June 27, 2023

The Honorable Nancy Skinner, Chair

Senate Committee on Budget and Fiscal Review

1020 N Street, Room 502

Sacramento, CA 95814

The Honorable Philip Y. Ting, Chair

Assembly Committee on Budget

1021 O Street, Suite 8230

Sacramento, CA 95814

Joe Stephenshaw, Director

Department of Finance

1021 O Street, Suite 3110

Sacramento, CA 95814

**SUBJECT: State-Mandated Program Cost Report of Audit Findings for the Period of   
April 1, 2022, through March 31, 2023**

Dear Chair Skinner, Chair Ting, and Mr. Stephenshaw:

Enclosed is the State-Mandated Program Cost Report of Audit Findings as required by Chapter 43, Statutes of 2022, Budget Act, Item 0840-001-0001, Provision 6. This report lists each state-mandated program; costs claimed by fiscal year; adjustments as a result of desk reviews and final audits; and other adjustments, payments, and recovered payments.

Claim adjustments as a result of initial desk reviews, final audits, and other adjustments reduced the state’s liability as follows:

Desk Reviews $ 86,485,095

Final Audits $ 13,002,840

Other Adjustments $ 121,015

**Total Adjustments** **$ 99,608,950**

If you have any questions, please contact Darryl Mar, Manager of the Local Reimbursements Section in our Local Government Programs and Services Division, at [DMar@sco.ca.gov](mailto:DMar@sco.ca.gov) or   
(916) 324-0256.

Sincerely,

*Original signed by*

MALIA M. COHEN

Enclosure

cc: Heather Halsey, Executive Director, Commission on State Mandates

Hans Hemann, Principal Consultant, Joint Legislative Budget Committee

Lourdes Morales, Principal Fiscal and Policy Analyst, Legislative Analyst’s Office

Lisa Kurokawa, Chief, Compliance Audits Bureau, State Controller’s Office

Lynn Paquin, Deputy Controller, State Controller’s Office