June 30, 2025

The Honorable Scott Wiener The Honorable Jesse Gabriel  
Chair, Senate Budget & Fiscal Review Committee Chair, Assembly Budget Committee

1020 N Street, Room 502 1021 O Street, Suite 8230

Sacramento, CA 95814 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, 2024, through March 31, 2025**

Dear Chair Wiener, Chair Gabriel, and Director Stephenshaw:

Pursuant to Chapter 22, Statutes of 2024, Budget Act, Item 0840-001-0001, Provision 6, I am providing a report of audit findings for reimbursement of claims filed with the State Controller's Office for state-mandated programs. 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 $ 178,522

Final Audits $ 55,007,885

Other Adjustments $ 247,661

**Total Adjustments $ 55,434,068**

If you have any questions regarding this correspondence and/or the report, please contact Darryl Mar, Manager of the Local Reimbursements Section in our Local Government Programs and Services Division, by email at DMar@sco.ca.gov or telephone at 916-324-0256. Thank you.

Sincerely,

*Original signed by*

Malia M. Cohen

Enclosure: State-Mandated Program Cost Report of Audit Findings

Copy: Erika Contreras, Secretary of the Senate  
 Office of the Secretary of the Senate

Sue Parker, Chief Clerk of the Assembly

Office of the Chief Clerk of the Assembly

Cara L. Jenkins, Legislative Counsel

Office of Legislative Counsel

Juliana F. Gmur, Executive Director

Commission on State Mandates

Hans Hemann, Consultant

Joint Legislative Budget Committee

Christian Griffith, Chief Consultant

Assembly Committee on Budget

Edgar Cabral, Deputy Legislative Analyst

Legislative Analyst’s Office

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Lisa Qing, Principal Fiscal and Policy Analyst

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Cathy Leal, Chief Operating Officer

State Controller's Office

Ryan Seeley, Chief Counsel

State Controller’s Office

Deborah Gallegos, Deputy Controller

State Controller’s Office

Lisa Kurokawa, Compliance Audits Bureau Chief

State Controller's Office