



**JOHN CHIANG**  
California State Controller

August 24, 2012

Jonathan L. Greenberg, Ed.D., Superintendent  
Perris Union High School District  
155 East 4<sup>th</sup> Street  
Perris, CA 92570

Dear Dr. Greenberg:

The State Controller's Office reviewed the costs claimed by Perris Union High School District for the legislatively mandated Standardized Testing and Reporting Program (Chapter 828, Statutes of 1997) for the period of July 1, 1997, 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 \$329,827 for the mandated program. Our review disclosed that \$251,090 is allowable and \$78,737 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) 1997-98 claim, the State paid the district \$45,589 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$18,161 is allowable. The State will apply \$27,428 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For the FY 1998-99 claim, the State paid the district \$46,750 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$22,593 is allowable. The State will apply \$24,157 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For the FY 1999-2000 claim, the State paid the district \$49,465 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$45,897 is allowable. The State will apply \$3,568 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For the FY 2000-01 claim, the State paid the district \$59,849 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$52,757 is allowable. The State will apply \$7,092 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 \$48,429 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$47,867 is allowable. The State will apply \$562 against any balances of unpaid mandated program claims due the district as of October 19, 2010.

For the FY 2003-04 claim, the State made no payment to the district. Our review disclosed that \$63,815 is allowable. The State will pay that amount, contingent upon available appropriations.

We communicated the review results to Candace Reines, Assistant Superintendent of Business Services, via e-mail on July 23, 2012. Ms. Reines did not respond to the e-mail.

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](http://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-933

cc: Candace Reines, Assistant Superintendent of Business Services  
Perris Union High School District  
Tina Daigneault, Director of Fiscal Services  
Perris Union High School District  
Kenneth M. Young, County Superintendent of Schools  
Riverside 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, 1997, through June 30, 2004,  
Excluding July 1, 2002, through June 30, 2003**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 1997, through June 30, 1998</u>			
Direct costs:			
Salaries and benefits:			
Training, policies and procedures	\$ 2,274	\$ 2,274	\$ —
Test materials, supplies, and equipment	97	97	—
Pre-test and post-test coordination	31,458	31,458	—
Reporting and recordkeeping	8,333	8,333	—
Total direct costs	42,162	42,162	—
Indirect costs	3,427	3,427	—
Total direct and indirect costs	45,589	45,589	—
Less offsetting reimbursements	—	(27,428)	(27,428)
Total program costs	<u>\$ 45,589</u>	18,161	<u>\$ (27,428)</u>
Less amount paid by the State <sup>2</sup>		(45,589)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (27,428)</u>	
<u>July 1, 1998, through June 30, 1999</u>			
Direct costs:			
Salaries and benefits:			
Training, policies and procedures	\$ 2,328	\$ 2,328	\$ —
Test materials, supplies, and equipment	99	99	—
Pre-test and post-test coordination	32,207	32,207	—
Reporting and recordkeeping	8,531	8,531	—
Total salaries and benefits	43,165	43,165	—
Materials and supplies:			
Test materials, supplies, and equipment	69	69	—
Total materials and supplies	69	69	—
Total direct costs	43,234	43,234	—
Indirect costs	3,516	3,516	—
Total direct and indirect costs	46,750	46,750	—
Less offsetting reimbursements	—	(24,157)	(24,157)
Total program costs	<u>\$ 46,750</u>	22,593	<u>\$ (24,157)</u>
Less amount paid by the State <sup>2</sup>		(46,750)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (24,157)</u>	

**Attachment 1 (continued)**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment <sup>1</sup>
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits:			
Training, policies and procedures	\$ 2,385	\$ 2,385	\$ —
Test materials, supplies, and equipment	101	101	—
Pre-test and post-test coordination	32,993	32,993	—
Reporting and recordkeeping	8,739	8,739	—
Total salaries and benefits	44,218	44,218	—
Materials and supplies:			
Test materials, supplies, and equipment	1,527	1,527	—
Total materials and supplies	1,527	1,527	—
Total direct costs	45,745	45,745	—
Indirect costs	3,720	3,720	—
Total direct and indirect costs	49,465	49,465	—
Less offsetting reimbursements	—	(3,568)	(3,568)
Total program costs	\$ 49,465	45,897	\$ (3,568)
Less amount paid by the State <sup>2</sup>		(49,465)	
Allowable costs claimed in excess of (less than) amount paid		\$ (3,568)	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Training, policies and procedures	\$ 2,385	\$ 2,385	\$ —
Test materials, supplies, and equipment	101	101	—
Pre-test and post-test coordination	32,993	32,993	—
Reporting and recordkeeping	8,739	8,739	—
Total salaries and benefits	44,218	44,218	—
Materials and supplies:			
Test materials, supplies, and equipment	12,436	12,436	—
Total materials and supplies	12,436	12,436	—
Total direct costs	56,654	56,654	—
Indirect costs	3,195	3,195	—
Total direct and indirect costs	59,849	59,849	—
Less offsetting reimbursements	—	(7,092)	(7,092)
Total program costs	\$ 59,849	52,757	\$ (7,092)
Less amount paid by the State <sup>2</sup>		(59,849)	
Allowable costs claimed in excess of (less than) amount paid		\$ (7,092)	

**Attachment 1 (continued)**

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Review</u>	<u>Review Adjustment <sup>1</sup></u>
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies and procedures	\$ 2,444	\$ 2,444	\$ —
Test materials, supplies, and equipment	104	104	—
Pre-test and post-test coordination	33,817	33,817	—
Reporting and recordkeeping	8,958	8,958	—
Total salaries and benefits	<u>45,323</u>	<u>45,323</u>	<u>—</u>
Materials and supplies:			
Test materials, supplies, and equipment	6,720	6,720	—
Total materials and supplies	<u>6,720</u>	<u>6,720</u>	<u>—</u>
Total direct costs	52,043	52,043	—
Indirect costs	<u>3,638</u>	<u>3,638</u>	<u>—</u>
Total direct and indirect costs	55,681	55,681	—
Less offsetting reimbursements	—	(7,814)	(7,814)
Total program costs	<u>\$ 55,681</u>	47,867	<u>\$ (7,814)</u>
Less amount paid by the State <sup>2</sup>		<u>(48,429)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (562)</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits:			
Training, policies and procedures	\$ 5,092	\$ 5,092	\$ —
Test materials, supplies, and equipment	7,747	7,747	—
Pre-test and post-test coordination	33,994	33,994	—
Test administration	9,825	9,825	—
Reporting and recordkeeping	11,991	11,991	—
Total direct costs	68,649	68,649	—
Indirect costs	<u>3,844</u>	<u>3,844</u>	<u>—</u>
Total direct and indirect costs	72,493	72,493	—
Less offsetting reimbursements	—	(8,678)	(8,678)
Total program costs	<u>\$ 72,493</u>	63,815	<u>\$ (8,678)</u>
Less amount paid by the State		<u>—</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 63,815</u>	

**Attachment 1 (continued)**

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Review</u>	<u>Review Adjustment <sup>1</sup></u>
<u>Summary: July 1, 1997, through June 30, 2004, excluding July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies and procedures	\$ 16,908	\$ 16,908	\$ —
Test materials, supplies, and equipment	8,249	8,249	—
Pre-test and post-test coordination	197,462	197,462	—
Test administration	9,825	9,825	—
Reporting and recordkeeping	55,291	55,291	—
Total salaries and benefits	<u>287,735</u>	<u>287,735</u>	<u>—</u>
Materials and supplies:			
Test materials, supplies, and equipment	20,752	20,752	—
Total materials and supplies	<u>20,752</u>	<u>20,752</u>	<u>—</u>
Total direct costs	308,487	308,487	—
Indirect costs	<u>21,340</u>	<u>21,340</u>	<u>—</u>
Total direct and indirect costs	329,827	329,827	—
Less offsetting reimbursements	—	(78,737)	(78,737)
Total program costs	<u>\$ 329,827</u>	251,090	<u>\$ (78,737)</u>
Less amount paid by the State <sup>2</sup>		<u>(250,082)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,008</u>	

<sup>1</sup> See Attachment 2, Finding and Recommendation.

<sup>2</sup> Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

**Attachment 2—  
Finding and Recommendation  
July 1, 1997, through June 30, 2004  
Excluding July 1, 2002, through June 30, 2003**

**FINDING—  
Understated offsetting  
reimbursements**

The district understated offsetting reimbursements by \$78,737 because it did not report any of the Standardized Testing and Reporting Program (STAR) 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 \$102,868 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 during the review period: California Standards Tests (CST); Stanford Achievement Test, Ninth Edition (SAT-9); California Achievement Test, Sixth Edition (CAT/6); and, Spanish Assessment of Basic Education, Second Edition (SABE/2). The CST test is not reimbursable because it was 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: 100% for FY 1997-98, 76.05% for FY 1998-99, 75.52% for FY 1999-2000, 63.31% for FY 2000-01, 62.93% for FY 2001-02, and 56.60% for FY 2003-04.

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

	Fiscal Year						Total
	1997-98	1998-99	1999-2000	2000-01	2001-02	2003-04	
STAR Program apportionments:							
CDE apportionment	\$ (27,428)	\$ (31,764)	\$ (4,725)	\$ (11,202)	\$ (12,417)	\$ (15,332)	<u>\$ (102,868)</u>
Mandate-related percentage	× 100%	× 76.05%	× 75.52%	× 63.31%	× 62.93%	× 56.60%	
Mandate-related apportionment	(27,428)	(24,157)	(3,568)	(7,092)	(7,814)	(8,678)	(78,737)
Less offset CDE apportionment	—	—	—	—	—	—	—
Review adjustment	<u>\$ (27,428)</u>	<u>\$ (24,157)</u>	<u>\$ (3,568)</u>	<u>\$ (7,092)</u>	<u>\$ (7,814)</u>	<u>\$ (8,678)</u>	<u>\$ (78,737)</u>

**Recommendation**

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