



JOHN CHIANG
California State Controller

March 29, 2013

Rosa Royce
Associate Vice President, Fiscal Services
Mount San Antonio Community College District
1100 North Grand Avenue
Walnut, CA 91789

Dear Ms. Royce:

The State Controller's Office reviewed the costs claimed by the Mount San Antonio Community College District for the legislatively mandated Enrollment Fee Collection and Waivers Program (Education Code section 76300 and *California Code of Regulations*, Title 5, sections 58501-58503, 58611-58613, 58620, and 58630) for the period of July 1, 2000, through June 30, 2010. Our review was limited to validating offsetting reimbursements the district received from the California Community Colleges Chancellor's Office for enrollment fee collection and waivers offsets.

The district claimed \$1,166,132 for the mandated program. Our review found that \$260,081 is allowable and \$906,051 is unallowable. The costs are unallowable because the district misstated eligible offsetting reimbursements, as described in the attached Summary of Program Costs and Finding and Recommendation.

For fiscal year (FY) 2000-01 through FY 2007-08 claims, the State made no payments to the district. Our review found that \$164,933 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2008-09 claim, the State paid the district \$7,755. Our review found that \$50,373 is allowable. The State will pay allowable costs claimed that exceed the amount paid totaling \$42,618, contingent upon available appropriations.

For the FY 2009-10 claim, the State paid the district \$9,529. Our review found that \$44,775 is allowable. The State will pay allowable costs claimed that exceed the amount paid totaling \$35,246, contingent upon available appropriations.

If you disagree with the review finding, 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 website 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, CPA
Chief, Division of Audits

JVB/vb

Attachments

RE: S13-MCC-907

cc: Christine Atalig, Specialist, College Finance and Facilities Planning
California Community Colleges Chancellor's Office
Ed Hanson, Principal Program Budget Analyst
Education Systems Unit, California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

Attachment 1— Summary of Program Costs July 1, 2000, through June 30, 2010

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<u>July 1, 2000, through June 30, 2001</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 76,268	\$ 76,268	\$ -	
Total direct costs	76,268	76,268	-	
Indirect costs	33,787	33,787	-	
Total direct and indirect costs	110,055	110,055	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection ²	(34,719)	(81,922)	(47,203)	Finding 1
Total enrollment fee collection	75,336	28,133	(47,203)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 24,968	\$ 24,968	\$ -	
Reporting BOGG fee waiver data to CCCCCO	194	194	-	
Total direct costs	25,162	25,162	-	
Indirect costs	11,147	11,147	-	
Total direct and indirect costs	36,309	36,309	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	-	(163,535)	(163,535)	Finding 1
Adjustment for unused portion of offsets ³	-	127,226	127,226	
Total enrollment fee waivers	36,309	-	(36,309)	
Total program costs	<u>\$ 111,645</u>	28,133	<u>\$ (83,512)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 28,133</u>		

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 93,374	\$ 93,374	\$ -	
Total direct costs	93,374	93,374	-	
Indirect costs	41,365	41,365	-	
Total direct and indirect costs	134,739	134,739	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection ²	(29,671)	(87,594)	(57,923)	Finding 1
Total enrollment fee collection	105,068	47,145	(57,923)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 29,827	\$ 29,827	\$ -	
Reporting BOGG fee waiver data to CCCCCO	210	210	-	
Total direct costs	30,037	30,037	-	
Indirect costs	13,306	13,306	-	
Total direct and indirect costs	43,343	43,343	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	-	(157,445)	(157,445)	Finding 1
Adjustment for unused portion of offsets ³	-	114,102	114,102	
Total enrollment fee waivers	43,343	-	(43,343)	
Total program costs	<u>\$ 148,411</u>	47,145	<u>\$ (101,266)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 47,145</u>		

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 79,630	\$ 79,630	\$ -	
Total direct costs	79,630	79,630	-	
Indirect costs	35,277	35,277	-	
Total direct and indirect costs	114,907	114,907	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection ²	(31,113)	(82,546)	(51,433)	Finding 1
Total enrollment fee collection	83,794	32,361	(51,433)	
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 62,360	\$ 62,360	\$ -	
Reporting BOGG fee waiver data to CCCC	219	219	-	
Total direct costs	62,579	62,579	-	
Indirect costs	27,722	27,722	-	
Total direct and indirect costs	90,301	90,301	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	-	(180,656)	(180,656)	Finding 1
Adjustment for unused portion offsets ³	-	90,355	90,355	
Total enrollment fee waivers	90,301	-	(90,301)	
Total program costs	\$ 174,095	32,361	\$ (141,734)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		\$ 32,361		
<u>July 1, 2003, through June 30, 2004</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 72,678	\$ 72,678	\$ -	
Total direct costs	72,678	72,678	-	
Indirect costs	32,195	32,195	-	
Total direct and indirect costs	104,873	104,873	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection ²	(60,899)	(107,757)	(46,858)	Finding 1
Adjustment for unused portion of offsets ³	-	2,884	2,884	
Total enrollment fee collection	43,974	-	(43,974)	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 76,902	\$ 76,902	\$ -	
Reporting BOGG fee waiver data to CCCCCO	224	224	-	
Total direct costs	77,126	77,126	-	
Indirect costs	34,167	34,167	-	
Total direct and indirect costs	111,293	111,293	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	-	(215,492)	(215,492)	Finding 1
Adjustment for unused portion of offsets ³	-	104,199	104,199	
Total enrollment fee waivers	111,293	-	(111,293)	
Total program costs	<u>\$ 155,267</u>	-	<u>\$ (155,267)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
 <u>July 1, 2004, through June 30, 2005</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 77,173	\$ 77,173	\$ -	
Total direct costs	77,173	77,173	-	
Indirect costs	34,187	34,187	-	
Total direct and indirect costs	111,360	111,360	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection ²	(107,461)	(146,209)	(38,748)	Finding 1
Adjustment for unused portion of offsets ³	-	34,849	34,849	
Total enrollment fee collection	3,899	-	(3,899)	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 84,178	\$ 84,178	\$ -	
Reporting BOGG fee waiver data to CCCCCO	233	233	-	
Total direct costs	84,411	84,411	-	
Indirect costs	37,394	37,394	-	
Total direct and indirect costs	121,805	121,805	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	-	(297,846)	(297,846)	Finding 1
Adjustment for unused portion of offsets ³	-	176,041	176,041	
Total enrollment fee waivers	121,805	-	(121,805)	
Total program costs	<u>\$ 125,704</u>	-	<u>\$ (125,704)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
 <u>July 1, 2005, through June 30, 2006</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 90,973	\$ 90,973	\$ -	
Total direct costs	90,973	90,973	-	
Indirect costs	34,569	34,569	-	
Total direct and indirect costs	125,542	125,542	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection ²	(102,146)	(153,166)	(51,020)	Finding 1
Adjustment for used portion of offsets ³	-	27,624	27,624	
Total enrollment fee collection	23,396	-	(23,396)	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 88,447	\$ 88,447	\$ -	
Reporting BOGG fee waiver data to CCCCCO	236	236	-	
Total direct costs	88,683	88,683	-	
Indirect costs	33,700	33,700	-	
Total direct and indirect costs	122,383	122,383	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	-	(273,202)	(273,202)	Finding 1
Adjustment for unused portion of offsets ³	-	150,819	150,819	
Total enrollment fee waivers	122,383	-	(122,383)	
Total program costs	\$ 145,779	-	\$ (145,779)	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		\$ -		
 <u>July 1, 2006, through June 30, 2007</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 79,924	\$ 79,924	\$ -	
Total direct costs	79,924	79,924	-	
Indirect costs	30,371	30,371	-	
Total direct and indirect costs	110,295	110,295	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection ²	(108,057)	(151,765)	(43,708)	Finding 1
Adjustment for unused portion of offsets ³	-	41,470	41,470	
Total enrollment fee collection	2,238	-	(2,238)	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 108,844	\$ 108,844	\$ -	
Reporting BOGG fee waiver data to CCCCCO	251	251	-	
Total direct costs	109,095	109,095	-	
Indirect costs	41,456	41,456	-	
Total direct and indirect costs	150,551	150,551	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	-	(290,700)	(290,700)	Finding 1
Adjustment for unused portion of offsets ³	-	140,149	140,149	
Total enrollment fee waivers	150,551	-	(150,551)	
Total program costs	<u>\$ 152,789</u>	-	<u>\$ (152,789)</u>	
Less amount paid by the State			-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
 <u>July 1, 2007, through June 30, 2008</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 203,597	\$ 203,597	\$ -	
Total direct costs	203,597	203,597	-	
Indirect costs	77,367	77,367	-	
Total direct and indirect costs	280,964	280,964	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(90,366)	(144,919)	(54,553)	Finding 1
Total enrollment fee collection	<u>190,598</u>	<u>136,045</u>	<u>(54,553)</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 61,461	\$ 61,461	\$ -	
Reporting BOGG fee waiver data to CCCCCO	289	289	-	
Total direct costs	61,750	61,750	-	
Indirect costs	23,465	23,465	-	
Total direct and indirect costs	85,215	85,215	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(218,519)	(278,522)	(60,003)	Finding 1
Adjustment for unused portion of offsets ³	-	193,307	193,307	
Total enrollment fee waivers ⁴	(133,304)	-	133,304	
Subtotal	57,294	136,045	78,751	
Less allowable costs that exceed costs claimed ⁵	-	(78,751)	(78,751)	
Total program costs	<u>\$ 57,294</u>	57,294	<u>\$ -</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 57,294</u>		
 <u>July 1, 2008, through June 30, 2009</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 256,321	\$ 256,321	\$ -	
Total direct costs	256,321	256,321	-	
Indirect costs	79,690	79,690	-	
Total direct and indirect costs	336,011	336,011	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(103,144)	(139,646)	(36,502)	Finding 1
Total enrollment fee collection	<u>232,867</u>	<u>196,365</u>	<u>(36,502)</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 62,991	\$ 62,991	\$ -	
Reporting BOGG fee waiver data to CCCCCO	291	291	-	
Total direct costs	63,282	63,282	-	
Indirect costs	19,674	19,674	-	
Total direct and indirect costs	82,956	82,956	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(265,450)	(141,991)	123,459	Finding 1
Adjustment for unused portion of offsets ³	-	59,035	59,035	
Total enrollment fee waivers ⁴	(182,494)	-	182,494	
Subtotal	50,373	196,365	145,992	
Less allowable costs that exceed costs claimed ⁵	-	(145,992)	(145,992)	
Total program costs	\$ 50,373	50,373	\$ -	
Less amount paid by the State		(7,755)		
Allowable costs claimed in excess of (less than) amount paid		\$ 42,618		
 <u>July 1, 2009, through June 30, 2010</u>				
<i>Enrollment fee collection:</i>				
Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 267,299	\$ 267,299	\$ -	
Total direct costs	267,299	267,299	-	
Indirect costs	78,425	78,425	-	
Total direct and indirect costs	345,724	345,724	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(103,954)	(152,909)	(48,955)	Finding 1
Total enrollment fee collection	241,770	192,815	(48,955)	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 68,510	\$ 68,510	\$ -	
Reporting BOGG fee waiver data to CCCCCO	291	291	-	
Total direct costs	68,801	68,801	-	
Indirect costs	20,186	20,186	-	
Total direct and indirect costs	88,987	88,987	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(285,982)	(312,001)	(26,019)	Finding 1
Adjustment for unused portion of offsets ³	-	223,014	223,014	
Total enrollment fee waivers ⁴	(196,995)	-	196,995	
Subtotal	44,775	192,815	148,040	
Less allowable costs that exceed costs claimed ⁵	-	(148,040)	(148,040)	
Total program costs	<u>\$ 44,775</u>	44,775	<u>\$ -</u>	
Less amount paid by the State		(9,529)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 35,246</u>		

Summary: July 1, 2000, through June 30, 2010

Enrollment fee collection:

Direct costs - salaries and benefits				
Calculating and collecting enrollment fees	\$ 1,297,237	\$ 1,297,237	\$ -	
Total direct costs	1,297,237	1,297,237	-	
Indirect costs	477,233	477,233	-	
Total direct and indirect costs	1,774,470	1,774,470	-	
Less offsetting savings and reimbursements:				
Enrollment fee collection	(771,530)	(1,248,433)	(476,903)	
Adjustment for unused portion of offsets	-	106,827	106,827	
Total enrollment fee collection	1,002,940	632,864	(370,076)	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Review	Review Adjustment	Reference ¹
<i>Enrollment fee waivers:</i>				
Direct costs - salaries and benefits				
Waiving student fees	\$ 668,488	\$ 668,488	\$ -	
Reporting BOGG fee waiver data to CCCCCO	2,438	2,438	-	
Total direct costs	670,926	670,926	-	
Indirect costs	262,217	262,217	-	
Total direct and indirect costs	933,143	933,143	-	
Less offsetting savings and reimbursements:				
Enrollment fee waivers	(769,951)	(2,311,390)	(1,541,439)	
Adjustment for unused portion of offsets	-	1,378,247	1,378,247	
Total enrollment fee waivers	163,192	-	(163,192)	
Subtotal	1,166,132	632,864	(533,268)	
Less allowable costs that exceed costs claimed	-	(372,783)	(372,783)	
Total program costs	<u>\$ 1,166,132</u>	260,081	<u>\$ (906,051)</u>	
Less amount paid by the State		(17,284)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 242,797</u>		

¹ See Attachment 2, Finding and Recommendation.

² For FY 2000-01, through FY 2006-07, the district applied offsetting reimbursements totaling \$474,066 against total direct and indirect costs claimed (\$34,719 in FY 2000-01, \$29,671 in FY 2001-02, \$31,113 in FY 2002-03, \$60,899 in FY 2003-04, \$107,461 in FY 2004-05, \$102,146 in FY 2005-06, and \$108,057 in FY 2006-07). The district did not identify what portions of the offsets were applicable to enrollment fee collection or enrollment fee waivers activities. We applied the total offsets claimed to enrollment fee collection activities.

³ Allowable offsetting savings and reimbursements are limited to total direct and indirect costs and are calculated separately for enrollment fee collection costs and enrollment fee waivers costs.

⁴ For FY 2007-08, through FY 2009-10, offsetting reimbursements claimed by the district for enrollment fee waivers costs exceeded the claimed direct and indirect costs by \$512,793 (\$133,304 in FY 2007-08, \$182,494 in FY 2008-09, and \$196,995 in FY 2009-10).

⁵ Government Code section 17568 states 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 passed for FY 2007-08 through FY 2009-10.

Attachment 2— Finding and Recommendation July 1, 2000, through June 30, 2010

**FINDING—
Misstated offsetting
reimbursements**

The district claimed offsetting reimbursements totaling \$1,541,481 (\$771,530 for enrollment fee collection and \$769,951 for enrollment fee waivers). We determined that offsetting reimbursements were understated by \$370,076 for enrollment fee collection and \$163,192 for enrollment fee waivers. The offsetting reimbursements were misstated because the district did not report the correct amounts that it received from the California Community Colleges Chancellor's Office (CCCCO) for enrollment fee collection or enrollment fee waivers in any fiscal year of the review period.

In its claims for fiscal year (FY) 2000-01 through FY 2006-07, the district applied offsetting reimbursements of \$474,066 against total direct and indirect costs claimed. The district did not identify what portions were applicable to enrollment fee collection or enrollment fee waivers. Therefore, we applied all of the offsetting reimbursements claimed for those years to enrollment fee collection activities, as the total offsets received were less than costs claimed for enrollment fee collection.

Enrollment Fee Collection

As noted above, the district claimed \$474,066 in offsetting reimbursements for FY 2000-01 through FY 2006-07 that we classified as enrollment fee collections. In addition, the district claimed \$297,464 in enrollment fee collections for FY 2007-08 through FY 2009-10 related to the offset of two percent of revenues from enrollment fees. We obtained a report from the CCCCCO confirming enrollment fee collection offsets paid to the district totaling \$1,248,433 for the review period. We limited offsetting reimbursements received by the district to allowable direct and indirect enrollment fee collection costs. Allowable direct and indirect enrollment fee collection costs applicable for the review period totaled \$1,774,470. The district understated offsetting reimbursements by \$370,076, consisting of offsets applicable to the review period of \$1,141,606 less offsets claimed of \$771,531.

The following table summarizes the understated enrollment fee collection offsetting reimbursements by fiscal year.

Enrollment Fee Collection Offsets					
Fiscal Year	Allowable Direct and Indirect Costs (A)	Offsets Claimed (B)	Actual Offsets Confirmed by the CCCCCO (C)	Offset Applicable to Review (D)	Review Adjustment (E)=(D-B)
2000-01	\$ 110,055	\$ (34,719) ¹	\$ (81,922)	\$ (81,922)	\$ (47,203)
2001-02	134,739	(29,671) ¹	(87,594)	(87,594)	(57,923)
2002-03	114,907	(31,113) ¹	(82,546)	(82,546)	(51,433)
2003-04	104,873	(60,899) ¹	(107,757)	(104,873)	(43,974)
2004-05	111,360	(107,461) ¹	(146,209)	(111,360)	(3,899)
2005-06	125,542	(102,146) ¹	(153,166)	(125,542)	(23,396)
2006-07	110,295	(108,057) ¹	(151,765)	(110,295)	(2,238)
2007-08	280,964	(90,366)	(144,919)	(144,919)	(54,553)
2008-09	336,011	(103,144)	(139,646)	(139,646)	(36,502)
2009-10	345,724	(103,954)	(152,909)	(152,909)	(48,955)
Total	<u>\$ 1,774,470</u>	<u>\$ (771,530)</u>	<u>\$ (1,248,433)</u>	<u>\$ (1,141,606)</u>	<u>\$ (370,076)</u>

¹ For FY 2000-01, through FY 2006-07, the district did not identify what portion of the \$474,066 in offset was applicable to the enrollment fee collection and what portion was applicable to the enrollment fee waivers. We applied the total offsets claimed to the enrollment fee collection.

After applying offsetting reimbursements to allowable direct and indirect enrollment fee collection costs, the unused portion of offsetting reimbursements totals \$106,827 as follows:

Fiscal Year	Actual Offsets Confirmed by the CCCCCO (A)	Offsets Applicable to Review (B)	Unused Portion of Offsets (A-B)
2000-01	\$ (81,922)	\$ (81,922)	\$ -
2001-02	(87,594)	(87,594)	-
2002-03	(82,546)	(82,546)	-
2003-04	(107,757)	(104,873)	(2,884)
2004-05	(146,209)	(111,360)	(34,849)
2005-06	(153,166)	(125,542)	(27,624)
2006-07	(151,765)	(110,295)	(41,470)
2007-08	(144,919)	(144,919)	-
2008-09	(139,646)	(139,646)	-
2009-10	(152,909)	(152,909)	-
Total	<u>\$ (1,248,433)</u>	<u>\$ (1,141,606)</u>	<u>\$ (106,827)</u>

Enrollment Fee Waivers

For enrollment fee waivers, we also limited offsetting reimbursements received by the district to allowable direct and indirect costs. We obtained a report from the CCCCCO confirming enrollment fee waivers offsets paid to the district totaling \$2,311,390 for the review period. Allowable direct and indirect enrollment fee waivers costs applicable to the review period totaled \$933,143; therefore, this amount represents offsets applicable to the review period. The district understated offsetting reimbursements by \$163,192, consisting of offsets applicable to the review period of \$933,143 less offsets claimed of \$163,192.

The following table summarizes the understated enrollment fee waiver offsetting reimbursements by fiscal year:

Enrollment Fee Waivers Offsets					
Fiscal Year	Allowable Direct and Indirect Costs (A)	Offsets Claimed (B)	Actual Offsets Confirmed by the CCCCCO (C)	Offset Applicable to Review (D)	Review Adjustment (E)=(D-B)
2000-01	\$ 36,309	\$ -	\$ (163,535)	\$ (36,309)	\$ (36,309)
2001-02	43,343	-	(157,445)	(43,343)	(43,343)
2002-03	90,301	-	(180,656)	(90,301)	(90,301)
2003-04	111,293	-	(215,492)	(111,293)	(111,293)
2004-05	121,805	-	(297,846)	(121,805)	(121,805)
2005-06	122,383	-	(273,202)	(122,383)	(122,383)
2006-07	150,551	-	(290,700)	(150,551)	(150,551)
2007-08	85,215	(218,519)	(278,522)	(85,215)	133,304
2008-09	82,956	(265,450)	(141,991)	(82,956)	182,494
2009-10	88,987	(285,982)	(312,001)	(88,987)	196,995
Total	\$ 933,143	\$ (769,951)	\$ (2,311,390)	\$ (933,143)	\$ (163,192)

After applying offsetting reimbursements to allowable direct and indirect enrollment fee waivers costs, the unused portion of offsetting reimbursements totals \$1,378,247 as follows:

Fiscal Year	Actual Offsets Confirmed by the CCCCCO (A)	Offsets Applicable to Review (B)	Unused Portion of Offsets (A-B)
2000-01	\$ (163,535)	\$ (36,309)	\$ (127,226)
2001-02	(157,445)	(43,343)	(114,102)
2002-03	(180,656)	(90,301)	(90,355)
2003-04	(215,492)	(111,293)	(104,199)
2004-05	(297,846)	(121,805)	(176,041)
2005-06	(273,202)	(122,383)	(150,819)
2006-07	(290,700)	(150,551)	(140,149)
2007-08	(278,522)	(85,215)	(193,307)
2008-09	(141,991)	(82,956)	(59,035)
2009-10	(312,001)	(88,987)	(223,014)
Total	\$ (2,311,390)	\$ (933,143)	\$ (1,378,247)

On April 24, 2003, the Commission on State Mandates (CSM) adopted the statement of decision for the Enrollment Fee Collection and Waivers Program. The CSM determined that the test claim legislation imposed upon school districts a state mandate reimbursable 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 January 26, 2006. In compliance with Government Code section 17558, the SCO issued claiming instructions to assist community college districts in claiming mandated program reimbursable costs.

The parameters and guidelines (section VII-Offsetting Savings and Reimbursements) state:

Any offsetting savings 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 from any source, including, but not limited to services fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

Enrollment Fee Collection Program:

The cost of the Enrollment Fee Collection program are subject to an offset of two percent (2%) of the revenue from enrollment fees (Ed. Code, 76000, subd.(c)).

Enrollment Fee Waiver Program:

The costs of the Enrollment Fee Waiver program are subject to the following offsets:

July 1, 1999 to July 4, 2000:

- For low income students² or recipients of public assistance³, or dependents or surviving spouses of National Guard soldiers killed in the line of duty⁴ as defined:
 - an offset identified in Education Code section 76300, subdivision (m), that requires the community college Board of Governors, from funds in the annual budget act, to allocated to community college two percent (2%) of the fees waived, under subdivision (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined] of section 76300; and
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined), or dependents or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived:

- from funds provided in the annual State Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to seven (7%) of the fee waivers provided, pursuant to subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and 9h0 [dependents or surviving spouses of California National Guard soldiers killed in the line of duty, as defined].⁵

Beginning July 5, 2000:

- For low-income students (as defined), or recipient of public assistance (as defined) or dependent or surviving spouses of National Guard soldiers killed in the line of duty, for whom fees are waived (as defined):
 - an offset identified in Education Code section 76300, subdivision (m), that requires the Community College Board of Governors, from funds in the annual budget act, to allocate to community colleges two (2%) of the fees waived, under subdivisions (g) [low income students, as defined, or specified recipients of public assistance] and (h) [dependents of California National Guard soldiers killed in the line of duty as defined] of section 76300;
- For determination of financial need and delivery of student financial aid services, on the basis of the number of low income students (as defined) or recipients of public assistance (as defined) for whom fees are waived:
 - requires the Board of Governors to allocate from funds in the annual State Budget Act ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) [low income students, as defined, or specified recipient of public assistance] and (h) [dependents or California National Guard soldiers killed in the line of duty as defined].
- Any budget augmentation received under the Board Financial Assistance Program Administrative Allowance, or any other state budget augmentation received for administering the fee waiver program.

Note – Footnotes 2 through 5 are included in the parameters and guidelines to provide additional clarification.

Recommendation

We recommend that the district report the applicable offsetting reimbursements for the Enrollment Fee Collection and Waivers Program on its mandated cost claims based on information provided by the CCCCCO.