)
2006-07	10,817	-	(10,817)	(10,860)	12,745	(8,932)
2007-08	13,745	-	(13,745)	(13,539)	15,094	(12,190)
2008-09	14,740	-	(14,740)	(13,458)	16,559	(11,639)
2009-10	10,343	-	(10,343)	(9,753)	11,160	(8,936)
2010-11	8,285	-	(8,285)	(7,606)	11,265	(4,626)
2011-12	10,711	-	(10,711)	(10,465)	12,071	(9,105)
2012-13	7,778	-	(7,778)	(7,272)	8,173	(6,877)
Total	$ 102,659	$ -	$ (102,659)	$ (93,642)	$ 115,473	$ (80,828)

Contract Services Costs

The city contracted with San Bernardino County to have the SBCSD provide all of its law enforcement services during the review period. These services included the reimbursable activities claimed for the mandated program. The city contracted for various SBCSD staff positions each fiscal year, and paid the SBCSD annual contract rates for the positions. These positions included, but were not limited to, Deputy Sheriffs, Office Specialists, Sergeants, and Detectives. No city staff members performed any of the reimbursable activities under this program; therefore, the city did not incur salary and related indirect costs as claimed, but rather incurred contract services costs. We reallocated the costs to the appropriate cost category of Contract Services.

Identity Theft Incident Reports

The city stated in its claims that it took 1,341 identity theft incident reports during the review period. We found that the city understated the number of reports taken by 62, and that allowable reports totaled 1,403.

For each fiscal year, the SBCSD provided Excel spreadsheets generated from its Computer Aided Dispatch system to support the claimed number of initial police reports for violations of PC section 530.5. This list of police reports identified the county jurisdiction code, the year of the report, and the report number. The SBCSD also provided a Jurisdiction Reference Chart, which disclosed county jurisdiction codes and jurisdiction codes for the cities that contracted with the county for law enforcement services. The spreadsheets supported 1,403 identity theft incident report filed for the City of Hesperia during the review period.

The following table summarizes the counts of claimed and allowable identity theft cases, and the review adjustment by fiscal year:

Fiscal Year	(A) Claimed Reports	(B) Allowable Reports	(C)=(B)-(A) Review Adjustment
2002-03	94	95	1
2003-04	77	77	-
2004-05	115	115	-
2005-06	116	120	4
2006-07	140	151	11
2007-08	162	168	6
2008-09	171	181	10
2009-10	123	125	2
2010-11	95	117	22
2011-12	144	152	8
2012-13	104	102	(2)
Total	1,341	1,403	62

Time Increments

The parameters and guidelines identify the following reimbursable activities:

- Activity 1a – Taking a police report on a violation of PC section 530.5;
- Activity 1b – Reviewing an online identity theft report completed by a victim; and
- Activity 2 – Beginning an investigation.

The parameters and guidelines specify that Activity 1a "includes drafting, reviewing, and editing the identity theft police report."

For convenience, we separated Activity 1a into two sub-activities:

- Activity 1a.1 – Taking a police report; and
- Activity 1a.2 – Reviewing, editing, and approving a police report.

The city claimed the following time increments for Activity 1a.1 during the review period:

- 32 minutes for a Deputy Sheriff for fiscal year (FY) 2002-03 through FY 2010-11;
- 20.40 minutes for a Deputy Sheriff for FY 2011-12 through FY 2012-13; and
- 9.60 minutes for an Office Specialist for FY 2011-12 through FY 2012-13.

The city claimed 6 minutes for a Sergeant to perform Activity 1a.2 during the review period.

The city claimed the following time increments for Activity 2 during the review period:

- 30 minutes for a Detective for FY 2002-03 through FY 2010-11;
- 22 minutes for a Detective for FY 2011-12; and
- 22 minutes for a Deputy Sheriff for FY 2012-13.

We determined that the time increments are allowable as claimed.

Contract Hourly Rates

The city's claims included copies of the annual contracts that it negotiated with the SBCSD for each year of the review period. Each contract specifies the level of service performed for the city, indicating the number of employees (the *level of service*) in various law enforcement classifications and the county's cost for providing these employees. The county uses this contract to indicate the authorized SBCSD staffing level for each year of the review period. However, none of the contracts identified the total annual hours per service level. As a result of recalculating contract hourly rates, we determined that the city used 1,800 annual productive hours, as specified in the SCO's *Mandated Cost Manual,* for all SBCSD employees.

We used this information to determine the contract hourly billing rates for various employee classifications by using the total contract cost for each employee classification divided by the number of personnel that the county provided. For example, the city's contract for FY 2012-13 indicates that 38 Deputy Sheriffs and seven Sergeants provided law enforcement for the city during the year.

The following table shows the contract hourly rate calculation for Deputy Sheriffs and Sergeants during FY 2012-13:

Employee Classification	Annual Cost	Level of Service	Cost per Employee	Productive Hours	Hourly Rate
Deputy Sheriff	$ 5,636,931	38.00	$ 148,340	1,800	$ 82.41
Sergeant	$ 1,312,529	7.00	$ 187,504	1,800	$ 104.17

The city used the same methodology to calculate billing rates in all of its claims for the review period.

While performing our re-calculations of contract hourly rates, we noted that the city made the following errors:

- For FY 2002-03 and FY 2005-06, the city used costs from the previous fiscal year rather than actual costs from the current year's contract.
- For FY 2010-11, the city used the same hourly rates that it used in FY 2009-10.
- For FY 2012-13, the city calculated the hourly rate for an Office Specialist using data for the Sheriff's Service Specialist classification.

The city's contracts with the SBCSD include various employee classifications and items—such as vehicles, dispatch services, and equipment—that are part of the direct costs incurred to provide law enforcement for the city. However, the contracts also include items that are clearly administrative in nature.

The SCO's *Mandated Cost Manual* states that costs for contract services are allowable and can be claimed using hourly billing rates. However, the SCO's *Mandated Cost Manual* does not provide specific guidance on how to calculate them. In general, an hourly rate for a specific employee classification is determined by dividing the contract cost for an individual employee who performs reimbursable activities by 1,800 annual productive hours. Unfortunately, this method of calculating hourly billing rates does not account for other contract costs, such as administrative costs, that could be reimbursable.

For additional guidance, we reviewed law enforcement service contracts for cities contracting with Los Angeles County. We noted that the County's total costs for various employee classifications included a "liability percentage" in addition to salaries and benefits. A specific liability percentage amount was added to each contract hourly rate. It is our understanding that the liability percentage covers costs for administrative items, such as insurance and central services costs. Although we audited a number of the contracting cities, we did not audit these billing rates.

San Bernardino County does not structure its contracts the same way as Los Angeles County. Instead, San Bernardino County includes administrative costs and indirect costs as separately billed line items in its contracts for law enforcement services. In order to be equitable with other California cities that contract for law enforcement services, we concluded that it was appropriate to allow the city to claim its administrative costs as an addition to the contract hourly rates for employee classifications included in its contracts with the SBCSD.

We calculated an administrative cost percentage for each fiscal year of the review period based on the city's contracts with the SBCSD. To calculate the percentage, we divided the cost of the following line items by the total contract cost:

- Administrative support

- Office automation
- Services and supplies
- Vehicle insurance
- Personnel liability and bonding
- Telephone Reporting Unit – FY 2002-03 and FY 2003-04
- County-wide Cost Allocation Plan (COWCAP) – Administrative and indirect costs
- COWCAP subsidy – One-time for FY 2012-13
- Startup costs – FY 2004-05 through FY 2008-09, and FY 2012-13

The following table shows the allowable administrative cost percentage for each fiscal year during the review period:

Fiscal Year	Allowable Administrative Percentage
2002-03	7.75%
2003-04	5.55%
2004-05	5.18%
2005-06	4.87%
2006-07	5.37%
2007-08	6.19%
2008-09	6.42%
2009-10	6.47%
2010-11	6.26%
2011-12	6.35%
2012-13	7.27%

As previously mentioned, we added all of the items within each contract that we determined were clearly administrative in nature and divided the total by each year's total contract cost to determine the extent that administrative costs were represented in each year's contract. The following table shows how we made this calculation for FY 2012-13:

Cost Category		Contract Amount
Administrative costs:		
Administrative support		$ 46,575
Office automation		40,393
Services and supplies		117,400
Vehicle insurance		44,417
Personnel liability and bonding		162,595
County administrative costs		519,648
Board-approved COWCAP subsidy		(103,930)
Startup costs		25,983
Sub-total		$ 853,081
Total contract amount	÷	11,727,860
Administrative cost percentage		7.27%

Therefore, claimed hourly rates for Deputy Sheriffs and Sergeants increased as follows for FY 2012-13:

Employee Classification	Hourly Rate	Administrative Percentage	Revised Rate
Deputy Sheriff	$ 82.41	7.27%	$ 88.40
Sergeant	$ 104.17	7.27%	$ 111.74

The following table summarizes the claimed and allowable contract hourly rates for Deputy Sheriffs and Office Specialists during the review period, and the difference between those rates:

	Deputy Sheriff				Office Specialist		
Fiscal Year	Claimed Hourly Rate	Allowable Hourly Rate	Rate Difference	Fiscal Year	Claimed Hourly Rate	Allowable Hourly Rate	Rate Difference
2002-03	$ 47.72	$ 51.42	$ 3.70	2002-03	$ -	$ -	$ -
2003-04	51.14	53.98	2.84	2003-04	-	-	-
2004-05	55.44	58.31	2.87	2004-05	-	-	-
2005-06	63.11	65.99	2.88	2005-06	-	-	-
2006-07	66.65	70.23	3.58	2006-07	-	-	-
2007-08	70.31	74.66	4.35	2007-08	-	-	-
2008-09	71.31	75.89	4.58	2008-09	-	-	-
2009-10	69.60	74.11	4.51	2009-10	-	-	-
2010-11	69.60	79.73	10.13	2010-11	-	-	-
2011-12	78.98	84.00	5.02	2011-12	34.94	37.16	2.22
2012-13	82.41	88.40	5.99	2012-13	38.34	38.67	0.33

The following table summarizes the claimed and allowable contract hourly rates for Sergeants during the review period, and the difference between those rates:

	Sergeant		
Fiscal Year	Claimed Hourly Rate	Allowable Hourly Rate	Rate Difference
2002-03	$ 59.50	$ 64.11	$ 4.61
2003-04	63.52	67.05	3.53
2004-05	70.77	74.44	3.67
2005-06	78.31	82.12	3.81
2006-07	83.83	88.33	4.50
2007-08	89.52	95.06	5.54
2008-09	91.35	97.21	5.86
2009-10	89.44	95.23	5.79
2010-11	89.44	103.06	13.62
2011-12	101.63	108.08	6.45
2012-13	104.17	111.74	7.57

The following table summarizes the claimed and allowable contract hourly rates for Detectives during the review period, and the difference between those rates:

	Detective		
Fiscal Year	Claimed Hourly Rate	Allowable Hourly Rate	Rate Difference
2002-03	$ 49.57	$ 55.59	$ 6.02
2003-04	55.24	58.31	3.07
2004-05	61.59	64.78	3.19
2005-06	63.35	71.44	8.09
2006-07	66.65	76.69	10.04
2007-08	76.78	81.53	4.75
2008-09	78.07	83.08	5.01
2009-10	76.04	80.96	4.92
2010-11	82.28	87.43	5.15
2011-12	86.66	92.16	5.50

For the review period, we calculated allowable contract services costs based on the allowable counts of PC section 530.5 identity theft reports, claimed time increments, and allowable contract hourly rates. For example, the following table shows the calculation of allowable contract services costs for FY 2011-12.

		(A)	(B)	(C)	(D)=(A)×(B)×(C)
Reimbursable Activity	SBCSD Staff	Total Allowable Reports	Allowable Time Increment (in hours)	Allowable Contract Hourly Rate	Allowable Costs
1a.1	Deputy Sheriff	152	0.34	$ 84.00	$ 4,341
1a.1	Office Specialist	152	0.16	37.16	904
1a.2	Sergeant	152	0.10	108.08	1,643
2	Detective	152	0.37	92.16	5,183
		Total allowable contract services costs			$ 12,071

We performed similar calculations of allowable contract services costs for each fiscal year of the review period.

Indirect Costs

For the review period, the city included copies of its Indirect Cost Rate Proposals with its mandated cost claims. The city claimed related indirect costs totaling $93,642 for the review period based on $102,659 in claimed salaries and wages related to implementing the Identity Theft Program. We found that the entire amount is unallowable, because no city staff members performed any of the reimbursable activities under this program during the review period. Instead, the city contracted with the SBCSD for all of its law enforcement services during the review period. Therefore, the city did not incur any direct salary costs or related indirect costs.

Furthermore, none of the costs that the city incurred for law enforcement services provided by the SBCSD were indirect costs. The parameters and guidelines (Section V.B., "Indirect Cost Rates") provide that indirect costs

are "incurred for a common or joint purpose, benefiting more than one program, and . . . not directly assignable to a particular department or program." In this instance, there is only one program (law enforcement services provided by a contractor) and there are no departments.

The following table summarizes the claimed, allowable, and review adjustment amounts by fiscal year:

	Claimed		(A)	(B)	(C)=(B)-(A)
Fiscal Year	Salaries Claimed	Indirect Cost Rate	Indirect Costs[1]	Indirect Costs Allowed	Audit Adjustment
2002-03	$ 5,281	92.60%	$ 4,890	$ -	$ (4,890)
2003-04	4,716	83.80%	3,952	-	(3,952)
2004-05	7,755	74.30%	5,762	-	(5,762)
2005-06	8,488	71.70%	6,085	-	(6,085)
2006-07	10,817	100.40%	10,860	-	(10,860)
2007-08	13,745	98.50%	13,539	-	(13,539)
2008-09	14,740	91.30%	13,458	-	(13,458)
2009-10	10,343	94.30%	9,753	-	(9,753)
2010-11	8,285	91.80%	7,606	-	(7,606)
2011-12	10,711	97.70%	10,465	-	(10,465)
2012-13	7,778	93.50%	7,272	-	(7,272)
Total	$ 102,659		$ 93,642	$ -	$ (93,642)

[1] Differences are due to rounding errors.

Criteria

Item 1 of Section III, "Period of Reimbursement," of the parameters and guidelines states, "Actual costs for one fiscal year shall be included in each claim."

Section IV, "Reimbursable Activities," of the parameters and guidelines begins:

> To be eligible for mandated cost reimbursement for any given 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 to 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 sheet, invoices, and receipts.

Section IV continues:

> For each eligible claimant, the following ongoing activities are eligible for reimbursement:
>
> 1. Either a) or b) below:
>
> a) Take a police report supporting a violation of Penal Code section 530.5 which includes information regarding the personal identifying information involved and any uses of that

personal information that were non-consensual and for an unlawful purpose, including, if available, information surrounding the suspected identity theft, places where the crime(s) occurred, and how and where the suspect obtained and used the personal identifying information. This activity includes drafting, reviewing, and editing the identity theft police report; or

b) Reviewing the identity theft report completed on-line by the identity theft victim.

2. Begin an investigation of the facts, including the gathering of facts sufficient to determine where the crime(s) occurred and what pieces of personal identifying information were used for an unlawful purpose. The purpose of the investigation is to assist the victims in clearing their names. Reimbursement is not required to complete the investigation for purposes of criminal prosecution.

Providing a copy of the report to the complainant is not reimbursable under this program.

Referring the matter to the law enforcement agency where the suspected crime was committed for further investigation of the facts is also not reimbursable under this program.

Section V.A.1, "Salaries and Benefits," of the parameters and guidelines states:

> Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

Section V.B, "Indirect Cost Rates," of the parameters and guidelines begins:

> Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include: (1) the overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.
>
> Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in [Title 2, Code of Federal Regulations] Part 225 (Office of Management and Budget [OMB] Circular A-87). Claimants have the option of using 10% of labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) if the indirect cost rate exceeds 10%.

Part 7.3, "Contract Services," of the "Filing a Claim" section of SCO's *Mandated Cost Manual*, dated July 1, 2013, states:

> The cost of contract services is allowable if the local agency lacks the staff resources or necessary expertise, or it is economically feasible to hire a contractor to perform the mandated activity. The claimant must keep documentation on hand to support the name of the contractor, explain the reason for having to hire a contractor, describe the

> mandated activities performed, give the dates when the activities were performed, the number of hours spent performing the mandate, the hourly billing rate, and the total cost. The hourly billing rate must not exceed the rate specified in the [parameters and guidelines] for the mandated program. The contractor's invoice or statement must include an itemized list of costs for activities performed. **A copy of the contract must be included with the submitted claim**.

Recommendation

The State Legislature suspended the Identity Theft Program in the FY 2013-14 through FY 2022-23 Budget Acts. If the program becomes active again, we recommend that the city:

- Adhere to the program's parameters and guidelines and the SCO's *Mandated Cost Manual* when claiming reimbursement for mandated costs; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

Section 10 –

Reimbursement Claims

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program 321
(20) Date Filed ____/____/____	
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Reimbursement Claim Data

(22) FORM-1 (04) 1. a (g)	2,952
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	2,330
(25) FORM-1,(06)	93
(26) FORM-1,(07)	4,890
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(29)	
(30)	
(32)	
(32)	
(33)	
(34)	

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2002-03
Total Claimed	(07)	(13) $10,172
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $10,172
Due from State	(08)	(17) $10,172
Due to State	(09)	(18)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2002-03
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	94	Sheriff

Direct Costs — Object Accounts

(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$2,952					$2,952
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$2,330					$2,330
(05) Total Direct Costs	$5,281					$5,281

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	92.6%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$4,890
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$10,172

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$10,172**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2002-03

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$47.72		50.13	$2,392					$2,392
Sergeant Reviewed the Identity Theft report.	$59.50		9.40	$559					$559
(05) Total			**59.53**	**$2,952**					**$2,952**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2002-03

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

☐ Taking police report in violation of PC Sect 530.5

☐ Reviewing online ID theft report ☒ **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$49.57		47.00	$2,330					$2,330
(05) Total			**47.00**	**$2,330**					**$2,330**

INDIRECT COST RATE PROPOSAL

City of Hesperia

Sheriff

Fiscal Year
2002-03

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$4,015,749		$1,404,194	$2,611,555
Overtime				
Benefits				
Total	$4,015,749		$1,404,194	$2,611,555
Services & Supplies				
Annual Equip Usage Charges	$389,385		$389,385	
Dispatch Service	$234,135		$234,135	
Radar Gun Useage	$731		$731	
Admin Support	$23,335		$23,335	
Office Automation Charge	$9,267		$9,267	
Services & Supplies	$28,500		$28,500	
Vehicle Insurance	$22,226		$22,226	
Personnel Liability & Bonding	$122,235		$122,235	
TRU	$54,354		$54,354	
Startup Costs				
County Admin Costs	$129,827		$129,827	
Total	$1,013,995		$1,013,995	
Capital Expenditures				
Total				
Total Expenditures	**$5,029,744**		**$2,418,189**	**$2,611,555**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs	**$5,029,744**		**$2,418,189**	**$2,611,555**

ICRP RATE = **92.6%**
(Rate is Based on Salaries)

$2,418,189 / $2,611,555 = Total Allowable Indirect Costs / Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2002-03

Name/Position	100% Admin. or Support Staff Annual Salary
Sheriff's Service Specialist (4)	$185,820
Secretary I	$44,320
Station Clerk (6)	$254,784
Captain	$152,532
Lieutenant	$124,144
Sergeant (6)	$642,594

TOTAL INDIRECT SALARIES **$1,404,194**

Schedule A
Law Enforcement Schedule
City of Hesperia

LEVEL OF SERVICE	2000-01 NUM	2000-01 ESTIMATE	2000-01 % OF TOTAL	2002-03 NUM	2002-03 ESTIMATE	2002-03 % OF TOTAL
Captain	1	$ 135,863		1	$ 152,532	
Lieutenant	1	119,365		1	124,144	
Sergeant	6	618,023		6	642,594	
Deputy III	5	446,107		5	464,280	
Deputy II	25	2,062,985		25	2,147,275	
Sheriff's Service Specialist	4	170,986		4	185,820	
Secretary	1	40,651		1	44,320	
Station Clerk	6	233,482		6	254,784	
Sub Total	49	$ 3,827,463	81%	49	$ 4,015,749	80%
Marked Units (1 -- effective 7/1/01)	11	$ 203,423		12	$ 225,192	
Unmarked Units (1 – effective 7/1/01)	7	82,903		8	102,448	
Unmarked Units (Non Code-3) COP Unit	1	5,343		1	5,941	
Mini Van (Non Code-3)	3	20,427		3	20,721	
Motorcycle	1	7,809		1	8,340	
Motorcycle (Grant-funded)	5	7,332		5	15,220	
Citizen Patrol	3	11,523		3	11,523	
Sub Total	31	$ 338,760	7%	33	$ 389,385	8%
Dispatch Services		$ 201,915	4%		$ 234,135	5%
Radar Gun		$ 731			$ 731	
Administrative Support		23,040			23,335	
Office Automation		9,267			9,267	
Services and Supplies		27,000			28,500	
Vehicle Insurance		27,269			22,226	
Personnel Liability & Bonding		121,701			122,235	
TRU - Telephone Reporting Unit		51,341			54,354	
Startup Costs		0			0	
Sub Total		$ 260,349	5%		$ 260,648	5%
County Administrative Cost		$ 123,165	3%		$ 129,827	3%
TOTAL		$ 4,751,653			$ 5,029,744	

Post-it® Fax Note 7671	Date 4-10-07	# of pages ▶ 1
To Annette Chinn	From Gu Pinto	
Co./Dept. Cost Recovery Systems	Co. City of Hesperia	
Phone #	Phone #	
Fax # 916-939-7801	Fax #	

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program 321
(20) Date Filed ___/___/___	
(21) LRS Input ___/___/___	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Reimbursement Claim Data

(22) FORM-1 (04) 1. a (g)	2,589
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	2,127
(25) FORM-1,(06)	84
(26) FORM-1,(07)	3,952
(27) FORM-1,(09)	
(28) FORM-1,(10)	

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐

Fiscal Year of Cost	(06)	(12) 2003-04	(28) FORM-1,(10)	
Total Claimed	(07)	(13) $8,668	(29)	
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)	(30)	
Less: Estimated Claim Payment Received		(15)	(32)	
Net Claimed Amount		(16) $8,668	(32)	
Due from State	(08)	(17) $8,668	(33)	
Due to State	(09)	(18)	(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2003-04
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	77	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$2,589					$2,589
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$2,127					$2,127
(05) Total Direct Costs	$4,716					$4,716

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	83.8%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$3,952
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$8,668

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$8,668**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2003-04

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report

[ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$51.14		41.07	$2,100					$2,100
Sergeant Reviewed the Identity Theft report.	$63.52		7.70	$489					$489
(05) Total			**48.77**	**$2,589**					**$2,589**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2003-04

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[ ] Taking police report in violation of PC Sect 530.5

[ ] Reviewing online ID theft report

[X] **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$55.24		38.50	$2,127					$2,127
(05) Total			**38.50**	**$2,127**					**$2,127**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2003-04

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$4,317,275		$1,401,925	$2,915,350
Overtime				
Benefits				
Total	$4,317,275		$1,401,925	$2,915,350
Services & Supplies				
Annual Equip Usage Charges	$419,830		$419,830	
Dispatch Service	$265,642		$265,642	
Radar Gun Useage	$460		$460	
Admin Support	$25,599		$25,599	
Office Automation Charge	$9,267		$9,267	
Services & Supplies	$30,000		$30,000	
Vehicle Insurance	$18,591		$18,591	
Personnel Liability & Bonding	$72,244		$72,244	
TRU	$59,026		$59,026	
County Admin Costs	$140,026		$140,026	
Total	$1,040,685		$1,040,685	
Capital Expenditures				
Total				
Total Expenditures	**$5,357,960**		**$2,442,610**	**$2,915,350**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs	**$5,357,960**		**$2,442,610**	**$2,915,350**

ICRP RATE = **83.8%**
(Rate is Based on Salaries)

$2,442,610 = Total Allowable Indirect Costs
$2,915,350 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2003-04

100% Admin. or Support Staff

Name/Position	Annual Salary
Sheriff's Service Specialist (4)	$203,392
Secretary I	$48,119
Station Clerk (6)	$276,714
Captain	$172,276
Lieutenant	$132,277
Sergeant (5)	$569,147

TOTAL INDIRECT SALARIES **$1,401,925**

SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
CITY OF HESPERIA
FY03/04

LEVEL OF SERVICE			FY03/04 COST
1	-	Captain	$ 172,276
1	-	Lieutenant	132,277
6	-	Sergeant	685,976
5	-	Detective/Corporal	497,148
25	-	Deputy Sheriff	2,301,373
4	-	Sheriff's Service Specialist	203,392
1	-	Secretary	48,119
6	-	Station Clerk	276,714
12	-	Marked Unit	241,524 [2]
8	-	Unmarked Unit	108,608 [2]
1	-	Unmarked Unit COP	6,251 [2]
3	-	Mini Van (Non-Code 3)	21,351 [2]
5	-	Grant Motorcycle (Grant funded or donated)	16,720 [3]
1	-	Motorcycle	8,772 [2]
4	-	Citizen Patrol	16,604 [2]
		Dispatch Services	265,642
1	-	Radar Unit	460
		Administrative Support	25,599
		Office Automation	9,267
		Services & Supplies	30,000
		Vehicle Insurance	18,591
		Personnel Liability & Bonding	72,244
		TRU - Telephone Reporting Unit	59,026
		County Administrative Cost	140,026
		TOTAL COST:	**$ 5,357,960** [1]

Monthly Payment Schedule:

1st payment due July 15, 2003:	$446,504
2nd through 12th payments due 5th of each month:	$446,496

[1] Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.
[2] Vehicle cost includes fuel and maintenance.
[3] Motorcycles were donated or purchased with grant funds. Annual cost includes fuel and maintenance only. Insurance for these motorcycles is included in the "Vehicle Insurance" amount.

3/27/2003 9:50 AM

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program
(20) Date Filed ____/____/____	321
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Reimbursement Claim Data	
(22) FORM-1 (04) 1. a (g)	4,214
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	3,542
(25) FORM-1,(06)	74
(26) FORM-1,(07)	5,763
(27) FORM-1,(09)	
(28) FORM-1,(10)	

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement X
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2004-05
Total Claimed	(07)	(13) $13,518
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $13,518
Due from State	(08)	(17) $13,518
Due to State	(09)	(18)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2004-05
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	115	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$4,214					$4,214
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$3,542					$3,542
(05) Total Direct Costs	$7,756					$7,756

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	74.3%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$5,763
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$13,518

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$13,518**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2004-05

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$55.44		61.33	$3,400					$3,400
Sergeant Reviewed the Identity Theft report.	$70.77		11.50	$814					$814
(05) Total			**72.83**	**$4,214**					**$4,214**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2004-05

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[ ] Taking police report in violation of PC Sect 530.5

[ ] Reviewing online ID theft report [X] **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$61.59		57.50	$3,542					$3,542
(05) Total			**57.50**	**$3,542**					**$3,542**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2004-05

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$5,003,739		$1,527,837	$3,475,902
Overtime				
Benefits				
Total	$5,003,739		$1,527,837	$3,475,902
Services & Supplies				
Annual Equip Usage Charges	$439,363		$439,363	
Dispatch Service	$300,094		$300,094	
Radar Gun Useage	$460		$460	
Admin Support	$30,089		$30,089	
Office Automation Charge	$9,267		$9,267	
Services & Supplies	$32,250		$32,250	
Vehicle Insurance				
Personnel Liability & Bonding	$79,083		$79,083	
Start up costs	$3,350		$3,350	
County Admin Costs	$160,018		$160,018	
Total	$1,053,974		$1,053,974	
Capital Expenditures				
Total				
Total Expenditures	**$6,057,713**		**$2,581,811**	**$3,475,902**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs	**$6,057,713**		**$2,581,811**	**$3,475,902**

ICRP RATE = **74.3%**
(Rate is Based on Salaries)

$2,581,811 = Total Allowable Indirect Costs
$3,475,902 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2004-05

100% Admin. or Support Staff

Name/Position	Annual Salary
Sheriff's Service Specialist (4)	$217,848
Secretary I	$50,618
Station Clerk (6)	$291,210
Captain	$183,830
Lieutenant	$147,400
Sergeant (5)	$636,931

TOTAL INDIRECT SALARIES **$1,527,837**

SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
CITY OF HESPERIA
2004-05

Add: 1 - Deputy - effective 4/1/05

LEVEL OF SERVICE				FY04/05 COST [1]
1	-	Captain	$	183,830
1	-	Lieutenant		147,400
6	-	Sergeant		764,317
5	-	Detective/Corporal		554,351
28	-	Deputy Sheriff (2 - Effective 7/1/04, 1 - Effective 4/1/05)		2,794,165
4	-	Sheriff's Service Specialist		217,848
1	-	Secretary		50,618
6	-	Station Clerk		291,210
13	-	Marked Unit (1 - Effective 7/1/04)		266,851 [2]
8	-	Unmarked Unit		102,608 [2]
1	-	Unmarked Unit COP		6,251 [2]
2	-	Mini Van (Non-Code 3)		14,234 [2]
1	-	Mini Van (Non-Code 3) w/MDC		10,369 [2]
5	-	Motorcycle (Grant Purchase or Donated)		13,720 [3]
1	-	Motorcycle		8,726 [2]
4	-	Citizen Patrol		16,604 [2]
		Dispatch Services		300,094
1	-	Radar Unit		460
		Administrative Support		30,089
		Office Automation		9,267
		Services & Supplies		32,250
		Vehicle Insurance		0
		Personnel Liability & Bonding		79,083
		County Administrative Cost		160,018
		Startup Costs		3,350
		TOTAL COST (with reduced retirement rate):	**$**	**6,057,713** [1]

Monthly Payment Schedule:

1st payment due July 15, 2004:	$514,008
2nd through 9th payments due 5th of each month:	$514,002
Applied Credits for Jul - Mar (reduction in retirement contribution rate)	($105,802)
10th through 12th payments due 5th of each month:	$512,497 [3]

[1] Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.

[2] Vehicle cost includes fuel and maintenance.

[3] The monthly amounts for the 10th through 12th payments include the reduced retirement contribution rate.

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program
(20) Date Filed ____/____/____	321
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2005-06
Total Claimed	(07)	(13) $14,573
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $14,573
Due from State	(08)	(17) $14,573
Due to State	(09)	(18)

Reimbursement Claim Data	
(22) FORM-1 (04) 1. a (g)	4,813
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	3,674
(25) FORM-1,(06)	72
(26) FORM-1,(07)	6,085
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(29)	
(30)	
(32)	
(32)	
(33)	
(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson — Telephone Numbe aduke@cityofhesperia.us

Finance Director — Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2005-06
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	116	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$4,813					$4,813
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$3,674					$3,674
(05) Total Direct Costs	$8,487					$8,487

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	71.7%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$6,085
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$14,573

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$14,573**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2005-06

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$63.11		61.87	$3,905					$3,905
Sergeant Reviewed the Identity Theft report.	$78.31		11.60	$908					$908
(05) Total			**73.47**	**$4,813**					**$4,813**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2005-06

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

☐ Taking police report in violation of PC Sect 530.5

☐ Reviewing online ID theft report ☒ **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$63.35		58.00	$3,674					$3,674
(05) Total			**58.00**	**$3,674**					**$3,674**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2005-06

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$5,916,218		$1,754,098	$4,162,120
Overtime				
Benefits				
Total	$5,916,218		$1,754,098	$4,162,120
Services & Supplies				
Annual Equip Usage Charges	$544,968		$544,968	
Dispatch Service	$338,765		$338,765	
Radar Gun Useage	$460		$460	
Admin Support	$33,845		$33,845	
Office Automation Charge	$9,267		$9,267	
Services & Supplies	$35,000		$35,000	
Vehicle Insurance	$9,392		$9,392	
Personnel Liability & Bonding	$66,194		$66,194	
Start up costs	$5,053		$5,053	
County Admin Costs	$188,665		$188,665	
Total	$1,231,609		$1,231,609	
Capital Expenditures				
Total				
Total Expenditures	**$7,147,827**		**$2,985,707**	**$4,162,120**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs	**$7,147,827**		**$2,985,707**	**$4,162,120**

ICRP RATE = **71.7%**
(Rate is Based on Salaries)

$2,985,707 = Total Allowable Indirect Costs
$4,162,120 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2005-06

Name/Position	100% Admin. or Support Staff Annual Salary
Sheriff's Service Specialist (5)	$290,480
Secretary I	$52,572
Station Clerk (6)	$336,546
Captain	$206,605
Lieutenant	$163,110
Sergeant (5)	$704,785

Schedule A
Law Enforcement Schedule
City of Hesperia

LEVEL OF SERVICE	2004-05 NUM	2004-05 ESTIMATE	2004-05 % OF TOTAL	2005-06 NUM	2005-06 ESTIMATE	2005-06 % OF TOTAL
Captain	1	$ 189,213		1	$ 206,605	
Lieutenant	1	151,664		1	163,110	
Sergeant	6	786,223		6	845,742	
Deputy III	5	570,171		5	613,065	
Deputy II	27	2,846,345		30	3,408,098	
Sheriff's Service Specialist	4	220,672		5	290,480	
Secretary	1	51,294		1	52,572	
Station Clerk	6	295,098		6	336,546	
Sub Total	51	$ 5,110,680	83%	55	$ 5,916,218	83%
Marked Units (1 -- effective 7/1/01)	13	$ 266,851		16	$ 342,832	
Unmarked Units (1 -- effective 7/1/01)	8	102,608		8	108,608	
Unmarked Units (Non Code-3) COP Unit	1	6,251		1	6,251	
Mini Van (Non Code-3)	3	24,603		2	14,834	
Truck (Includes 800Mhz charges for Truck)				1	5,188	
Mid-size Pickup 4x4				2	24,652	
Motorcycle	1	8,726		1	10,079	
Motorcycle (Grant-funded)	5	13,720		5	14,720	
Citizen Patrol	4	16,604		4	17,804	
Sub Total	35	$ 439,363	7%	40	$ 544,968	8%
Dispatch Services		$ 301,750	5%		$ 338,765	5%
Radar Gun		$ 460			$ 460	
Administrative Support		30,255			33,845	
Office Automation		9,267			9,267	
Services and Supplies		32,000			35,000	
Vehicle Insurance		0			9,392	
Personnel Liability & Bonding		78,624			66,194	
Additional MDCs						
Startup Costs		2,350			5,053	
Sub Total		$ 152,956	2%		$ 159,211	2%
County Administrative Cost		$ 163,281	3%		$ 188,665	3%
TOTAL		$ 6,168,030			$ 7,147,827	
Average cost of Deputy		**$ 105,420**			**$ 113,603**	

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program 321
(20) Date Filed ____/____/____	
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2006-07
Total Claimed	(07)	(13) $21,676
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $21,676
Due from State	(08)	(17) $21,676
Due to State	(09)	(18)

Reimbursement Claim Data

(22) FORM-1 (04) 1. a (g)	6,150
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	4,666
(25) FORM-1,(06)	100
(26) FORM-1,(07)	10,859
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(30)	
(32)	
(32)	
(33)	
(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Revised (12/09)

Form FAM-27

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2006-07
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	140	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$6,150					$6,150
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$4,666					$4,666
(05) Total Direct Costs	$10,816					$10,816

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	100.4%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$10,859
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$21,676

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$21,676**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2006-07

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$66.65		74.67	$4,977					$4,977
Sergeant Reviewed the Identity Theft report.	$83.83		14.00	$1,174					$1,174
(05) Total			**88.67**	**$6,150**					**$6,150**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2006-07

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

- [ ] Taking police report in violation of PC Sect 530.5
- [ ] Reviewing online ID theft report
- [X] **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective (Sergeant) Began an investigation of the facts of the ID Theft cases.	$66.65		70.00	$4,666					$4,666
(05) Total			**70.00**	**$4,666**					**$4,666**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2006-07

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$7,221,809		$2,797,955	$4,423,854
Overtime				
Benefits				
Total	$7,221,809		$2,797,955	$4,423,854
Services & Supplies				
Annual Equip Usage Charges	$744,157		$744,157	
Dispatch Service	$415,700		$415,700	
Radar Gun Useage	$460		$460	
Admin Support	$40,080		$40,080	
Office Automation Charge	$9,267		$9,267	
Services & Supplies	$65,000		$65,000	
Vehicle Insurance	$14,371		$14,371	
Personnel Liability & Bonding	$95,549		$95,549	
Start up costs	$21,180		$21,180	
County Admin Costs	$230,328		$230,328	
Additional MDCs	$9,524		$9,524	
Total	$1,645,616		$1,645,616	
Capital Expenditures				
Total				
Total Expenditures	**$8,867,425**		**$4,443,571**	**$4,423,854**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs			**$4,443,571**	**$4,423,854**

ICRP RATE = **100.4%**
(Rate is Based on Salaries)

$4,443,571 = Total Allowable Indirect Costs
$4,423,854 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2006-07

Name/Position	100% Admin. or Support Staff Annual Salary
Sheriff's Service Specialist (6)	$375,822
Secretary I	$56,359
Office Specialist (7)	$394,510
Captain	$237,494
Lieutenant	$173,370
Sergeant (6)	$905,415
Detective/Corporal (5)	$654,985

TOTAL INDIRECT SALARIES **$2,797,955**

County of San Bernardino

F A S

STANDARD CONTRACT

FOR COUNTY USE ONLY

[ ] New [X] Change [ ] Cancel	Vendor Code	SC	Dept. SHR	A	Contract Number 94-937 A-15
County Department: SHERIFF		Dept.: SHR	Orgn.: SHR		Contractor's License No.
County Department Contract Representative: DENNIS J. CASEY, CAPTAIN		Telephone: (909) 387-0640			Total Contract Amount: $8,867,426

Contract Type: [X] Revenue [ ] Encumbered [ ] Unencumbered [ ] Other:

If not encumbered or revenue contract type, provide reason:

Commodity Code	Contract Start Date	Contract End Date	Original Amount	Amendment Amount
				$8,867,426

Fund	Dept.	Organization	Appr.	Obj/Rev Source	GRC/PROJ/JOB No.	Amount
AAA	SHR	SHR		9565	HESPERIA	$8,867,426

Project Name: Contract Law Enforcement 2006-07

Estimated Payment Total by Fiscal Year					
FY	Amount	I/D	FY	Amount	I/D

THIS CONTRACT is entered into in the State of California by and between the County of San Bernardino, hereinafter called the County, and

Name: City of Hesperia hereinafter called CITY

Address: 15776 Main Street

Hesperia, CA 92345-3454

Telephone: (760) 947-1100 Federal ID No. or Social Security No.:

IT IS HEREBY AGREED AS FOLLOWS:

(Use space below and additional bond sheets. Set forth service to be rendered, amount to be paid, manner of payment, time for performance or completion, determination of satisfactory performance and cause for termination, other terms and conditions, and attach plans, specifications, and addenda, if any.)

FIFTEENTH AMENDMENT

Contract No. 94-937 providing law enforcement service to the City of Hesperia is hereby amended, effective July 1, 2006, by replacing Schedule A, referred to in Paragraph IV, with the Schedule A attached hereto and incorporated herein by reference.

Except as amended, all other terms and conditions of this contract remain as stated therein.

CB CONHesperiaLE A15.DOC

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program
(20) Date Filed ____/____/____	321
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Reimbursement Claim Data	
(22) FORM-1 (04) 1. a (g)	7,525
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	6,219
(25) FORM-1,(06)	99
(26) FORM-1,(07)	13,538
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(29)	
(30)	
(32)	
(32)	
(33)	
(34)	

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2007-08
Total Claimed	(07)	(13) $27,283
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $27,283
Due from State	(08)	(17) $27,283
Due to State	(09)	(18)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321 FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2007-08
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	162	Sheriff

Direct Costs — Object Accounts

(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$7,525					$7,525
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$6,219					$6,219
(05) Total Direct Costs	$13,744					$13,744

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	98.5%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$13,538
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$27,283

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$27,283**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$70.31		86.40	$6,075					$6,075
Sergeant Reviewed the Identity Theft report.	$89.52		16.20	$1,450					$1,450
(05) Total			**102.60**	**$7,525**					**$7,525**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2007-08

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[ ] Taking police report in violation of PC Sect 530.5

[ ] Reviewing online ID theft report [X] **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$76.78		81.00	$6,219					$6,219
(05) Total			**81.00**	**$6,219**					**$6,219**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2007-08

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$8,572,090		$3,212,003	$5,360,087
Overtime				
Benefits				
Total	$8,572,090		$3,212,003	$5,360,087
Services & Supplies				
Annual Equip Usage Charges	$884,542		$884,542	
Dispatch Service	$494,086		$494,086	
Radar Gun Useage	$460		$460	
Admin Support	$43,516		$43,516	
Office Automation Charge	$21,909		$21,909	
Services & Supplies	$95,000		$95,000	
Vehicle Insurance	$39,106		$39,106	
Personnel Liability & Bonding	$161,426		$161,426	
Start up costs	$24,681		$24,681	
County Admin Costs	$273,291		$273,291	
Additional MDCs	$13,550		$13,550	
Taser Replacement	$14,768		$14,768	
Total	$2,066,335		$2,066,335	
Capital Expenditures				
Total				
Total Expenditures	**$10,638,425**		**$5,278,338**	**$5,360,087**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs			**$5,278,338**	**$5,360,087**

ICRP RATE = **98.5%**
(Rate is Based on Salaries)

$5,278,338 = Total Allowable Indirect Costs
$5,360,087 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2007-08

Name/Position	100% Admin. or Support Staff Annual Salary
Sheriff's Service Specialist (8)	$520,088
Secretary I	$58,277
Supv Office Specialist	$69,307
Office Specialist (7)	$466,217
Captain	$255,309
Lieutenant	$184,993
Sergeant (6)	$966,777
Detective/Corporal (5)	$691,035

TOTAL INDIRECT SALARIES **$3,212,003**

SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
CITY OF HESPERIA
2007-08

Additions Effective 7/1/07: 6-Deputies, 1-SSS, 1-Supv OS, 1-OS, 3-Marked Units, 3-4x4 Trucks (1 w/MDC)

LEVEL OF SERVICE			FY2007-08 COST [1]	
1	-	Captain	$ 255,309	
1	-	Lieutenant	184,993	
7	-	Sergeant	1,127,907	
5	-	Detective/Corporal	691,035	
39	-	Deputy Sheriff (6-effective 7/1/07)	4,935,830	
2	-	Deputy Sheriff - Motorcycle	263,127	
8	-	Sheriff's Service Specialist (1-effective 7/1/07)	520,088	
1	-	Secretary	58,277	
1	-	Supv Office Specialist (effective 7/1/07)	69,307	
8	-	Office Specialist (Formerly Station Clerk) (1-effective 7/1/07)	466,217	
24	-	Marked Unit (3-effective 7/1/07)	569,400	[2]
11	-	Unmarked Unit	169,708	[2]
1	-	Unmarked Unit (Non-Code 3)	7,272	[2]
2	-	Mini Van (Non-Code 3)	16,276	[2]
7	-	Midsize Pickup 4X4 (3-effective 7/1/07)	70,035	[2]
1	-	Motorcycle	10,438	[2]
5	-	Motorcycle (Grant Purchase - or Donated)	15,800	[3]
1	-	Truck - Grant Funded	4,261	[3]
4	-	Citizen Patrol	21,352	[2]
		Dispatch Services	494,086	
1	-	Radar Unit	460	
5	-	Additional MDCs (1-effective 7/1/07)	13,550	
52	-	Taser Replacement (Amortized over 4-years)	14,768	
		Administrative Support	43,516	
		Office Automation	21,909	
		Services & Supplies	95,000	
		Vehicle Insurance	39,106	
		Personnel Liability & Bonding	161,426	
		County Administrative Cost	273,291	
		Startup Costs	24,681	
		TOTAL COST:	**$ 10,638,425**	[1]

Monthly Payment Schedule:

1st payment due July 15, 2007:	$886,540
2nd through 12th payments due 5th of each month:	$886,535

[1] Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.

[2] Vehicle cost includes fuel and maintenance.

[3] Vehicles were donated or purchased with grant funds. Annual cost includes fuel and maintenance only. Insurance for these vehicles is included in the "Vehicle Insurance" amount.

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program 321
(20) Date Filed ____/____/____	
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2008-09
Total Claimed	(07)	(13) $28,198
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $28,198
Due from State	(08)	(17) $28,198
Due to State	(09)	(18)

Reimbursement Claim Data	
(22) FORM-1 (04) 1. a (g)	8,066
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	6,675
(25) FORM-1,(06)	91
(26) FORM-1,(07)	13,458
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(29)	
(30)	
(32)	
(32)	
(33)	
(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/13

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2008-09
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	171	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$8,066					$8,066
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$6,675					$6,675
(05) Total Direct Costs	$14,740					$14,740

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	91.3%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$13,458
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$28,198

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$28,198**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$71.31		91.20	$6,504					$6,504
Sergeant Reviewed the Identity Theft report.	$91.35		17.10	$1,562					$1,562
(05) Total			**108.30**	**$8,066**					**$8,066**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2008-09

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

- [ ] Taking police report in violation of PC Sect 530.5
- [ ] Reviewing online ID theft report
- [X] **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$78.07		85.50	$6,675					$6,675
(05) Total			**85.50**	**$6,675**					**$6,675**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2008-09

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$8,969,754		$3,371,283	$5,598,471
Overtime				
Benefits				
Total	$8,969,754		$3,371,283	$5,598,471
Services & Supplies				
Annual Equip Usage Charges	$440,366		$440,366	
Dispatch Service	$502,481		$502,481	
Radar Gun Useage	$460		$460	
Admin Support	$42,347		$42,347	
Office Automation Charge	$21,909		$21,909	
Services & Supplies	$121,647		$121,647	
Vehicle Insurance	$38,131		$38,131	
Personnel Liability & Bonding	$172,928		$172,928	
HTS	$80,032		$80,032	
County Admin Costs	$285,437		$285,437	
Additional MDCs	$13,550		$13,550	
Taser Replacement	$16,472		$16,472	
Startup Costs	$5,512		$5,512	
Total	$1,741,272		$1,741,272	
Capital Expenditures				
Total				
Total Expenditures	**$10,711,026**		**$5,112,555**	**$5,598,471**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs			**$5,112,555**	**$5,598,471**

ICRP RATE = **91.3%**
(Rate is Based on Salaries)

$5,112,555 = Total Allowable Indirect Costs
$5,598,471 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2008-09

Name/Position	100% Admin. or Support Staff Annual Salary
Sheriff's Service Specialist (8)	$506,550
Secretary I	$58,034
Supv Office Specialist	$36,353
Office Specialist (8)	$464,273
Captain	$263,737
Lieutenant	$188,667
Sergeant (8)	$1,151,062
Detective/Corporal (5)	$702,607

SCHEDULE A
LAW ENFORCEMENT SERVICES CONTRACT
CITY OF HESPERIA
2008-09

Rollover (does not include a salary increase for general employees)
Additions: 1-Sergeant & 1-Deputy effective 7/1/08

LEVEL OF SERVICE			FY2008-09 COST	
1	-	Captain	$ 263,737	1
1	-	Lieutenant	188,667	1
8	-	Sergeant (1-effective 7/1/08)	1,315,499	1
5	-	Detective/Corporal	702,607	1
40	-	Deputy Sheriff (1-effectove 7/1/08)	5,134,361	1
2	-	Deputy Sheriff - Motorcycle	266,340	1
8	-	Sheriff's Service Specialist	506,550	1
1	-	Supv Office Specialist	69,686	1
1	-	Secretary	58,034	1
8	-	Office Specialist	464,273	1
24	-	Marked Unit	298,920	2
11	-	Unmarked Unit	71,203	2
1	-	Unmarked Unit (Non-Code 3)	3,205	2
2	-	Mini Van (Non-Code 3)	8,742	2
7	-	Pickup 4X4	41,566	2
1	-	Motorcycle	7,902	2
5	-	Grant Motorcycle (Radio/Communication Costs Only)	3,120	3
1	-	Truck - Grant Funded	624	3
4	-	Citizen Patrol	5,084	3
		Dispatch Services	502,481	1
1	-	Radar Unit	460	
56	-	HTs (Equipment cost)	26,992	
85	-	HTs (Access & Maint Only)	53,040	
5	-	Additional MDCs	13,550	
58	-	Taser Replacement (Amortized over 4-years)	16,472	
		Administrative Support	42,347	
		Office Automation	21,909	
		Services & Supplies	121,647	
		Vehicle Insurance	38,131	
		Personnel Liability & Bonding	172,928	
		County Administrative Cost	285,437	
		Startup Costs	5,512	
		TOTAL COST:	**$ 10,711,026**	1

Monthly Payment Schedule:

1st payment due July 15, 2008:	$892,591
2nd through 12th payments due 5th of each month:	$892,585

[1] Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.

[2] No replacement cost is included for donated and grant-funded vehicles.

[3] Vehicle costs do not include fuel and maintenance. The city is responsible for fuel and maintenance of all contract vehicles. Any fuel and maintenance costs charged to the county will be billed to the city on a quarterly invoice.

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program 321
(20) Date Filed ____/____/____	
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Reimbursement Claim Data	
(22) FORM-1 (04) 1. a (g)	5,666
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	4,677
(25) FORM-1,(06)	94
(26) FORM-1,(07)	9,753
(27) FORM-1,(09)	
(28) FORM-1,(10)	

Type of Claim	Estimated Claim	Reimbursement Claim	Fiscal Year of Cost	Total Claimed	Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)	Less: Estimated Claim Payment Received	Net Claimed Amount	Due from State	Due to State
	(03) Estimated ☐	(09) Reimbursement ☒							
	(04) Combined ☐	(10) Combined ☐							
	(05) Amended ☐	(11) Amended ☐							
Fiscal Year of Cost	(06)	(12) 2009-10							
Total Claimed	(07)	(13) $20,096							
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)							
Less: Estimated Claim Payment Received		(15)							
Net Claimed Amount		(16) $20,096							
Due from State	(08)	(17) $20,096							
Due to State	(09)	(18)							

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2009-10
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	123	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$5,666					$5,666
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$4,677					$4,677
(05) Total Direct Costs	$10,343					$10,343

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	94.3%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$9,753
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$20,096

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$20,096**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2009-10

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$69.60		65.60	$4,566					$4,566
Sergeant Reviewed the Identity Theft report.	$89.44		12.30	$1,100					$1,100
(05) Total			**77.90**	**$5,666**					**$5,666**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2009-10

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

☐ Taking police report in violation of PC Sect 530.5

☐ Reviewing online ID theft report ☒ **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$76.04		61.50	$4,677					$4,677
(05) Total			**61.50**	**$4,677**					**$4,677**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2009-10

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$8,802,868		$3,370,344	$5,432,524
Overtime				
Benefits				
Total	$8,802,868		$3,370,344	$5,432,524
Services & Supplies				
Annual Equip Usage Charges	$443,779		$443,779	
Dispatch Service	$511,776		$511,776	
Radar Gun Useage	$460		$460	
HTs	$80,656		$80,656	
Additional MDCs	$13,550		$13,550	
Taser Replacement	$17,040		$17,040	
Admin Support	$44,321		$44,321	
Ofifce Automation	$21,909		$21,909	
Services & Supplies	$121,647		$121,647	
Vehicle Insurance	$41,738		$41,738	
Personal Liability & Bonding	$172,541		$172,541	
County Admin Costs	$280,769		$280,769	
Total	$1,750,186		$1,750,186	
Capital Expenditures				
Total				
Total Expenditures	**$10,553,054**		**$5,120,530**	**$5,432,524**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs			**$5,120,530**	**$5,432,524**

ICRP RATE = **94.3%**
(Rate is Based on Salaries)

$5,120,530 = Total Allowable Indirect Costs
$5,432,524 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2009-10

Name/Position	100% Admin. or Support Staff Annual Salary
Captain	$271,978
Lieutenant	$184,876
Sergeant (7)	$1,126,893
Detective (5)	$684,382
Sheriff's Services Specialist (8)	$502,099
Supv Office Specialist	$70,946
Secretary	$58,797
Office Specialist (8)	$470,373

TOTAL INDIRECT SALARIES **$3,370,344**

SCHEDULE A
Law Enforcement Services Contract
City of Hesperia
2009-10

Rollover - does not include MOU increases for safety and general employees.

LEVEL OF SERVICE			FY 2009-10 COST	
1.00	-	Captain	$ 271,978	1
1.00	-	Lieutenant	184,876	1
8.00	-	Sergeant	1,287,878	1
5.00	-	Detective/Corporal	684,382	1
40.00	-	Deputy Sheriff	5,011,549	1
2.00	-	Deputy Sheriff - Motorcycle	259,990	1
8.00	-	Sheriff's Service Specialist	502,099	1
1.00	-	Supv Office Specialist	70,946	1
1.00	-	Secretary	58,797	1
8.00	-	Office Specialist	470,373	1
24.00	-	Marked Unit	298,920	2
11.00	-	Unmarked Unit	71,203	2
2.00	-	Unmarked Unit (Non-Code 3 - Citizen Patrol)	6,410	2
2.00	-	Mini Van (Non-Code 3)	8,742	2
10.00	-	Mid-size Pickup	40,050	2
2.00	-	Motorcycle	14,710	2
5.00	-	Grant Motorcycle (Radio/Communication Costs Only)	3,120	3
1.00	-	Truck - Grant Funded	624	3
		Dispatch Services	511,776	1
1.00	-	Radar Unit	460	
56	-	HTs (Amortized over 7-years)	26,992	
86	-	HTs (Access & Maint Only)	53,664	
5	-	Additional MDCs	13,550	
60	-	Taser Replacement (Amortized over 4-years)	17,040	
		Administrative Support	44,321	
		Office Automation	21,909	
		Services & Supplies	121,647	
		Vehicle Insurance	41,738	
		Personnel Liability & Bonding	172,541	
		County Administrative Cost	280,769	
		TOTAL COST:	**$ 10,553,054**	1

COPY

Monthly Payment Schedule

1st payment due July 15, 2009:	$879,423
2nd through 12th payments due the 5th of each month:	$879,421

[1] Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.

[2] Vehicle costs do not include fuel and maintenance. The city is responsible for fuel and maintenance of all contract vehicles. Any fuel and maintenance costs charged to the county will be billed to the city on a quarterly invoice.

[3] No replacement cost is included for donated and grant-funded vehicles.

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program
(20) Date Filed ____/____/____	321
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2010-11
Total Claimed	(07)	(13) $15,890
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $15,890
Due from State	(08)	(17) $15,890
Due to State	(09)	(18)

Reimbursement Claim Data

(22) FORM-1 (04) 1. a (g)	4,376
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	3,908
(25) FORM-1,(06)	92
(26) FORM-1,(07)	7,605
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(29)	
(30)	
(32)	
(32)	
(33)	
(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/24/12

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Revised (12/09)

Form FAM-27

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321 FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2010-11
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	95	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$4,376					$4,376
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$3,908					$3,908
(05) Total Direct Costs	$8,285					$8,285

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	91.8%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$7,605
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$15,890

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$15,890**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2010-11

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy/Officer Taking & drafting the police report in violation of PC 530.5	$69.60		50.67	$3,527					$3,527
Sergeant Reviewed the Identity Theft report.	$89.44		9.50	$850					$850
(05) Total			**60.17**	**$4,376**					**$4,376**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2010-11

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

☐ Taking police report in violation of PC Sect 530.5

☐ Reviewing online ID theft report ☒ **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$82.28		47.50	$3,908					$3,908
(05) Total			**47.50**	**$3,908**					**$3,908**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2010-11

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$9,427,324		$3,571,390	$5,855,934
Overtime				
Benefits				
Total	$9,427,324		$3,571,390	$5,855,934
Services & Supplies				
Annual Equip Usage Charges	$444,267		$444,267	
Dispatch Service	$547,173		$547,173	
Radar Gun Useage	$460		$460	
HTs	$80,032		$80,032	
Additional MDCs	$13,550		$13,550	
Taser Replacement	$17,040		$17,040	
Admin Support	$45,919		$45,919	
Ofifce Automation	$21,909		$21,909	
Services & Supplies	$121,000		$121,000	
Vehicle Insurance	$54,641		$54,641	
Personal Liability & Bonding	$159,660		$159,660	
County Admin Costs	$300,612		$300,612	
Total	$1,806,263		$1,806,263	
Capital Expenditures				
Total				
Total Expenditures	**$11,233,587**		**$5,377,653**	**$5,855,934**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs			**$5,377,653**	**$5,855,934**

ICRP RATE = **91.8%**
(Rate is Based on Salaries)

$5,377,653 = Total Allowable Indirect Costs
$5,855,934 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2010-11

Name/Position	100% Admin. or Support Staff Annual Salary
Captain	$276,804
Lieutenant	$200,153
Sergeant (7)	$1,222,031
Detective (5)	$740,530
Sheriff's Services Specialist (8)	$514,555
Supv Office Specialist	$72,672
Secretary	$60,516
Office Specialist (8)	$484,129

SCHEDULE A
Law Enforcement Services Contract
City of Hesperia
2010-11

LEVEL OF SERVICE			FY 2010-11 COST	
1	-	Captain	$ 276,804	1
1	-	Lieutenant	200,153	1
8	-	Sergeant	1,396,607	1
5	-	Detective/Corporal	740,530	1
40	-	Deputy Sheriff	5,401,867	1
2	-	Deputy Sheriff - Motorcycle	279,491	1
8	-	Sheriff's Service Specialist	514,555	1
1	-	Supv Office Specialist	72,672	1
1	-	Secretary	60,516	1
8	-	Office Specialist	484,129	1
24	-	Marked Unit	298,920	2
11	-	Unmarked Unit	71,335	2
2	-	Marked Citizen Patrol sedan (Non-code 3)	6,410	2
2	-	Mini Van (Non-Code 3)	8,742	2
10	-	Mid-size Pickup	40,050	2
2	-	Motorcycle	15,066	2
5	-	Grant Motorcycle (Radio/Communication Costs Only)	3,120	3
1	-	Truck - Grant Funded	624	3
		Dispatch Services	547,173	1
1	-	Radar Unit	460	
56	-	HTs (Amortized over 7-years)	26,992	
85	-	HTs (Access & Maint Only)	53,040	
5	-	Additional MDCs	13,550	
60	-	Taser Replacement (Amortized over 4-years)	17,040	
		Administrative Support	45,919	
		Office Automation	21,909	
		Services & Supplies	121,000	
		Vehicle Insurance	54,641	
		Personnel Liability & Bonding	159,660	
		County Administrative Cost	300,612	
		TOTAL COST:	**$ 11,233,587**	1

Monthly Payment Schedule

1st payment due July 15, 2010:	$936,135
2nd through 12th payments due the 5th of each month:	$936,132

1 Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.

2 Vehicle costs do not include fuel and maintenance. The city is responsible for fuel and maintenance of all contract vehicles. Any fuel and maintenance costs charged to the county will be billed to the city on a quarterly invoice.

3 No replacement cost is included for donated and grant-funded vehicles.

SCHEDULE A
Law Enforcement Services Contract
City of Hesperia
2010-11

Additional Costs Billed Quarterly:

The City will be billed on a quarterly basis for the following items:

- Actual overtime cost.
- Actual on-call cost (on-call pay for safety employees for FY2010-11 is $175 per week).
- Actual cost of vehicle fuel and maintenance.
- Professional services from private vendors and other services, supplies and personnel costs above the contract formula.

LEVEL OF SERVICE SUMMARY

SAFETY:		
Captain	-	1.00
Lieutenant	-	1.00
Sergeant	-	8.00
Detective/Corporal	-	5.00
Deputy Sheriff	-	40.00
Deputy Sheriff - Motor	-	2.00
		57.00

GENERAL:		
Sheriff's Service Specialist	-	8.00
Secretary I	-	1.00
Supv Office Specialist	-	1.00
Office Specialist	-	8.00
Dispatchers	-	6.96
		24.96

VEHICLES:		
Marked Patrol Units	-	24
Unmarked Units Code 3	-	11
Unmarked Non-Code 3	-	2
Mini Vans	-	2
Pickup Trucks	-	11
Motorcycles	-	7
		57

MISCELLANEOUS EQUIPMENT:		
Radar Trailer	-	1
Utility Trailer	-	1
Enclosed Trailer	-	1
Grant-funded Trailer	-	1
		4

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program
(20) Date Filed ___/___/___	321
(21) LRS Input ___/___/___	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Type of Claim	Estimated Claim	Reimbursement Claim
	(03) Estimated ☐	(09) Reimbursement ☒
	(04) Combined ☐	(10) Combined ☐
	(05) Amended ☐	(11) Amended ☐
Fiscal Year of Cost	(06)	(12) 2011-12
Total Claimed	(07)	(13) $21,176
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)		(14)
Less: Estimated Claim Payment Received		(15)
Net Claimed Amount		(16) $21,176
Due from State	(08)	(17) $21,176
Due to State	(09)	(18)

Reimbursement Claim Data

(22) FORM-1 (04) 1. a (g)	6,136
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	4,576
(25) FORM-1,(06)	98
(26) FORM-1,(07)	10,465
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(29)	
(30)	
(32)	
(32)	
(33)	
(34)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 1/15/13

Brian Johnson

Finance Director

Telephone Number aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

Revised (12/09)

Form FAM-27

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321
FORM
1

(01) Claimant	(02) Type of Claim		Fiscal Year
City of Hesperia	Reimbursement	X	2011-12
	Estimated		(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	144	Sheriff

Direct Costs	Object Accounts					
(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$6,136					$6,136
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$4,576					$4,576
(05) Total Direct Costs	$10,711					$10,711

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	97.7%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$10,465
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$21,176

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$21,176**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2011-12

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Office Specialist	$34.94		23.04	$805					$805
Deputy/Officer	$78.98		48.96	$3,867					$3,867
Taking & drafting the police report in violation of PC 530.5									
Sergeant	$101.63		14.40	$1,463					$1,463
Reviewed the Identity Theft report.									
(05) Total			**86.40**	**$6,136**					**$6,136**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2011-12

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

- [ ] Taking police report in violation of PC Sect 530.5
- [ ] Reviewing online ID theft report
- [X] **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Detective Began an investigation of the facts of the ID Theft cases.	$86.66		52.80	$4,576					$4,576
(05) Total			**52.80**	**$4,576**					**$4,576**

INDIRECT COST RATE PROPOSAL

City of Hesperia

Sheriff

Fiscal Year 2011-12

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$9,169,766		$3,653,444	$5,516,322
Overtime				
Benefits				
Total	$9,169,766		$3,653,444	$5,516,322
Services & Supplies				
Annual Equip Usage Charges	$425,195		$425,195	
Dispatch Service	$507,524		$507,524	
Radar Gun Useage	$460		$460	
HTs	$80,032		$80,032	
Additional MDCs	$13,550		$13,550	
Taser Replacement	$15,620		$15,620	
Admin Support	$41,664		$41,664	
Ofifce Automation	$26,180		$26,180	
Services & Supplies	$112,000		$112,000	
Vehicle Insurance	$52,711		$52,711	
Personal Liability & Bonding	$168,174		$168,174	
County Admin Costs	$291,554		$291,554	
Total	$1,734,664		$1,734,664	
Capital Expenditures				
Total				
Total Expenditures	**$10,904,430**		**$5,388,108**	**$5,516,322**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs			**$5,388,108**	**$5,516,322**

ICRP RATE = **97.7%**
(Rate is Based on Salaries)

$5,388,108 = Total Allowable Indirect Costs
$5,516,322 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2011-12

100% Admin. or Support Staff

Name/Position	Annual Salary
Captain	$269,278
Lieutenant	$209,955
Sergeant (7)	$1,280,510
Detective (5)	$779,975
Sheriff's Services Specialist (8)	$535,083
Supervising Office Specialist	$75,474
Secretary	$62,896
Office Specialist (7)	$440,273

TOTAL INDIRECT SALARIES **$3,653,444**

SCHEDULE A
Law Enforcement Services Contract
City of Hesperia
2011-12

Less: 5 Deputies and 2 Marked Units

LEVEL OF SERVICE			FY 2011-12 COST	
1.00	-	Captain	$ 269,278	1
1.00	-	Lieutenant	209,955	1
8.00	-	Sergeant	1,463,440	1
5.00	-	Detective/Corporal	779,975	1
35.00	-	Deputy Sheriff (less 5 effective 7/1/11)	4,975,998	1
2.00	-	Deputy Sheriff - Motorcycle	294,004	1
8.00	-	Sheriff's Service Specialist	535,083	1
1.00	-	Supv Office Specialist	75,474	1
1.00	-	Secretary	62,896	1
8.00	-	Office Specialist	503,169	1
22.00	-	Marked Unit (less 2 effective 7/1/11)	268,136	2
11.00	-	Unmarked Unit	82,247	2
2.00	-	Marked Citizen Patrol Sedan	7,210	2
2.00	-	Pickup Truck	8,742	2
10.00	-	Mid-size Pickup	40,050	2
2.00	-	Motorcycle	15,560	2
5.00	-	Grant Motorcycle (Radio/Communication Costs Only)	3,120	3
1.00	-	Truck - Grant Funded	624	3
		Dispatch Services	507,524	1
1.00	-	Radar Unit	460	
56	-	HTs (Amortized over 7-years)	26,992	
85	-	HTs (Access & Maint Only)	53,040	
5	-	Additional MDCs	13,550	
55	-	Taser Replacement (Amortized over 4-years)	15,620	
		Administrative Support	41,664	
		Office Automation	26,180	
		Services & Supplies	112,000	
		Vehicle Insurance	52,711	
		Personnel Liability & Bonding	168,174	
		County Administrative Cost	291,554	
		TOTAL COST:	**$ 10,904,430**	1

Monthly Payment Schedule

1st payment due July 15, 2011:	$908,708
2nd through 12th payments due the 5th of each month:	$908,702

[1] Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.

[2] Vehicle costs do not include fuel and maintenance. The city is responsible for fuel and maintenance of all contract vehicles. Any fuel and maintenance costs charged to the county will be billed to the city on a quarterly invoice.

[3] No replacement cost is included for donated and grant-funded vehicles.

SCHEDULE A
Law Enforcement Services Contract
City of Hesperia
2011-12

Additional Costs Billed Quarterly:

The City will be billed on a quarterly basis for the following items:

- Actual overtime cost.
- Actual on-call cost (on-call pay for safety employees for FY2011-12 is $185 per week).
- Actual cost of vehicle fuel and maintenance.
- Professional services from private vendors and other services, supplies and personnel costs above the contract formula.

LEVEL OF SERVICE SUMMARY

SAFETY:		
Captain	-	1.00
Lieutenant	-	1.00
Sergeant	-	8.00
Detective/Corporal	-	5.00
Deputy Sheriff	-	35.00
Deputy Sheriff - Motor	-	2.00
		52.00

GENERAL:		
Sheriff's Service Specialist	-	8.00
Secretary I	-	1.00
Supv Office Specialist	-	1.00
Office Specialist	-	8.00
Dispatchers	-	6.22
		24.22

VEHICLES:		
Marked Patrol Units	-	22
Unmarked Units Code 3	-	11
Unmarked Non-Code 3	-	2
Pickup Trucks	-	13
Motorcycles	-	7
Donated Vehicles-Ins Only	-	4
		59 *

DONATED VEHICLES:		
Radar Trailer	-	1 *
Utility Trailer	-	1 *
Enclosed Trailer	-	1 *
Grant-funded Trailer	-	1 *
		4 *

* (Included for insurance costs only)

Claim for Payment
Pursuant to Government Code Section 17561
IDENTITY THEFT

For State Controller Use Only	
(19) Program Number: 000321	Program
(20) Date Filed ____/____/____	321
(21) LRS Input ____/____/____	

(01) Claimant Identification Number	9836367
(02) Claimant Name	City of Hesperia
Mailing Address	
Street Address or P.O. Box	9700 Seventh Street
City	Hesperia
State CA	Zip Code 92345

Reimbursement Claim Data	
(22) FORM-1 (04) 1. a (g)	4,635
(23) FORM-1 (04) 1. b) (g)	
(24) FORM-1 (04) 2. (g)	3,143
(25) FORM-1,(06)	94
(26) FORM-1,(07)	7,273
(27) FORM-1,(09)	
(28) FORM-1,(10)	
(29)	
(30)	
(32)	
(32)	
(33)	
(34)	

Type of Claim	Estimated Claim		Reimbursement Claim	
	(03) Estimated	☐	(09) Reimbursement	X
	(04) Combined	☐	(10) Combined	☐
	(05) Amended	☐	(11) Amended	☐
Fiscal Year of Cost	(06)		(12)	2012-13
Total Claimed	(07)		(13)	$15,051
Less: 10% Late Penalty, but not to exceed $1,000 (if applicable)			(14)	
Less: Estimated Claim Payment Received			(15)	
Net Claimed Amount			(16)	$15,051
Due from State	(08)		(17)	$15,051
Due to State	(09)		(18)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file 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 Government Code Sections 1090 to 1098, inclusive.

I further certify that there was no application for nor any grant or payment received, other that from the claimant, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program. All offsetting savings and reimbursements set forth in the Parameters and Guidelines are identified, and all costs claimed are supported by source documents currently maintained by the claimant.

The amount for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs set forth on the attached statement. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature of Authorized Representative

Date Signed 2/7/14

Brian Johnson

Finance Director

Telephone Numbe aduke@cityofhesperia.us

Email Address (760) 947-1441

Name of Contact Person for Claim	Telephone Number	E-Mail Address
Annette S. Chinn (CRS)	*(916) 939-7901*	*AChinnCRS@aol.com*

MANDATED COSTS
IDENTITY THEFT
CLAIM SUMMARY

Prog 321 FORM 1

(01) Claimant	(02) Type of Claim	Fiscal Year
City of Hesperia	Reimbursement [X]	2012-13
	Estimated [ ]	(see FAM-27 for estimate)

Claim Statistics

(03) Department	Number of Cases:	104	Sheriff

Direct Costs — Object Accounts

(04) Reimbursable Activities	(a) Salaries	(b) Benefits	(c) Materials and Supplies	(d) Contract Services	(e) Fixed Assets	(g) Total
1. Choose either a) or b)						
a) Taking police report in violation of PC Sect 530.5	$4,635					$4,635
b) Reviewing online ID Theft Report						
2. Investigation of the facts	$3,143					$3,143
(05) Total Direct Costs	$7,778					$7,778

Indirect Costs

(06) Indirect Cost Rate (applied to salaries)	(from ICRP) (Applied to Salaries)	93.5%
(07) Total Indirect Costs	Line (06) x line (05)(a) or line(06) x [line (05)(a) + line(05)(b)]	$7,273
(08) Total Direct and Indirect Costs	Line (05)(d) + line (07)	$15,051

Cost Reductions

(09) Less: Offsetting Savings, if applicable		
(10) Less: Other Reimbursements, if applicable		
(13) Total Claimed Amount	Line (08)- (line(09) + Line(10)]	**$15,051**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2012-13

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

[X] **Taking police report in violation of PC Sect 530.5**

[ ] Reviewing online ID theft report [ ] Investigation of facts

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Office Specialist	$38.34		16.64	$638					$638
Deputy/Officer	$82.41		35.36	$2,914					$2,914
Taking & drafting the police report in violation of PC 530.5									
Sergeant	$104.17		10.40	$1,083					$1,083
Reviewed the Identity Theft report.									
(05) Total			**62.40**	**$4,635**					**$4,635**

Program 321	MANDATED COSTS IDENTITY THEFT ACTIVITY COST DETAIL	FORM 2

(01) Claimant: City of Hesperia **(02) Fiscal Year Costs Were Incurred:** 2012-13

(03) Reimbursable Components: Check only one box per form to identify the component being claimed

☐ Taking police report in violation of PC Sect 530.5

☐ Reviewing online ID theft report ☒ **Investigation of facts**

(04) Description of Expenses: Complete columns (a) through (f)

(a) Employee Names, Job Class., Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	Benefit Rate	Hours Worked or Quantity	Salaries	Benefits	(d) Material and Supplies	(e) Contract Services	(f) Fixed Assets	(c) Total Salaries & Benefits
Deputy Began an investigation of the facts of the ID Theft cases.	$82.41		38.13	$3,143					$3,143
(05) Total			**38.13**	**$3,143**					**$3,143**

INDIRECT COST RATE PROPOSAL
City of Hesperia
Sheriff
Fiscal Year 2012-13

Description of Costs	Total Costs	Excludable Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Salaries & Benefits				
Salaries & Wages	$9,785,284		$3,725,086	$6,060,198
Overtime				
Benefits				
Total	$9,785,284		$3,725,086	$6,060,198
Services & Supplies				
Annual Equip Usage Charges	$428,293		$428,293	
Dispatch Service	$561,093		$561,093	
Radar Gun Useage	$460		$460	
HTs	$80,032		$80,032	
Additional MDCs	$3,300		$3,300	
Taser Replacement	$16,317		$16,317	
Admin Support	$46,575		$46,575	
Ofifce Automation	$40,393		$40,393	
Services & Supplies	$117,400		$117,400	
Vehicle Insurance	$44,417		$44,417	
Personal Liability & Bonding	$162,595		$162,595	
County Admin Costs	$415,718		$415,718	
Start up costs	$25,983		$25,983	
Total	$1,942,576		$1,942,576	
Capital Expenditures				
Total				
Total Expenditures	**$11,727,860**		**$5,667,662**	**$6,060,198**
Cost Plan Costs				
Total				
Total Alloc. Indirect Costs			**$5,667,662**	**$6,060,198**

ICRP RATE = **93.5%**
(Rate is Based on Salaries)

$5,667,662 = Total Allowable Indirect Costs
$6,060,198 Total Direct Salaries

City of Hesperia
Sheriff
Fiscal Year
2012-13

100% Admin. or Support Staff

Name/Position	Annual Salary
Captain	$282,185
Lieutenant	$218,100
Sergeant (7.5)	$1,230,496
Detective (5)	$814,006
Sheriff's Services Specialist (7.5)	$517,650
Supv Office Specialist	$78,492
Secretary	$65,083
Office Specialist (8)	$519,074

SCHEDULE A
Law Enforcement Services Contract
City of Hesperia
2012-13

Contract changes effective 7/1/12 - Personnel: Add 3-Deputies, Less 1-Sgt
Vehicles: Add 3-Tahoes, 2-Trucks, less 5-Crown Victorias

LEVEL OF SERVICE				FY 2012-13 COST	
1.00	-	Captain	$	282,185	[1]
1.00	-	Lieutenant		218,100	[1]
7.00	-	Sergeant		1,312,529	[1]
5.00	-	Detective/Corporal		814,006	[1]
38.00	-	Deputy Sheriff		5,636,931	[1]
2.00	-	Deputy Sheriff - Motorcycle		306,724	[1]
8.00	-	Sheriff's Service Specialist		552,160	[1]
1.00	-	Supv Office Specialist		78,492	[1]
1.00	-	Secretary		65,083	[1]
8.00	-	Office Specialist		519,074	[1]
17.00	-	Marked Unit		203,986	[2]
11.00	-	Unmarked Unit		79,497	[2]
3.00	-	Marked 4X4 Tahoe		45,439	[2]
16.00	-	Mid-size Pickup		81,035	[2]
2.00	-	Motorcycle		16,464	[2]
2.00	-	Grant Motorcycle (Radio/Communication Costs Only)		1,248	[3]
1.00	-	Truck - Grant Funded		624	[3]
		Dispatch Services		561,093	[1]
1.00	-	Radar Unit		460	
56	-	HTs (Amortized over 7-years)		26,992	
85	-	HTs (Access & Maint Only)		53,040	
5	-	Additional MDCs		3,300	
49	-	Taser Replacement (Amortized over 4-years)		16,317	
		Administrative Support		46,575	
		Office Automation		40,393	
		Services & Supplies		117,400	
		Vehicle Insurance		44,417	
		Personnel Liability & Bonding		162,595	
		County Administrative Cost (COWCAP)		519,648	
		Board Approved COWCAP Subsidy (one-time)		(103,930)	
		Startup Costs		25,983	
		TOTAL COST:	**$**	**11,727,860**	[1]

Monthly Payment Schedule

1st payment due July 15, 2012 (includes COWCAP subsidy):	$	968,663	[4]
2nd through 6th payments (includes COWCAP subsidy):	$	968,661	[4]
7th through 12th payments due 5th of each month:	$	985,982	

[1] Personnel costs include salary and benefits and are subject to change by Board of Supervisors' action.

[2] Vehicle costs do not include fuel and maintenance. The city is responsible for fuel and maintenance of all contract vehicles. Any fuel and maintenance costs charged to the county will be billed to the city on a quarterly invoice.

[3] No replacement cost is included for donated and grant-funded vehicles.

[4] On June 15, 2012, the Board of Supervisors approved a 6-month delay in the implementation of the COWCAP rate increase from 3% to 5% of contract salaries and benefits. The resultant cost savings is reflected in the first six monthly payments.

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 April 15, 2026, I served the:

- **Current Mailing List dated April 15, 2026**
- **Notice of Complete Incorrect Reduction Claim, Schedule for Comments, and Notice of Tentative Hearing Date issued April 15, 2026**
- **Incorrect Reduction Claim filed by the City of Hesperia on February 18, 2026**

  Identity Theft, 25-0308-I-02
  Statutes 2000, Chapter 956 (AB 1897); Penal Code Section 530.6(a)
  Fiscal Years: 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013
  City of Hesperia, 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

April 15, 2026 at Sacramento, California.

Jill Magee

Jill Magee
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
(916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 4/15/26

Claim Number: 25-0308-I-02

Matter: Identity Theft

Claimant: City of Hesperia

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.)

Rachelle Anema, Assistant Auditor-Controller, *County of Los Angeles*
Accounting Division, 500 W. Temple Street, Los Angeles, CA 90012
Phone: (213) 974-8321
RANEMA@auditor.lacounty.gov

Lili Apgar, Specialist, *State Controller's Office*
Local Reimbursements Section, 3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 324-0254
lapgar@sco.ca.gov

Socorro Aquino, *State Controller's Office*
Division of Audits, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 322-7522
SAquino@sco.ca.gov

Aaron Avery, Legislative Representative, *California Special Districts Association*
1112 I Street Bridge, Suite 200, Sacramento, CA 95814
Phone: (916) 442-7887
Aarona@csda.net

David Bass, Vice Mayor, *CIty of Rocklin*
3970 Rocklin Road, Rocklin, CA 95677
Phone: (916) 663-8504
David.Bass@rocklin.ca.us

Ginni Bella Navarre, Deputy Legislative Analyst, *Legislative Analyst's Office*
925 L Street, Suite 1000, Sacramento, CA 95814
Phone: (916) 319-8342
Ginni.Bella@lao.ca.gov

Jonathan Borrego, City Manager, *City of Oceanside*
300 North Coast Highway, Oceanside, CA 92054
Phone: (760) 435-3065
citymanager@oceansideca.org

Casey Brooksher, Finance and Administrative Services Director, *City of Hesperia*
Claimant Contact
9700 Seventh Street, Hesperia, CA 92345
Phone: (707) 947-1813
cbrooksher@cityofhesperia.us

Guy Burdick, Consultant, *MGT Consulting*
2251 Harvard Street, Suite 134, Sacramento, CA 95815
Phone: (916) 833-7775
gburdick@mgtconsulting.com

Allan Burdick,
7525 Myrtle Vista Avenue, Sacramento, CA 95831
Phone: (916) 203-3608
allanburdick@gmail.com

Rica Mae Cabigas, Chief Accountant, *Auditor-Controller*
Accounting Division, 500 West Temple Street, Los Angeles, CA 90012
Phone: (213) 974-8309
rcabigas@auditor.lacounty.gov

Evelyn Calderon-Yee, Bureau Chief, *State Controller's Office*
Local Government Programs and Services Division, Bureau of Payments, 3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 324-5919
ECalderonYee@sco.ca.gov

Sheri Chapman, General Counsel, *League of California Cities*
1400 K Street, Suite 400, Sacramento, CA 95814
Phone: (916) 658-8267
schapman@calcities.org

Ali Chemkhi, Senior Supervising Accountant/Auditor, *County of San Bernardino*
Office of Auditor-Controller, 268 West Hospitality Lane, Fourth Floor, San Bernardino, CA 92415-0018
Phone: (909) 382-7035
ali.chemkhi@sbcountyatc.gov

Annette Chinn, *Cost Recovery Systems, Inc.*
Claimant Representative
705-2 East Bidwell Street, #294, Folsom, CA 95630
Phone: (916) 939-7901
achinncrs@aol.com

Carolyn Chu, Senior Fiscal and Policy Analyst, *Legislative Analyst's Office*
925 L Street, Suite 1000, Sacramento, CA 95814
Phone: (916) 319-8326
Carolyn.Chu@lao.ca.gov

Michael Coleman, *Coleman Advisory Services*
2217 Isle Royale Lane, Davis, CA 95616

Phone: (530) 758-3952
coleman@muni1.com

Nicole Denow, Chief Deputy City Attorney, *City of San Diego*
Environment Section, 1200 Third Avenue, Suite 1100, San Diego, CA 92101
Phone: (619) 533-6173
NDenow@sandiego.gov

Kevin Fisher, Assistant City Attorney, *City of San Jose*
Environmental Services, 200 East Santa Clara Street, 16th Floor, San Jose, CA 95113
Phone: (408) 535-1987
kevin.fisher@sanjoseca.gov

Juliana Gmur, Executive Director, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
juliana.gmur@csm.ca.gov

Chris Hill, Principal Program Budget Analyst, *Department of Finance*
Local Government Unit, 915 L Street, 8th Floor, Sacramento, CA 95814
Phone: (916) 445-3274
Chris.Hill@dof.ca.gov

Tiffany Hoang, Associate Accounting Analyst, *State Controller's Office*
Local Government Programs and Services Division, Bureau of Payments, 3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 323-1127
THoang@sco.ca.gov

Ken Howell, Senior Management Auditor, *State Controller's Office*
Audits, Compliance Audits Bureau, 3301 C Street, Suite 725A, Sacramento, CA 95816
Phone: (916) 323-2368
KHowell@sco.ca.gov

Jason Jennings, Director, *Maximus Consulting*
Financial Services, 808 Moorefield Park Drive, Suite 205, Richmond, VA 23236
Phone: (804) 323-3535
SB90@maximus.com

Angelo Joseph, Supervisor, *State Controller's Office*
Local Government Programs and Services Division, Bureau of Payments, 3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 323-0706
AJoseph@sco.ca.gov

Emma Jungwirth, Senior Legislative Advocate, *California State Association of Counties (CSAC)*
1100 K Street, Ste 101, Sacramento, CA 95814
Phone: (916) 650-8115
ejungwirth@counties.org

Anne Kato, Acting Chief, *State Controller's Office*
Local Government Programs and Services Division, 3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 322-9891
akato@sco.ca.gov

Jevin Kaye, Finance Director, *City of Rancho Cucamonga*
10500 Civic Center Drive, Rancho Cucamonga, CA 91729

Phone: (909) 774-2403
jevin.kaye@cityofrc.us

Anita Kerezsi, *AK & Company*
2425 Golden Hill Road, Suite 106, Paso Robles, CA 93446
Phone: (805) 239-7994
akcompanysb90@gmail.com

Joanne Kessler, Fiscal Specialist, *City of Newport Beach*
Revenue Division, 100 Civic Center Drive , Newport Beach, CA 90266
Phone: (949) 644-3199
jkessler@newportbeachca.gov

Lisa Kurokawa, Bureau Chief for Audits, *State Controller's Office*
Compliance Audits Bureau, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 327-3138
lkurokawa@sco.ca.gov

Government Law Intake, *Department of Justice*
Attorney General's Office, 1300 I Street, Suite 125, PO Box 944255, Sacramento, CA 94244-2550
Phone: (916) 210-6046
governmentlawintake@doj.ca.gov

Fernando Lemus, Principal Accountant - Auditor, *County of Los Angeles*
Auditor-Controller's Office, 500 West Temple Street, Room 603, Los Angeles, CA 90012
Phone: (213) 974-0324
flemus@auditor.lacounty.gov

Erika Li, Chief Deputy Director, *Department of Finance*
915 L Street, 10th Floor, Sacramento, CA 95814
Phone: (916) 445-3274
erika.li@dof.ca.gov

Kenneth Louie, Chief Counsel , *Department of Finance*
1021 O. Street, Suite 3110, Sacramento, CA 95814
Phone: (916) 322-0971
Kenny.Louie@dof.ca.gov

Everett Luc, Accounting Administrator I, Specialist, *State Controller's Office*
3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 323-0766
ELuc@sco.ca.gov

Jill Magee, Program Analyst, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
Jill.Magee@csm.ca.gov

Suresh Malkani, Finance Director, *Town of Apple Valley*
14955 Dale Evans Parkway, Apple Valley, CA 92307
Phone: (760) 240-7000
smalkani@applevalley.org

Darryl Mar, Manager, *State Controller's Office*
Local Reimbursements Section, 3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 323-0706
DMar@sco.ca.gov

Frederick Mayo, Water Utilities Director, *City of Oceanside*
300 N. Coast Highway, Oceanside, CA 92054
Phone: (760) 435-5827
fmayo@oceansideca.org

Michelle Mendoza, *MAXIMUS*
17310 Red Hill Avenue, Suite 340, Irvine, CA 95403
Phone: (949) 440-0845
michellemendoza@maximus.com

Kaleb Neufeld, Assistant Controller, *City of Fresno*
2600 Fresno Street, Fresno, CA 93721
Phone: (559) 621-2489
Kaleb.Neufeld@fresno.gov

Rosanna Nguyen, Program Budget Manager, *Department of Finance*
Local Government Unit, 915 L. Street, Sacramento, CA 95814
Phone: (916) 445-3274
Rosanna.Nguyen@dof.ca.gov

Andy Nichols, *Nichols Consulting*
1857 44th Street, Sacramento, CA 95819
Phone: (916) 455-3939
andy@nichols-consulting.com

Erika Opp, Administrative Analyst, *City of St. Helena*
City Clerk, 1480 Main Street, St. Helena, CA 94574
Phone: (707) 968-2743
eopp@cityofsthelena.gov

Arthur Palkowitz, *Law Offices of Arthur M. Palkowitz*
12807 Calle de la Siena, San Diego, CA 92130
Phone: (858) 259-1055
law@artpalk.onmicrosoft.com

Kirsten Pangilinan, Specialist, *State Controller's Office*
Local Reimbursements Section, 3301 C Street, Suite 740, Sacramento, CA 95816
Phone: (916) 322-2446
KPangilinan@sco.ca.gov

Johnnie Pina, Legislative Policy Analyst, *League of Cities*
1400 K Street, Suite 400, Sacramento, CA 95814
Phone: (916) 658-8214
jpina@cacities.org

Trevor Power, Accounting Manager, *City of Newport Beach*
100 Civic Center Drive, Newport Beach , CA 92660
Phone: (949) 644-3085
tpower@newportbeachca.gov

Roberta Raper, Director of Finance, *City of West Sacramento*
1110 West Capitol Ave, West Sacramento, CA 95691
Phone: (916) 617-4509
robertar@cityofwestsacramento.org

Chad Rinde, Director of Finance, *County of Sacramento*
700 H Street, Room 3650, Sacramento, CA 95814

Phone: (916) 874-7248
RindeC@SacCounty.gov

Cindy Sconce, Director, *Government Consulting Partners*
5016 Brower Court, Granite Bay, CA 95746
Phone: (916) 276-8807
cindysconcegcp@gmail.com

Carla Shelton, Senior Legal Analyst, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
carla.shelton@csm.ca.gov

Camille Shelton, Chief Legal Counsel, *Commission on State Mandates*
980 9th Street, Suite 300, Sacramento, CA 95814
Phone: (916) 323-3562
camille.shelton@csm.ca.gov

Paul Steenhausen, Principal Fiscal and Policy Analyst, *Legislative Analyst's Office*
925 L Street, Suite 1000, , Sacramento, CA 95814
Phone: (916) 319-8303
Paul.Steenhausen@lao.ca.gov

Julie Testa, Vice Mayor, *City of Pleasanton*
123 Main Street PO Box520, Pleasanton, CA 94566
Phone: (925) 872-6517
Jtesta@cityofpleasantonca.gov

Jolene Tollenaar, *MGT Consulting Group*
2251 Harvard Street, Suite 134, Sacramento, CA 95815
Phone: (916) 243-8913
jolenetollenaar@gmail.com

Robert Torrez, Interim Chief Financial Officer, *City of Huntington Beach*
2000 Main Street, Huntington Beach, CA 92648
Phone: (714) 536-5630
robert.torrez@surfcity-hb.org

Jessica Uzarski, Consultant, *Senate Budget and Fiscal Review Committee*
1020 N Street, Room 502, Sacramento, CA 95814
Phone: (916) 651-4103
Jessica.Uzarski@sen.ca.gov

Alejandra Villalobos, Management Services Manager, *County of San Bernardino*
Office of Auditor-Controller, 222 West Hospitality Lane, Forth Floor, San Bernardino, CA 92415
Phone: (909) 382-3191
alejandra.villalobos@sbcountyatc.gov

Renee Wellhouse, *David Wellhouse & Associates, Inc.*
3609 Bradshaw Road, H-382, Sacramento, CA 95927
Phone: (916) 797-4883
dwa-renee@surewest.net

Adam Whelen, Director of Public Works, *City of Anderson*
1887 Howard St., Anderson, CA 96007
Phone: (530) 378-6640
awhelen@ci.anderson.ca.us

Arthur Wylene, General Counsel, *Rural County Representatives of California (RCRC)*
1215 K Street, Suite 1650, Sacramento, CA 95814
Phone: (916) 447-4806
awylene@rcrcnet.org

Elisa Wynne, Staff Director, *Senate Budget & Fiscal Review Committee*
California State Senate, State Capitol Room 5019, Sacramento, CA 95814
Phone: (916) 651-4103
elisa.wynne@sen.ca.gov

Kaily Yap, Budget Analyst, *Department of Finance*
Local Government Unit, 915 L Street, Sacramento, CA 95814
Phone: (916) 445-3274
Kaily.Yap@dof.ca.gov

Siew-Chin Yeong, Director of Public Works, *City of Pleasonton*
3333 Busch Road, Pleasonton, CA 94566
Phone: (925) 931-5506
syeong@cityofpleasantonca.gov

Traci Young, IS Project Director, *City and County of San Francisco*
San Francisco Public Utilities Commission (SFPUC), 525 Golden Gate Ave, San Francisco, CA 94102
Phone: (415) 653-2583
tmyoung@sfwater.org

Aly Zimmermann, CIty Manager, *City of Rocklin*
3970 Rocklin Road, Rocklin, CA 95677
Phone: (916) 625-5585
alyz@rocklin.ca.us

Helmholst Zinser-Watkins, Associate Governmental Program Analyst, *State Controller's Office*
Local Government Programs and Services Division, Bureau of Payments, 3301 C Street, Suite 700, Sacramento, CA 95816
Phone: (916) 324-7876
HZinser-watkins@sco.ca.gov