

## DOG LICENSE FEE STUDY

The California Food and Agriculture Code, Division 14, Section 30652 authorizes that all fees for the issuance of dog license tags and all fines collected pursuant to that division shall be used as follows:

- (a) First, to pay fees for the issuance of dog license tags
- (b) Second, to pay fees, salaries, costs, expenses or any or all of them for the enforcement of this division and all ordinances that are made pursuant to this division.

Discussed below are the methods used to determine the licensing fees established as a result of this fee study.

### **Part 1. Actual time required to issue a license.**

The average actual time required for issuance of a dog license is approximately 5 minutes per license. This amount is based upon historical time and motion studies as well as observations of Animal Services staff responsible for license issuance. The time estimate includes all steps associated with this activity, including mailing renewal notices, processing mail, entering license and rabies information, issuing license tags and writing receipts. The average productive hourly rate for Animal Services staff responsible for issuing dog licenses is \$117.71 per productive hour, as detailed in Exhibit A- Determination of Productive Hourly Rate for Dog Licenses. Therefore, the actual cost for the Division to issue a dog license is **\$9.81**.

### **Part 2. Expenses related to impoundment of dogs running at large.**

The California Food and Agriculture Code, Division 14, Section 31105 requests that the Board of Supervisors shall provide for both of the following:

- (a) The taking up and impounding of all dogs which are found running at large in violation of any provision of California Food and Agriculture Code, Division 14.
- (b) The killing in some humane manner or other disposition of any dog which is impounded.

In 2023, a total of 2,254 animals entered the Tehama County Animal Care Center. Of those, 1,024 were impounded for running at large within the unincorporated area of Tehama County. Therefore, 45.4% of Animal Care Center staff time is devoted to activities related to the impounding and disposition of dogs running at large.

The total adopted budget for FY 2024/2025 for the Division of Animal Services is \$954,132. The percentage of staff time devoted to California Food and Agriculture Code, Division 14 activities is 45.4%. Multiplying this amount by the total approved budget provides a total of \$433,175.92 which is used for the activities related to the impounding of dogs running at large. Dividing this amount by the total number of licensed dogs within the unincorporated areas of Tehama County (5,279) equates to an average annual cost of **\$82.06 per dog**.

Based upon the above actual costs associated with dog license issuance as described above would include \$9.81 per license for the actual license issuance, and \$82.09 for running at large activities. Therefore, the total cost to issue a single year dog license is **\$91.87** (\$9.81 + \$82.06)

Based upon the above actual costs associated with dog license issuance as described above would include \$9.81 per license for the actual license issuance, and \$82.09 per year for running at large activities. Therefore, the total cost to issue a two year dog license is **\$173.93** (\$9.81 + \$82.06+ \$82.06)

Based upon the above actual costs associated with dog license issuance as described above would include \$9.81 per license for the actual license issuance, and \$82.09 per year for running at large activities. Therefore, the total cost to issue a three year dog license is **\$255.99** (\$9.81 + \$82.06+ \$82.06+ \$82.06)

The above listed total costs for one, two and three year dog licenses are the amounts that could lawfully be charged for dog license issuance by the County of Tehama.

## EXHIBIT A Determination of Productive Hourly Rate for Dog Licenses

### 1. Salary and Benefits Costs

The services for which impoundment and boarding fees are established by this fee schedule are generally performed by 3.5 operational (non-supervisory) employees of the Division of Animal Services. These employees have varying seniority levels, and consequently different salary and benefits costs. Because all these employees interchangeably perform the services in question, their salary and benefits costs have been averaged for purposes of this fee study. As detailed in Exhibit 1, the average annual salary and benefits costs for these employees (2 Animal Services Coordinators and 1.5 Animal Services Office Assistants) is \$74,299.74. As discussed below, each of these employees works an average of 1,637 productive hours per year.<sup>1</sup> \$74,299.74 divided by 1,637 productive hours equals **\$45.39 per productive hour.**

### 2. Indirect Costs

The indirect costs included in the fees set forth in this schedule have been calculated in accordance with Office of Management and Budget Circular A-87.<sup>2</sup>

There are four major components of indirect cost included in the fees established by this schedule: (1) the costs allocated to the Division of Animal Services under Tehama County's countywide Central Service Cost Allocation Plan, (2) departmental indirect costs, as set forth in the adopted 2024/2025 Tehama County Budget, (3) the costs of direct supervision of operational staff, and (4) the cost for interagency services provided by the Department of Agriculture. These four indirect cost components are discussed in greater detail below.

For purposes of this fee study, these indirect costs have been allocated upon a "productive hours" base. All services for which fees are established by this fee schedule are generally performed by 2 employees of the Division of Animal Services' budget unit. Each of these employees is nominally assigned 2,080 working hours per year. However, each of these employees is entitled to 14 legal holidays, 12 sick days, and varying amounts of vacation and administrative leave every year, in addition to 30 minutes per day of break time. As detailed in Exhibit 1, once these non-productive hours are deducted, the average annual number of productive hours is 1,637 per employee.<sup>3</sup> Multiplied by 3.5 employees, this equals 5,730 total productive hours for all employees performing the services in this fee study.

The countywide Central Service Cost Allocation Plan has been developed by the Tehama County Auditor's office to allocate certain indirect costs (such as the costs of County buildings and centralized administrative support services) to the affected County departments in accordance with Budget Circular A-87. The Central Service Cost Allocation Plan is used by the County to calculate and allocate indirect costs for a variety of purposes,

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<sup>1</sup> For the purpose of calculating the productive hour average for non-supervisory employees, the productive hours worked by the part-time (.50) Office Assistant position (860.25) have been converted to a full-time equivalent (860.25/.5 = 1,665)

<sup>2</sup> Although use of Budget Circular A-87 is not mandatory for calculation of the fees by this schedule, this circular provides a well-recognized and generally accepted standard for indirect cost calculation.

<sup>3</sup> As noted in Footnote 1, the .50 Office Assistant position has been converted to a Full Time Equivalent for the purposes of this calculation.

including numerous federal and state grant programs. As detailed in Exhibit 2, \$82,585 has been allocated by the Central Service Cost Allocation Plan to the Division of Animal Services' budget unit for FY 2024/25 (In accordance with Tehama County's standard accounting practices, the FY 2024/25 Central Service Cost Allocation Plan is based upon actual FY 2022/23 expenditures). \$82,585 divided by 5,730 equals **\$14.41 per productive hour**.

The Division of Animal Services' budget unit also incurs several costs that are not included in the Central Service Cost Allocation Plan ("departmental indirect costs"). Several of these costs may be allocated to the services for which fees are established herein as indirect costs in accordance with Budget Circular A-87. These costs include services, supplies and special department expenses required for the operation of the Division of Animal Services. As detailed in Exhibit 3, the adopted 2024/2025 Tehama County Budget provides for expenditures of \$159,859 for these items in the Division of Animal Services' budget unit.<sup>4</sup> \$159,859 divided by 5,730 actual productive hours, equals **\$27.90 per productive hour**.

Budget Circular A-87 also authorizes the inclusion of the costs of the various levels of supervision of operational employees as chargeable indirect costs. The Division of Animal Services budget unit includes one supervisory employee (Animal Care Center Manager). As detailed in Exhibit 1, the annual salary and benefits costs for this position is \$141,253.67. This amount divided by 5,730 actual productive hours equals **\$24.65 per productive hour**.

Budget Circular A-87 also authorizes the inclusion of the cost of services provided by one agency to another within the governmental unit as chargeable costs. The Department of Agriculture provides management and clerical support services to the Division of Animal Services (specifically, supervisory services provided by the Agricultural Commissioner and office support services provided by the Department's Office Manager.) As detailed in Exhibit 3, the actual salary and benefits costs for the services provided by the Department of Agriculture is \$30,730. This amount divided by 5,730 actual productive hours equals **\$5.36 per productive hour**.

The total indirect costs chargeable for the services for which fees are established herein are thus **\$72.32** (\$14.41 + 27.90 + 24.65 + 5.36) **per productive hour**.

### **3. Totals**

As noted above, the Animal Services salary and benefit costs for kennel licensing and commercial endorsement fees are **\$45.39** per productive hour. Indirect costs are **\$72.32** per productive hour, resulting in total costs of **\$117.71**. The fees established herein have been calculated upon this basis.

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<sup>4</sup> The 2024/2025 Tehama County Budget also provides for a number of expenditures in this budget unit that are not properly chargeable to the services for which fees are established herein (e.g., the medical supply costs, spay/neuter expense and medical donation expense). These costs have not been included in the fees established by this fee schedule.