

SANTA CLARA COUNTY

Audit Report

SEXUALLY VIOLENT PREDATORS PROGRAM

Chapter 762, Statutes of 1995; Chapter 763, Statutes of 1995;
and Chapter 4, Statutes of 1996

July 1, 2006, through June 30, 2009



JOHN CHIANG
California State Controller

June 2011



JOHN CHIANG
California State Controller

June 30, 2011

The Honorable Dave Cortese, President
Santa Clara County Board of Supervisors
70 West Hedding Street, East Wing, 10th Floor
San Jose, CA 95110

Dear Mr. Cortese:

The State Controller's Office audited the costs claimed by Santa Clara County for the legislatively mandated Sexually Violent Predators Program (Chapter 762, Statutes of 1995; Chapter 763, Statutes of 1995; and Chapter 4, Statutes of 1996) for the period of July 1, 2006, through June 30, 2009.

The county claimed \$4,120,191 for the mandated program. Our audit disclosed that \$3,944,454 is allowable and \$175,737 is unallowable. The costs are unallowable because the county overstated productive hourly rates; understated salaries, benefits, and related indirect costs; and understated services and supplies costs. The State paid the county \$4,120,191. The State will offset \$175,737 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

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

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/sk

cc: Vinod K. Sharma, Director of Finance
Santa Clara County
Jesus Perez, Senior Accountant
Controller-Treasurer Department
Santa Clara County
Jeff Carosone, Principal Program Budget Analyst
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Audit Report

Summary

The State Controller's Office audited the costs claimed by Santa Clara County for the legislatively mandated Sexually Violent Predators Program (Chapter 762, Statutes of 1995; Chapter 763, Statutes of 1995; and Chapter 4, Statutes of 1996) for the period of July 1, 2006, through June 30, 2009.

The county claimed \$4,120,191 for the mandated program. Our audit disclosed that \$3,944,454 is allowable and \$175,737 is unallowable. The costs are unallowable because the county overstated productive hourly rates; understated salaries, benefits, and related indirect costs; and understated services and supplies costs. The State paid the county \$4,120,191. The State will offset \$175,737 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

Background

Welfare and Institutions Code sections 6250 and 6600 through 6608 (added by Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) establish new civil commitment procedures for the continued detention and treatment of sexually violent offenders following their completion of a prison term for certain sex-related offenses. Before detention and treatment are imposed, the county attorney is required to file a petition for civil commitment. A trial is then conducted to determine if the inmate is a sexually violent predator. If the inmate accused of being a sexually violent predator is indigent, the test claim legislation requires counties to provide the indigent with the assistance of counsel and experts necessary to prepare a defense.

On June 25, 1998, the Commission on State Mandates (CSM) determined that Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996, imposed a reimbursable state mandate under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on September 24, 1998 and amended them on October 30, 2009. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Legislatively Mandated Sexually Violent Predators Program for the period of July 1, 2006, through June 30, 2009.

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

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

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

Conclusion

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

For the audit period, Santa Clara County claimed \$4,120,191 for costs of the Legislatively Mandated Sexually Violent Predators Program. Our audit disclosed that \$3,944,454 is allowable and \$175,737 is unallowable.

For the fiscal year (FY) 2006-07 claim, the State paid the county \$1,224,218. Our audit disclosed that \$1,102,071 is allowable. The State will offset \$122,147 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

For the FY 2007-08 claim, the State paid the county \$1,384,394. Our audit disclosed that \$1,336,148 is allowable. The State will offset \$48,246 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

For the FY 2008-09 claim, the State paid the county \$1,511,579. Our audit disclosed that \$1,506,235 is allowable. The State will offset \$5,344 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

Views of Responsible Official

We issued a draft audit report on June 15, 2011. Vinod K. Sharma, Director of Finance, responded by letter dated June 27, 2011 (Attachment) agreeing with the audit results except for Finding 1. This final audit report includes the county's response.

Restricted Use

This report is solely for the information and use of Santa Clara 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
Chief, Division of Audits

June 30, 2011

**Schedule 1—
Summary of Program Costs
July 1, 2006, through June 30, 2009**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2006, through June 30, 2007</u>				
Direct costs:				
Salaries and benefits	\$ 652,526	\$ 528,893	\$ (123,633)	Findings 1, 2
Services and supplies	327,247	364,360	37,113	Finding 3
Total direct costs	979,773	893,253	(86,520)	
Indirect costs	244,445	208,818	(35,627)	Findings 1, 2
Total program costs	<u>\$ 1,224,218</u>	1,102,071	<u>\$ (122,147)</u>	
Less amount paid by the State		<u>(1,224,218)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (122,147)</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Direct costs:				
Salaries and benefits	\$ 775,565	\$ 686,458	\$ (89,107)	Findings 1, 2
Services and supplies	343,046	410,075	67,029	Finding 3
Total direct costs	1,118,611	1,096,533	(22,078)	
Indirect costs	265,783	239,615	(26,168)	Findings 1, 2
Total program costs	<u>\$ 1,384,394</u>	1,336,148	<u>\$ (48,246)</u>	
Less amount paid by the State		<u>(1,384,394)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (48,246)</u>		
<u>July 1, 2008, through June 30, 2009</u>				
Direct costs:				
Salaries and benefits	\$ 815,274	\$ 775,534	\$ (39,740)	Findings 1, 2
Services and supplies	385,528	438,320	52,792	Finding 3
Total direct costs	1,200,802	1,213,854	13,052	
Indirect costs	310,777	292,381	(18,396)	Findings 1, 2
Total program costs	<u>\$ 1,511,579</u>	1,506,235	<u>\$ (5,344)</u>	
Less amount paid by the State		<u>(1,511,579)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (5,344)</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>Summary: July 1, 2006, through June 30, 2009</u>				
Direct costs:				
Salaries and benefits	\$ 2,243,365	\$ 1,990,885	\$ (252,480)	
Services and supplies	<u>1,055,821</u>	<u>1,212,755</u>	<u>156,934</u>	
Total direct costs	3,299,186	3,203,640	(95,546)	
Indirect costs	<u>821,005</u>	<u>740,814</u>	<u>(80,191)</u>	
Total program costs	<u>\$ 4,120,191</u>	3,944,454	<u>\$ (175,737)</u>	
Less amount paid by the State		<u>(4,120,191)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (175,737)</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

**FINDING 1—
Overstated productive
hourly rates**

The county overstated allowable salaries and benefits costs by \$171,615 for the audit period. The related unallowable indirect costs totaled \$63,307. The overstated costs occurred because the county understated annual productive hours in its calculation of productive hourly rates for each fiscal year of the audit period.

The following table summarizes the audit adjustment amounts for the District Attorney’s Office and the Public Defender’s Office by fiscal year:

Productive Hourly Rate Adjustment	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Salaries and benefits:				
District Attorney	\$ (23,848)	\$ (29,624)	\$ (25,276)	\$ (78,748)
Public Defender	(29,193)	(27,319)	(36,355)	(92,867)
Total salaries and benefits	(53,041)	(56,943)	(61,631)	(171,615)
Indirect costs:				
District Attorney	(5,323)	(5,741)	(5,894)	(16,958)
Public Defender	(14,548)	(14,194)	(17,607)	(46,349)
Total indirect costs	(19,871)	(19,935)	(23,501)	(63,307)
Total audit adjustment	\$ (72,912)	\$ (76,878)	\$ (85,132)	\$ (234,922)

Countywide Annual Productive Hours

For all fiscal years of the audit period, we recalculated employee productive hourly rates using each employee’s annual salary divided by the supported countywide annual productive hours.

Fiscal Year 2006-07

For fiscal year (FY) 2006-07, the county based its countywide productive hourly rates on 1,537 productive hours per employee (1,536.98 rounded). From 1,769.22 annual average gross productive hours per employee, the county excluded (1) 96 holiday hours, (2) 110.58 daily break time hours, and (3) 25.66 training hours. However, we determined that the deductions for daily break time and employee training are unallowable. Therefore, we recalculated productive hours to be 1,673 (1,769.22 average gross productive hours per employee less 96 allowable holiday hours), or $1,769.22 - 96 = 1,673.22$. We rounded the allowable productive hours to 1,673.

Fiscal Year 2007-08

For FY 2007-08, the county based its countywide productive hourly rates on 1,551.70 productive hours per employee. From 1,679.60 annual average gross productive hours per employee, the county excluded (1) 104.98 daily break time hours and (3) 22.93 training hours. However, we determined that the deductions for daily break time and employee training are unallowable. Therefore, the allowable productive hours are 1,680 (rounded).

Fiscal Year 2008-09

For FY 2008-09, the county based its countywide productive hourly rates on 1,580 productive hours per employee. From 1,709.39 annual average gross productive hours per employee, the county excluded (1) 106.83 daily break time hours and (2) 22.07 training hours. However, we determined that the deductions for daily break time and employee training are unallowable. Therefore, the allowable productive hours are 1,709 (rounded).

Unallowable Training Hour Deduction

The county deducted training hours to calculate countywide average annual productive hours. The deduction is unallowable because the county did not provide documentation substantiating the training hours that it deducted. In addition, the deducted training hours include training that benefits specific programs or employee classifications.

The county's payroll system includes a training code to track employees' training hours. Employees charged time to the training code for the following types of training:

1. Training required by employees' bargaining unit agreements, training for licensure/certification requirements, and continuing education for specific job classifications such as attorneys, probation officers, real estate property appraisers, physicians, and nurses
2. California Commission on Peace Officer Standards and Training (POST) training for law enforcement personnel
3. County-required training such as new employee orientation, supervisory training, safety seminars, and software classes

Items 1 and 2 above identify training hours that pertain to specific programs or employee classifications. As such, it is inappropriate to deduct these hours when calculating countywide average annual productive hours.

While it might be appropriate to deduct some training hours identified in item 3 above, the county did not:

- Separately identify and provide supporting documentation for these training hours;
- Provide documentation showing that it required the training for all county employees; or
- Provide documentation showing that employees did not otherwise charge the training time to specific programs.

Unallowable Break Time Deduction

When calculating annual productive hours, the county also deducted authorized break time rather than actual break time taken. The county did not adjust for break time directly charged to program activities and deducted break time per bargaining unit contract agreements. As the county did not keep track of actual break time taken by employees, it cannot deduct estimated break time from its calculations of annual productive hours.

In addition, we noted numerous instances in which eight hours per day were being claimed as a direct cost in the county's mandated cost claims for time spent by county employees on reimbursable activities. The county cannot include authorized break time in its countywide productive hourly rate calculations and then also claim the time spent on employee breaks as time spent on program activities. To do so means that costs are being claimed twice. Based on our reviews of employee time logs, we believe that county employees are not limiting the amount of time being posted to program activities to 7.5 hours per day. Our calculations of allowable costs were based on the time recorded by county employees on their time logs. We did not make any deductions for employee break time because there was no evidence showing that breaks were actually taken.

The parameters and guidelines (section VA(1)–Claim Preparation and Submission–Supporting Documentation–Salaries and Benefits) state, “Identify the employee(s) and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed and specify the actual time devoted to each reimbursable activity by each employee, productive hourly rate, and related fringe benefits.”

The parameters and guidelines (section IV–Reimbursable Activities) state, “To be eligible for mandated cost reimbursement, 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 state-mandated program.”

Recommendation

We recommend that the county establish and implement procedures to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

The State Controller's draft audit report pertaining to the County's SB 90 Sexually Violent Predators states:

1. *In calculating the countywide productive hours, the county included unallowable deductions for training. The county deducted training hours to calculate countywide average annual productive hours. The deduction is unallowable because the county did not provide documentation substantiating the training hours that it deducted. In addition, the deducted training hours included training that benefits specific programs or employee classifications....*
2. *When calculating annual productive hours, the county also deducted authorized break time rather than actual break time taken. The county did not adjust for break time directly charged to program activities and deducted break time per bargaining unit contract agreements. As the county did not keep track of actual break time taken by employees, it cannot deduct estimated break time from its calculation of annual productive hours.....*

We like to point out an anomaly in the above argument. Part 1 and 2 of the paragraph summarizing the findings mention that the training and authorized break time are both unallowable whereas in the finding it states that the County deducted training time pertaining to required licensure/certification rather than actual training hours. Therefore, the State has determined that the exclusion of training time from productive hours is appropriate, as long as the exclusion is documented based on actual training hours received. The comments proceed further to state that the County deducted authorized break time rather than actual break time taken. Therefore, as with training time, the State has agreed that the exclusion of actual break-time from the calculation of productive hours is allowable.

The County first implemented the County-wide calculation of productive hours in FY 2000-01. Claims filed for this fiscal year were based on calculations that included training time received by employees as reported by County departments, based on collective bargaining agreements or rosters related to actual training sessions that were conducted. Break-time was similarly calculated, based on requirements of collective bargaining agreements and State law. For all subsequent fiscal years, the County has modified the automated payroll system to capture actual hours of training by individual employee for all County departments.

Regarding the reporting of actual break-time taken by employees, while our automated payroll system can accommodate such a change, we believe the additional time and cost of recording such information would exceed the value of the information obtained, since it can readily be determined by simple calculation. This conclusion is consistent with OMB A-87 cost allocation principles, which limit the effort expected of state and local governments to calculate indirect costs when such costs are "... not readily assignable...without effort disproportionate to the results achieved." In the case of daily break-time required by both State law and collective bargaining agreements, the recording of actual break-time taken twice daily by more than 15,000 employees during 250 workdays per year would not result in the determination of a materially different amount of actual time taken than could be readily

calculated pursuant to the 30 minutes daily standard specified by the collective bargaining agreements. Further, because the County has directed all employees to limit the daily reporting of hours worked to 7.5 hours and not 8 hours, there will be no over charging of costs to SB 90, when preparing SB 90 claims.

According to our study and examination of the State Controller claiming instructions, the time spent on training, authorized breaks, etc, should be removed for the calculation of productive hours. The worksheets were also provided to the State audit staff. We encouraged the SCO auditors to sample test training hours to the supporting documents which are filed with the County departments for detail explanation, but SCO auditors did not want to expand their scope of their audit to include this step.

Further, before the introduction of the countywide productive hour policy in the County of Santa Clara in our letter of December 27, 2001, we notified the State Controller that the County was electing to change its SB 90 claiming procedures related to the calculation of productive hourly rates. The County reported that the switch to a countywide methodology for the calculation of average countywide productive hours per position would improve SB 90 claiming accuracy, consistency, and documentation and facilitate the State audit function. Consequently, many claims have been submitted and accepted during the past ten years using the countywide methodology. We advised state audit staff and provided a copy of the County's letter dated December 27, 2001 and explained our understanding of the SB 90 instructions pertaining to the calculation of productive hours. During the audit of this claim, State auditors were unable to provide any written State procedures, regulations or other legal authority to refute our interpretation of Section 7 of the State Controller's SB 90 Claiming Instructions for Cities, Counties and Special Districts.

Subsequent to the audit of selected SB 90 claims and the exit conference held on September 29, 2003, an email dated February 6, 2004 from the Audit Division of the State Controller's Office in reply to our letter of response to the State's audit findings. The email stated that the State would accept the usage of a countywide productive hourly rate with certain conditions. For your ready reference the email from the Audit Division of the State Controller's Office dated February 6, 2004 is reproduced below.

Copy of email dated February 6, 2004 from Jim Spano to the County of Santa Clara:

Ram,

I reviewed the county's proposal dated December 19, 2001, to use countywide Productive hours and have discussed your analysis with my staff and Division of Accounting and reporting staff. The use of countywide productive hours would be acceptable to the State Controller's Office provided all employee classifications are included and productive hours are consistently used for all county programs (mandated and non-mandated).

The SCO's Mandated Cost Manual (claiming instructions), which includes guidelines for preparing mandated cost claims, does not identify the time spent on training and authorized

breaks as deductions (excludable components) from total hours when computing productive hours. However, if a county chooses to deduct time for training and authorized breaks in calculating countywide productive hours, its accounting system must separately identify the actual time associated with these two components. The accounting system must also separately identify training time directly charged to program activities. Training time directly charged to program activities may not be deducted when calculating productive hours.

The countywide productive hours used by Santa Clara County were not consistently applied to all mandates for FY 2000-01. Furthermore, countywide productive hours used during the audit periods include unallowable deductions for time spent on training and authorized breaks. The county deducted training time based on hours required by employees' bargaining unit agreement and continuing education requirements for licensure/certification rather than actual training hours taken. In addition, the county deducted authorized break time rather than actual break time taken. The county did not adjust for training time and break time directly charged to program activities during the audit period, and therefore, cannot exclude those hours from productive hours.

If you would like to discuss the above further, please contact me.

Jim Spano

In response to the issues raised by Mr. Spano in the above email, the recording of actual training time by the County's automated payroll system was accomplished. Regarding the recording of actual daily break-time for all 15,000 county employees, we believe the implementation of this requirement would be an accounting exercise that would not result in a benefit to the State or the County commensurate with the required effort and cost.

We accept your statement that the use of countywide productive hours would be acceptable to the State Controller's Office provided all employee classifications are included and productive hours are consistently used for all county programs (mandates and non-mandated). In addition to SB 90 claims, we are already using these productive hourly rates for fees and charges, grants and other cost claiming purposes.

We therefore request you to reconsider your views on the usage of countywide productive hourly rate policy and rework the numbers in the report to reflect the correct costs allowed. In respect of all other points we concur with the audit findings. We request you to recalculate the unallowable costs based on our reply.

SCO’s Comment

Our finding and recommendation remain unchanged.

We concur with the county’s conclusions that the deduction of training time and actual break time taken can be included in the calculation of annual productive hours. However, the county has not yet provided any evidence to us that the training hours being deducted from productive hours are applicable to county-required training attended by all county employees, nor is there an accounting system in place to deduct only actual break time taken by all county employees.

Training Hours

We concur that the county provided documentation showing how it calculated the deduction of non-productive time for employee training.

The following table summarizes the calculations for the training time deduction which are shown in the county’s analysis of actual hours for all county employees by fiscal year:

<u>Fiscal Year</u>	<u>Training Codes</u>	(A) <u>Training Hours</u>	(B) <u>Full-Time Positions</u>	<u>Training Deduction (col. (A)÷(B))</u>
2006-07	ZTT	378,633	14,756	25.66
2007-08	ZTT/6TT	360,279	15,715	22.93
2008-09	ZTT/6TT	319,441	14,471	22.07

In its response, the county states, “We encouraged the SCO auditors to sample test training hours to the supporting documents which are filed with the County departments for detailed explanation, but SCO auditors did not want to expand their scope of their audit to include this step.” We disagree. We asked the county to provide documentation of countywide generic training versus training specific to particular programs, departments, or employee classifications. We also asked the county to support that time recorded in its payroll system for training codes ZTT and 6TT are for county-required training attended by all county employees. However, the county chose not to gather the requested information. It is not the auditor’s responsibility to gather this information for the county. If the county is subsequently able to provide documentation supporting that the time spent by county employees for training codes ZTT and 6TT was spent for countywide generic training, we will adjust the audit finding as appropriate.

Employee Break Time

We concur that the county provided documentation showing how it calculated the deduction of non-productive time for employee breaks. These documents state that “Two 15-minute daily breaks per bargaining unit contracts have been taken for the regular hours @0.5 hour per 8 hour [sic] worked and paid as regular time.”

The following table summarizes the calculations for the break time deduction which are shown in the county's analysis of actual hours for all county employees by fiscal year:

Fiscal Year	(A) Total Hours	(B) Full-Time Positions	Break Deduction (col. (A)÷(B))
2006-07	1,631,718	14,756	110.58
2007-08	1,649,761	15,715	104.98
2008-09	1,545,937	14,471	106.83

The county is calculating employee break time taken based on collective bargaining agreements rather than actual break time taken. It is irrelevant whether the county has correctly assumed that all employees take all authorized break time. The county's accounting system did not consistently limit hours reported to 7.5 hours works or otherwise reflect actual break time taken. Furthermore, when calculating the break time deduction for average annual productive hours, the county did not address instances in which employees work less than 8 hours a day nor addressed employees who work alternate work schedules (i.e., 9- or 10-hour workdays with regularly scheduled non-work days).

In its response, the county states that calculations for break time were "based on requirements of collective bargaining agreements and State law." We believe that this is an inaccurate statement; the county is required to provide break time, but employees are not required to take break time. In addition, the failure to document actual break time is contrary to standard federal time accounting guidance. The U.S. Department of Health and Human Services' *Implementation Guide for Office of Management and Budget Circular A-87 (ASMBC-10)* states, "A PAR [personnel activity report] is a timesheet or log maintained by the employee *which contemporaneously accounts for 100% of their time*. The objective is to identify effort spent on multiple activities or programs. *Breaks, meals, generic training, etc.* can all be coded to a single activity such as "admin" or "other," which in turn would be reallocated to the activities or programs [emphasis added]."

In its response, the county also stated, "Further, because the county has directed all employees to limit the daily reporting of hours worked to 7.5 hours and not 8 hours, there will be no overcharging of costs to SB 90, *when preparing SB 90 claims*" [emphasis added]. From our perspective, this does not constitute consistent break time accounting for all county programs (mandated and non-mandated). In addition, the actual mandated program employee timesheets that we reviewed show that employees did not consistently exclude "authorized" break time when reporting hours worked. We reviewed the case logs which the county provided to support the time spent on Sexually Violent Predator cases by employees of the District Attorney's Office and the Public Defender's Office. These case logs showed that while some employees limited their time reporting to 7.5 hours daily, other employees charged 8 hours or more per day to time spent on mandated activities. Duplicate reimbursed hours result when employees charge all time spent daily to program activities, yet the county continues to identify 0.5 hours daily as nonproductive time in its calculation of countywide annual productive hours.

In our audit report, we noted that our calculations of allowable costs were based on the time recorded by county employees on time logs. We did not make any deductions for employee break time taken because there was no evidence showing that breaks were actually taken.

Summary

The county cannot infer that SCO accepted its methodology simply because the county notified the SCO of its methodology on December 27, 2001. In its response, the county states that “many claims have been submitted and accepted during the past ten years using the countywide methodology.” However, we have not accepted the county’s methodology regarding deductions from productive hours for training time and break time in prior audits.

We audited the following county mandated programs as follows and reported the same issue:

Program	Audit Period	Audit Report Date
Domestic Violence		
Treatment Services	July 1, 1998-June 30, 2001	February 26, 2004
Open Meetings Act	July 1, 1998-June 30, 2001	February 26, 2004
Sexually Violent Predators	July 1, 1998-June 30, 2001	July 30, 2004
Absentee Ballots	July 1, 2000-June 30, 2003	June 30, 2005
Child Abduction and Recovery	July 1, 1999-June 30, 2002	March 17, 2006
Peace Officers Procedural		
Bill of Rights	July 1, 2003-June 30, 2006	May 14, 2008
Child Abduction and Recovery	July 1, 2003-June 30, 2007	December 4, 2009

The county states that “During the audit of this claim, State auditors were unable to provide any written State procedures, regulations, or other legal authority to refute our interpretation of Section 7 of the State Controller’s SB 90 Claiming Instructions, for Cities, Counties, and Special Districts.” We disagree. Our audit report noted the specific language contained in the parameters and guidelines for the mandated program that specify the documentation requirements for direct costs. In addition, Section 8 of SCO’s Local Agencies Mandated Cost Manual provides guidance for claiming direct costs. Section 8 begins by stating “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.” Section 8(a)(1) of the manual goes on to provide guidance for the available options to calculate productive hourly rates. At this time, the SCO’s claiming instructions do not identify training and authorized break time as deductions from total hours for calculating productive hours.

While we concur with the *concept* of deducting time spent for training by employees on a countywide basis and actual break time taken in the calculation of productive hours, we do not concur with the specific methodology that the county presented.

**FINDING 2—
Understated salaries,
benefits, and related
indirect costs**

The county claimed \$1,049,166 for salaries and benefits during the audit period for the District Attorney’s Office. We determined that \$889,553 is allowable and \$159,613 is unallowable. In addition to unallowable salary and benefit costs for the District Attorney’s Office totaling \$78,748 that were identified in Finding 1, we noted additional unallowable salaries and benefits totaling \$80,865. The additional related unallowable indirect costs totaled \$16,884.

Unallowable costs totaling \$80,865 occurred because the county claimed costs that were unsupported (\$2,181), not adequately supported by corroborating documentation (\$68,679), duplicated (\$32,174), unallowable under the mandated program (\$11,616), and based on an overstated benefit rate (\$1,313). The county also underclaimed costs for time spent on mandated activities (\$35,088), and underclaimed costs because of minor mathematical errors when preparing claim forms (\$10).

The following table summarizes the audit adjustment amounts by reason and fiscal year:

Unallowable Costs	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Unsupported costs	\$ (1,913)	\$ -	\$ (268)	\$ (2,181)
Estimated costs	(68,679)	-	-	(68,679)
Duplicate costs	-	(32,174)	-	(32,174)
Unallowable costs	-	-	(11,616)	(11,616)
Overstated benefit rate	-	-	(1,313)	(1,313)
Understated costs	-	-	35,088	35,088
Claim preparation errors	-	10	-	10
Total salary and benefits costs	(70,592)	(32,164)	21,891	(80,865)
Related indirect costs	(15,756)	(6,233)	5,105	(16,884)
Total audit adjustment	<u>\$ (86,348)</u>	<u>\$ (38,397)</u>	<u>\$ 26,996</u>	<u>\$ (97,749)</u>

Fiscal Year 2006-07

We determined that \$70,592 claimed for salaries and benefits for FY 2006-07 is unallowable. The unallowable costs occurred because costs were unsupported or not based on corroborating documentation.

Unsupported Costs

The county overstated \$1,913 for salaries and benefits for one of its deputy district attorneys. The District Attorney’s Office did not provide time logs for 13 hours claimed for time spent by this attorney on mandated activities.

Hours Not Adequately Supported

The county overstated \$68,679 for salaries and benefits for one of its deputy district attorneys. The District Attorney’s Office did not adequately support 452 hours on the activity logs provided for this attorney for mandated activities performed for five SVP defendants.

The time logs provided included postings totaling 667 hours for time spent on various dates for reviews of reports and records, preparation and filing of petitions, preparation for trials, and court appearances. These activity logs were all signed and dated on July 18, 2007; this date is from six to eleven months after the activities were performed. In addition, time postings were lumped together for all activities performed each day. We inquired about the source of information used to prepare these logs and were told that the logs were re-created, and that no additional corroborating source documents were available. We concluded that the time amounts recorded were estimates of time spent on a variety of mandated activities.

The county provided court docket information and we were able to corroborate court appearance dates for the attorney and matched log entries to time claimed by Public Defender attorneys who were in court on the same dates for the same defendants. Time recorded on the time logs on these dates to review files and/or documents was also allowable. Using this methodology, we were able to corroborate 215 hours spent on mandated activities. The remaining 452 hours claimed are unallowable.

The case logs in question, the names of the defendants, and time ranges, were provided to the county at the exit conference.

Fiscal Year 2007-08

We determined that salaries and benefits claimed in the net amount of \$32,164 for FY 2007-08 are unallowable. The county claimed duplicated salaries and benefits costs totaling \$32,174 for one SVP defendant. The detailed claim forms (Form SVP-2) provided by the county already included \$35,129 for time spent by the District Attorney's staff on this defendant. No additional information was provided indicating that staff spent additional time on this case. In addition, the county understated \$10 in salaries and benefits through rounding adjustments made when preparing its claims.

Fiscal Year 2008-09

We determined that salaries and benefits were understated in the net amount of \$21,891 for FY 2008-09 (overstated by \$13,197 and understated by \$35,088). The unallowable costs occurred because the county overstated costs by \$1,313 due to an overstated benefit rate, claimed \$268 for costs that were not supported, and claimed \$11,616 for unallowable activities. In addition, costs were understated by \$35,088 because accurate time logs were not available for one attorney when the county's claim was prepared.

Overstated Benefit Rate

The county overstated \$1,313 in benefits for one of its deputy district attorneys. The county claimed a benefit rate of 41.43%; however the benefit rate should be 34.87% (annual benefits divided by annual salary ($\$60,849 \div \$174,525 = 34.87\%$)).

Unallowable Activities

The county claimed \$4,812 for 31 hours spent on unallowable activities. The time logs for a deputy district attorney included 31 hours for the development of internal policies and procedures related to the SVP mandate. However, the logs on which the time was recorded showed “CDAA SVP Training Prep” for the following days: 10/23, 10/27, 10/29, 10/31, 11/4, 11/5, 11/6, and 11/7/08.

The county claimed \$6,804 for 44.50 hours spent on unallowable activities. The time logs for a second deputy district attorney included 44.5 hours for the development of internal policies and procedures. However, the time logs on which the time was recorded showed “CDAA SVP Training Prep” on the following days: 10/29, 10/30, 10/31, 11/3, 11/4, 11/5, 11/6, 11/10, 11/12, 11/13, and 11/14/08.

Unsupported Costs

The county overstated \$268 in salaries and benefits because time logs did not provide support for 1.25 hours spent by one of its deputy district attorneys on Pre-Trial/Trial Hearings and .50 hours spent on Review of Reports and Records.

Underclaimed Costs

The county understated \$35,088 for time spent on mandated activities (\$34,467 for one attorney and \$621 for another attorney).

The time log provided in the county’s claim to support time spent by a deputy district attorney during FY 2008-09 recorded 100 hours on one line for time spent on trial preparation activities as well as 8 hours per day for 12 days for a jury trial involving one SVP defendant. We inquired how the time claimed on this time log was determined. We were told that the log was prepared by the attorney’s supervisor while the attorney was out of the office on medical leave and that the time claimed was estimated. The attorney was able to provide actual time logs for time spent on mandated activities during FY 2008-09. Not only did this log support time already claimed, but also supported 250.25 hours spent on mandated activities that were not claimed.

The time log provided to support time spent by another attorney during FY 2008-09 included four hours that were not claimed for time spent on the activity of Pre-Trial/Trial Hearings.

The program’s parameters and guidelines (section IV–Reimbursable Activities) 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. 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 logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. . . . However, corroborating documents cannot be substituted for source documents.

The parameters and guidelines (section IV.A.2–Reimbursable Activities) specify that reimbursement is allowable for one-time training for each employee who normally works on the Sexually Violent Predators Program on the county’s internal policies and procedures.

The parameters and guidelines (section V.A–Claim Preparation and Submission–Supporting Documentation–Direct Costs) state that “direct costs are defined as costs that can be traced to specific goods, services, units, programs, activities, or functions.”

Recommendation

We recommend that the county establish and implement procedures to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County’s Response

The county agreed with the finding.

**FINDING 3—
Understated services
and supplies costs**

The county claimed \$1,055,821 for services and supplies during the audit period. The county understated allowable costs incurred by the Corrections Department by \$156,934. The adjustments occurred because the county understated prisoner housing costs due to understated daily jail rates (DJR).

The following table summarizes the claimed, allowable, and audit adjustment amounts for services and supplies costs by fiscal year:

	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Allowable costs	\$ 364,360	\$ 410,075	\$ 438,320	\$ 1,212,755
Claimed costs	(327,247)	(343,046)	(385,528)	(1,055,821)
Audit Adjustment	\$ 37,113	\$ 67,029	\$ 52,792	\$ 156,934

The county claimed \$744,464 for prisoner housing costs during the audit period. We determined that \$901,398 is allowable; the county understated allowable costs by \$156,934. The understated costs occurred because the county understated DJRs during each year of the audit period.

The table below summarizes the prisoner-housing costs audit adjustment:

	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Allowable costs	\$ 260,516	\$ 324,615	\$ 316,267	\$ 901,398
Claimed costs	(223,403)	(257,586)	(263,475)	(744,464)
Audit Adjustment	\$ 37,113	\$ 67,029	\$ 52,792	\$ 156,934

Fiscal Year 2006-07

The county understated services and supplies costs by a net amount of \$37,113 (overstated by \$13,211 and understated by \$50,328). The county overstated \$13,211 because it overstated DJRs for 197 days spent by one SVP defendant and 207 days spent by an additional SVP defendant in the county’s Elmwood Jail Facility. The county should have claimed a DJR of \$66.02 for these defendants. Instead, the county claimed costs using a composite DJR of \$98.72 for prisoners housed in the county’s main jail. The county understated allowable costs by \$50,328 due to an understated DJR for the main jail. The county should have claimed \$125.79 for 2,056 days for the main jail instead of the composite DJR of \$98.72.

Fiscal Year 2007-08

The county understated services and supplies costs by the net amount of \$67,029 (overstated by \$4,690 and understated by \$71,719). The county overstated \$4,690 because it overstated DJRs for 28 days spent by one SVP defendant and 112 days spent by an additional SVP defendant in the county’s Elmwood Jail Facility. The county should have claimed a DJR of \$66.65 for Elmwood Jail for these defendants. Instead, the county claimed costs using a composite DJR of \$100.15. In addition, the county understated allowable costs by \$71,719 due to an understated DJR for the main jail. The county should have claimed \$129.64 for 2,432 days for the main jail instead of the composite DJR of \$100.15.

Fiscal Year 2008-09

The county understated services and supplies costs by the net amount of \$52,792 (overstated by \$6,029 and understated by \$58,821). The county overstated \$6,029 because it overstated DJRs for 5 days spent by one SVP defendant, 41 days spent by a second SVP defendant, and 101 days spent by a third SVP defendant in the county's Elmwood Jail Facility. The county should have claimed a DJR of \$76.09 for Elmwood Jail for these defendants. Instead, the county claimed costs using a composite DJR of \$117.10. In addition, the county understated allowable costs by \$58,821 due to an understated DJR for the main jail. The county should have claimed \$145.07 for 2,103 days for the main jail instead of the composite DJR of \$117.10.

Overall Results

The tables below summarize the audit adjustments by jail facility and fiscal year:

	Main Jail	Elmwood Jail	Total
<u>Fiscal Year 2006-07</u>			
Allowable daily jail rate	\$125.79	\$ 66.02	
Number of allowable housing days	× 1,859	× 404	
Total allowable costs	<u>233,844</u>	<u>26,672</u>	\$ 260,516
Claimed daily jail rate	\$ 98.72	\$ 98.72	
Number of claimed housing days	× 1,859	× 404	
Total claimed costs	<u>183,520</u>	<u>39,883</u>	223,403
Adjustment, allowable housing costs	<u>\$ 50,324</u>	<u>\$ (13,211)</u>	<u>\$ 37,113</u>
<u>Fiscal Year 2007-08</u>			
Allowable daily jail rate	\$129.64	\$ 66.65	
Number of allowable housing days	× 2,432	× 140	
Total allowable costs	<u>315,284</u>	<u>9,331</u>	\$ 324,615
Claimed daily jail rate	\$100.15	\$100.15	
Number of claimed housing days	× 2,432	× 140	
Total claimed costs	<u>243,565</u>	<u>14,021</u>	257,586
Adjustment, allowable housing costs	<u>\$ 71,719</u>	<u>\$ (4,690)</u>	<u>\$ 67,209</u>
<u>Fiscal Year 2008-09</u>			
Allowable daily jail costs	\$145.07	\$ 76.09	
Number of allowable housing days	× 2,103	× 147	
Total allowable	<u>305,082</u>	<u>11,185</u>	\$ 316,267
Claimed daily jail rate	\$117.10	\$117.10	
Number of claimed housing days	× (2,103)	× 147	
Total claimed costs	<u>246,261</u>	<u>17,214</u>	263,475
Adjustment, allowable housing costs	<u>\$ 58,821</u>	<u>(6,029)</u>	<u>\$ 52,792</u>

The county initially claimed composite DJRs of \$98.72 for FY 2006-07, \$100.15 for FY 2007-08, and \$117.10 for FY 2008-09. For mandated cost claims, claimants should claim DJRs based on the actual cost of DJRs approved by the California Department of Corrections and Rehabilitation (CDCR) by facility in which the SVP defendants were

housed. During the course of the audit, we requested, and the county provided, CDCR-approved rates for the main jail and Elmwood Complex for the audit period. The county also identified where each SVP defendant was housed and for how many days. We reviewed the department's CDCR-approved rate proposals and supporting documents for the three-year audit period. Based on the CDCR-approved rates based on actual costs and the housing information that we obtained for the defendants, we recalculated allowable housing costs for FY 2006-07 through 2008-09. The CDCR-approved DJRs for FY 2008-09 through FY 2010-11 are on the CDCR schedules titled "Prior Rate Estimate Adjustment" (schedules 2008/09A, 2009/10A, and 2010/11A). These schedules document the daily jail rates based on actual total allowed costs divided by total actual inmate days.

The parameters and guidelines (section IV.–Reimbursable Activities) state the following:

To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. . . . However, corroborating documents cannot be substituted for source documents.

Recommendation

We recommend that the county claim prisoner housing costs using the applicable daily jail rate approved by the CDCR that is based on actual costs for the fiscal year and jail facility in which the SVP defendants were housed.

County's Response

The county agreed with the finding.

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

County of Santa Clara
Finance Agency

County Government Center
70 West Hedding Street, East Wing 2nd floor
San Jose, California 95110-1705
(408) 299-5205 FAX 287-7629



DATE: June 27, 2011

TO: Jim L. Spano
Chief Mandate Cost Audits Bureau
California State Controller's Office, Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874

FROM: Vinod K. Sharma *VK Sharma*
Director of Finance

RE: SB90 Mandate-Sexually Violent Predators Program-Draft Audit Report

Thank you for the audit report on the SB90 State Mandated Costs claim of the Sexually Violent Predators Program. We agree to all the findings mentioned in the report except the finding on usage of countywide productive hourly rate. We furnish our reply to the issue of countywide productive hourly rate for your reconsideration. We request your reconsideration of the disputed audit finding in light of our reply and revise the numbers in the report.

FINDING 1- Overstated productive hourly rate

Response to calculation of countywide productive hour rates

The State Controller's draft audit report pertaining to the County's SB 90 Sexually Violent Predators states:

- 1. In calculating the countywide productive hours, the county included unallowable deductions for training. The county deducted training hours to calculate countywide average annual productive hours. The deduction is unallowable because the county did not provide documentation substantiating the training hours that it deducted. In addition, the deducted training hours included training that benefits specific programs or employee classifications....*
- 2. When calculating annual productive hours, the county also deducted authorized break time rather than actual break time taken. The county did not adjust for break time directly charged to program activities and deducted break time per bargaining unit contract agreements. As the county did not keep track of actual break time taken by employees, it cannot deduct estimated break time from its calculation of annual productive hours.....*

Board of Supervisors: Mike Wasserman, George Shirakawa, Dave Cortese, Ken Yeager, Liz Kniss
County Executive: Jeffrey Smith

We like to point out an anomaly in the above argument. Part 1 and 2 of the paragraph summarizing the findings mention that the training and authorized break time are both unallowable whereas in the finding it states that the County deducted training time pertaining to required licensure/certification rather than actual training hours. Therefore, the State has determined that the exclusion of training time from productive hours is appropriate, as long as the exclusion is documented based on actual training hours received. The comments proceed further to state that the County deducted authorized break time rather than actual break time taken. Therefore, as with training time, the State has agreed that the exclusion of actual break-time from the calculation of productive hours is allowable.

The County first implemented the County-wide calculation of productive hours in FY 2000-01. Claims filed for this fiscal year were based on calculations that included training time received by employees as reported by County departments, based on collective bargaining agreements or rosters related to actual training sessions that were conducted. Break-time was similarly calculated, based on requirements of collective bargaining agreements and State law. For all subsequent fiscal years, the County has modified the automated payroll system to capture actual hours of training by individual employee for all County departments.

Regarding the reporting of actual break-time taken by employees, while our automated payroll system can accommodate such a change, we believe the additional time and cost of recording such information would exceed the value of the information obtained, since it can readily be determined by simple calculation. This conclusion is consistent with OMB A-87 cost allocation principles, which limit the effort expected of state and local governments to calculate indirect costs when such costs are "... not readily assignable...without effort disproportionate to the results achieved." In the case of daily break-time required by both State law and collective bargaining agreements, the recording of actual break-time taken twice daily by more than 15,000 employees during 250 workdays per year would not result in the determination of a materially different amount of actual time taken than could be readily calculated pursuant to the 30 minutes daily standard specified by the collective bargaining agreements. Further, because the County has directed all employees to limit the daily reporting of hours worked to 7.5 hours and not 8 hours, there will be no over charging of costs to SB 90, when preparing SB 90 claims.

According to our study and examination of the State Controller claiming instructions, the time spent on training, authorized breaks, etc, should be removed for the calculation of productive hours. The worksheets were also provided to the State audit staff. We encouraged the SCO auditors to sample test training hours to the supporting documents which are filed with the County departments for detail explanation, but SCO auditors did not want to expand their scope of their audit to include this step.

Further, before the introduction of the countywide productive hour policy in the County of Santa Clara in our letter of December 27, 2001, we notified the State Controller that the County was electing to change its SB 90 claiming procedures related to the calculation of productive hourly rates. The County reported that the switch to a countywide methodology for the calculation of average countywide productive hours per position would improve SB 90 claiming accuracy, consistency, and documentation and facilitate the State audit function. Consequently, many claims have been submitted and accepted during the past ten years using the countywide methodology. We advised state audit staff and provided a copy of the County's letter dated December 27, 2001 and explained our understanding of the SB 90 instructions pertaining to the calculation of productive hours. During the audit of this claim, State auditors were unable to provide any written State procedures, regulations or other legal authority to refute our interpretation of Section 7 of the State Controller's SB 90 Claiming Instructions for Cities, Counties and Special Districts.

Subsequent to the audit of selected SB 90 claims and the exit conference held on September 29, 2003, an email dated February 6, 2004 from the Audit Division of the State Controller's Office in reply to our letter of response to the State's audit findings. The email stated that the State would accept the usage of a countywide productive hourly rate with certain conditions. For your ready reference the email from the Audit Division of the State Controller's Office dated February 6, 2004 is reproduced below.

Copy of email dated February 6, 2004 from Jim Spano to the County of Santa Clara:

Ram,

I reviewed the county's proposal dated December 19, 2001, to use countywide Productive hours and have discussed your analysis with my staff and Division Of Accounting and reporting staff. The use of countywide productive hours would be acceptable to the State Controller's Office provided all employee classifications are included and productive hours are consistently used for all county programs (mandated and non-mandated).

The SCO's Mandated Cost Manual (claiming instructions), which includes guidelines for preparing mandated cost claims, does not identify the time spent on training and authorized breaks as deductions (excludable components) from total hours when computing productive hours. However, if a county chooses to deduct time for training and authorized breaks in calculating countywide productive hours, its accounting system must separately identify the actual time associated with these two components. The accounting system must also separately identify training time directly charged to program activities. Training time directly charged to program activities may not be deducted when calculating productive hours.

The countywide productive hours used by Santa Clara County were not consistently applied to all mandates for FY 2000-01. Furthermore, countywide productive hours used during the audit periods include unallowable deductions for time spent on training and authorized breaks. The county deducted training time based on hours required by employees' bargaining unit agreement and continuing education requirements for licensure/certification rather than actual training hours taken. In addition, the county deducted authorized break time rather than actual break time taken. The county did not adjust for training time and break time directly charged to program activities during the audit period, and therefore, cannot exclude those hours from productive hours.

If you would like to discuss the above further, please contact me.

Jim Spano

In response to the issues raised by Mr. Spano in the above email, the recording of actual training time by the County's automated payroll system was accomplished. Regarding the recording of actual daily break-time for all 15,000 county employees, we believe the implementation of this requirement would be an accounting exercise that would not result in a benefit to the State or the County commensurate with the required effort and cost.

We accept your statement that the use of countywide productive hours would be acceptable to the State Controller's Office provided all employee classifications are included and productive hours are consistently used for all county programs (mandates and non-mandated). In addition to SB 90 claims, we are already using these productive hourly rates for fees and charges, grants and other cost claiming purposes.

We therefore request you to reconsider your views on the usage of countywide productive hourly rate policy and rework the numbers in the report to reflect the correct costs allowed. In respect of all other points we concur with the audit findings. We request you to recalculate the unallowable costs based on our reply.

If you have any questions, please call Jesus S. Perez at (408) 299-5264.

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

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