



JOHN CHIANG
California State Controller

August 22, 2012

Brian Marshall, Superintendent
La Mesa-Spring Valley School District
4750 Date Avenue
La Mesa, CA 91942

Dear Mr. Marshall:

The State Controller's Office reviewed the costs claimed by La Mesa – Spring Valley School District for the legislatively mandated Standardized Testing and Reporting Program (Chapter 828, Statutes of 1997) for the period of July 1, 2000, through June 30, 2004, excluding July 1, 2002, through June 30, 2003. Our review was limited to ensuring that the California Department of Education Standardized Testing and Reporting Program apportionment was properly offset.

The district claimed \$78,406 (\$79,406 less a \$1,000 penalty for filing a late claim) for the mandated program. Our review disclosed that \$29,223 is allowable and \$49,183 is unallowable. The costs are unallowable because the district understated offsetting reimbursements, as described in the attached Summary of Program Costs and Finding and Recommendation.

For the fiscal year (FY) 2000-01 claim, the State paid the district \$11,493 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that the claimed costs are unallowable. The State will apply \$11,493 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For the FY 2001-02 claim, the State paid the district \$19,530 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$540 is allowable. The State will apply \$18,990 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For the FY 2003-04 claim, the State paid the district \$47,383 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$28,683 is allowable. The State will apply \$18,700 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

We communicated the review results to Betty Kirchhevel, Administrative Assistant, via e-mail on August 2, 2012.

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
Chief, Division of Audits

JVB/vb

Attachments

RE: S12-MCC-934

cc: Betty Kirchhevel, Administrative Assistant
La Mesa – Spring Valley School District
Randolph E. Ward, County Superintendent of Schools
San Diego County Office of Education
Scott Hannan, Director, School Fiscal Services Division
California Department of Education
Carol Bingham, Director, Fiscal Policy Division
California Department of Education
Thomas Todd, Assistant Program Budget Manager
Education Systems Unit, 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, 2004,
excluding July 1, 2002, through June 30, 2003**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 623	\$ 623	\$ —
Test materials, supplies, and equipment	3,411	3,411	—
Pre-test and post-test coordination	787	787	—
Reporting and recordkeeping	787	787	—
Total salaries and benefits	5,608	5,608	—
Materials and supplies:			
Test materials, supplies, and equipment	6,330	6,330	—
Total materials and supplies	6,330	6,330	—
Total direct costs	11,938	11,938	—
Indirect costs	555	555	—
Total direct and indirect costs	12,493	12,493	—
Less offsetting reimbursements	—	(18,453)	(18,453)
Subtotal	12,493	(5,960)	(18,453)
Less late filing penalty ²	(1,000)	—	1,000
Subtotal	11,493	(5,960)	(17,453)
Adjustment to eliminate negative balance	—	5,960	5,960
Total program costs	\$ 11,493	—	\$ (11,493)
Less amount paid by the State ³		(11,493)	
Allowable costs claimed in excess of (less than) amount paid		\$ (11,493)	
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Test materials, supplies, and equipment	\$ 4,999	\$ 4,999	\$ —
Pre-test and post-test coordination	2,250	2,250	—
Test administration	2,083	2,083	—
Reporting and recordkeeping	1,000	1,000	—
Total salaries and benefits	10,332	10,332	—
Materials and supplies:			
Test materials, supplies, and equipment	8,567	8,567	—
Total materials and supplies	8,567	8,567	—
Total direct costs	18,899	18,899	—
Indirect costs	631	631	—
Total direct and indirect costs	19,530	19,530	—
Less offsetting reimbursements	—	(18,990)	(18,990)

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2001, through June 30, 2002 (continued)</u>			
Total program costs	\$ 19,530	540	\$ (18,990)
Less amount paid by the State ³		(19,530)	
Allowable costs claimed in excess of (less than) amount paid		\$ (18,990)	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 3,214	\$ 3,214	\$ —
Test materials, supplies, and equipment	11,089	11,089	—
Pre-test and post-test coordination	1,821	1,821	—
Test administration	7,446	7,446	—
Reporting and recordkeeping	16,868	16,868	—
Total salaries and benefits	40,438	40,438	—
Materials and supplies:			
Test materials, supplies, and equipment	5,356	5,356	—
Total materials and supplies	5,356	5,356	—
Travel and training:			
Training policies and procedures	204	204	—
Total travel and training	204	204	—
Total direct costs	45,998	45,998	—
Indirect costs	1,385	1,385	—
Total direct and indirect costs	47,383	47,383	—
Less offsetting reimbursements	—	(18,700)	(18,700)
Total program costs	\$ 47,383	28,683	\$ (18,700)
Less amount paid by the State ³		(47,383)	
Allowable costs claimed in excess of (less than) amount paid		\$ (18,700)	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>Summary: July 1, 2000, through June 30, 2004, excluding July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 3,837	\$ 3,837	\$ —
Test materials, supplies, and equipment	19,499	19,499	—
Pre-test and post-test coordination	4,858	4,858	—
Test administration	9,529	9,529	—
Reporting and recordkeeping	18,655	18,655	—
Total salaries and benefits	56,378	56,378	—
Materials and supplies:			
Test materials, supplies, and equipment	20,253	20,253	—
Total materials and supplies	20,253	20,253	—
Travel and training:			
Training policies and procedures	204	204	—
Total travel and training	204	204	—
Total direct costs	76,835	76,835	—
Indirect costs	2,571	2,571	—
Total direct and indirect costs	79,406	79,406	—
Less offsetting revenues/reimbursements	—	(56,143)	(56,143)
Subtotal	79,406	23,263	(56,143)
Less late filing penalty	(1,000)	—	1,000
Subtotal	78,406	23,263	(55,143)
Adjustment to eliminate negative balance (FY 2000-01)	—	5,960	5,960
Total program costs	<u>\$ 78,406</u>	29,223	<u>\$ (49,183)</u>
Less amount paid by the State ³		(78,406)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (49,183)</u>	

¹ See Attachment 2, Finding and Recommendation.

² Late filing penalty is eliminated because there are no allowable costs.

³ Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

Attachment 2— Finding and Recommendation July 1, 2000, through June 30, 2004, excluding July 1, 2002, through June 30, 2003

**FINDING—
Understated offsetting
reimbursements**

The district understated offsetting reimbursements by \$56,143 because it did not report any of the Standardized Testing and Reporting (STAR) Program apportionments received from the California Department of Education (CDE) for the review period.

The parameters and guidelines (section VII) 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 received from any source, including but not limited to, services fees collected, federal funds and other state funds shall be identified and deducted from the claim.

Education Code section 60640, subdivision (h)(1), specifies that the State Superintendent of Public Instruction shall apportion funds to school districts to enable them to administer the tests within the STAR Program. For the review period, we determined that the district received \$86,257 from the CDE.

We determined the amount that should have been offset by multiplying the total CDE apportionment by the reimbursable mandate percentages based on test results published on the CDE STAR website. The district administered the following STAR tests in the review period: Stanford Achievement Test, Ninth Edition (SAT-9); California Achievement Test, Sixth Edition (CAT/6); California Standards Tests (CST); Spanish Assessment of Basic Education, Second Edition (SABE/2); and California Alternate Performance Assessment (CAPA). The CST and CAPA tests are not reimbursable because they were not pled in the test claim that created this mandate.

Based on the CDE’s published test results, the reimbursable mandate percentages are as follows: 64.72% for FY 2000-01, 66.83% for FY 2001-02, and 63.76% for FY 2003-04.

The following table summarizes the understated offsetting reimbursements for the review period:

	Fiscal Year			Total
	2000-01	2001-02	2003-04	
STAR Program apportionments:				
CDE apportionment	\$ (28,512)	\$ (28,416)	\$ (29,329)	\$ (86,257)
Mandate-related percentage	× 64.72%	× 66.83%	× 63.76%	
Mandate-related apportionment	(18,453)	(18,990)	(18,700)	(56,143)
Less offset CDE apportionment	—	—	—	—
Review adjustment	\$ (18,453)	\$ (18,990)	\$ (18,700)	\$ (56,143)

Recommendation

We recommend that the district ensure that all applicable reimbursements are offset against mandated program costs.