



JOHN CHIANG
California State Controller

August 15, 2013

Jose´ A. Fernandez, Superintendent
Centinela Valley Union High School District
14901 South Inglewood Avenue
Lawndale, CA 90260

Dear Mr. Fernandez:

The State Controller’s Office reviewed the costs claimed by Centinela Valley Union High School District for the legislatively mandated Standardized Testing and Reporting (STAR) Program (Chapter 828, Statutes of 1997) for the period of July 1, 2001, through June 30, 2003. Our review was limited to ensuring that the California Department of Education’s STAR Program apportionment was properly offset.

The district claimed \$126,566 for the mandated program. Our review found that \$111,575 is allowable and \$14,991 is unallowable. The costs are unallowable because the district did not report any offsetting reimbursements, as described in the attached Summary of Program Costs and the Finding and Recommendation.

For the fiscal year (FY) 2001-02 claim, the State paid the district \$87,034 from funds appropriated under Chapter 724, Statutes of 2010. Our review found that \$79,926 is allowable. The State will apply \$7,108 against any balances of unpaid mandated-program claims due the district as of October 19, 2010.

For the FY 2002-03 claim, the State made no payment to the district. Our review found that \$31,649 is allowable. The State will pay that amount, contingent upon available appropriations.

We informed Nanie Montijo, Director of Fiscal Services, of the review results via email on July 29, 2013. We did not receive a response from Ms. Montijo.

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/nh

Attachments

RE: S13-MCC-956

cc: Ron Hacker, Assistant Superintendent of Business Services
Centinela Valley Union High School District
Nanie Montijo, Director of Fiscal Services
Centinela Valley Union High School District
Arturo Delgado, Ed.D., County Superintendent of Schools
Los Angeles 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, California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

Attachment 1— Summary of Program Costs July 1, 2001, through June 30, 2003

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 21,478	\$ 21,478	\$ —
Test materials, supplies, and equipment	473	473	—
Pre-test and post-test coordination	45,514	45,514	—
Test administration	7,366	7,366	—
Reporting and recordkeeping	3,755	3,755	—
Total salaries and benefits	<u>78,586</u>	<u>78,586</u>	<u>—</u>
Materials and supplies:			
Training, policies, and procedures	200	200	—
Reporting and recordkeeping	2,200	2,200	—
Total materials and supplies	<u>2,400</u>	<u>2,400</u>	<u>—</u>
Travel and training:			
Training, policies, and procedures	315	315	—
Total travel and training	<u>315</u>	<u>315</u>	<u>—</u>
Total direct costs	81,301	81,301	—
Indirect costs	<u>5,733</u>	<u>5,733</u>	<u>—</u>
Total direct and indirect costs	87,034	87,034	—
Less offsetting reimbursements	—	(7,108)	(7,108)
Total program costs	<u>\$ 87,034</u>	79,926	<u>\$ (7,108)</u>
Less amount paid by the State ²		<u>(87,034)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (7,108)</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 1,600	\$ 1,600	\$ —
Pre-test and post-test coordination	23,570	23,570	—
Test administration	4,693	4,693	—
Reporting and recordkeeping	3,466	3,466	—
Total salaries and benefits	<u>33,329</u>	<u>33,329</u>	<u>—</u>
Materials and supplies:			
Training, policies, and procedures	300	300	—
Reporting and recordkeeping	4,350	4,350	—
Total materials and supplies	<u>4,650</u>	<u>4,650</u>	<u>—</u>
Total direct costs	37,979	37,979	—
Indirect costs	<u>1,553</u>	<u>1,553</u>	<u>—</u>
Total direct and indirect costs	39,532	39,532	—
Less offsetting reimbursements	—	(7,883)	(7,883)
Total program costs	<u>\$ 39,532</u>	31,649	<u>\$ (7,883)</u>
Less amount paid by the State		<u>—</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 31,649</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>Summary: July 1, 2001, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 23,078	\$ 23,078	\$ —
Test materials, supplies, and equipment	473	473	—
Pre-test and post-test coordination	69,084	69,084	—
Test administration	12,059	12,059	—
Reporting and recordkeeping	7,221	7,221	—
Total salaries and benefits	111,915	111,915	—
Materials and supplies:			
Training, policies, and procedures	500	500	—
Reporting and recordkeeping	6,550	6,550	—
Total materials and supplies	7,050	7,050	—
Travel and training:			
Training, policies, and procedures	315	315	—
Total travel and training	315	315	—
Total direct costs	119,280	119,280	—
Indirect costs	7,286	7,286	—
Total direct and indirect costs	126,566	126,566	—
Less offsetting reimbursements	—	(14,991)	(14,991)
Total program costs	\$ 126,566	111,575	\$ (14,991)
Less amount paid by the State		(87,034)	
Allowable costs claimed in excess of (less than) amount paid		\$ 24,541	

¹ See Attachment 2, Finding and Recommendation.

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

Attachment 2— Finding and Recommendation July 1, 2001, through June 30, 2003

**FINDING—
Unreported offsetting
reimbursements**

The district did not report offsetting reimbursements, totaling \$14,991, 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.

On August 24, 2000, the Commission on State Mandates (CSM) adopted the statement of decision for the STAR Program. The CSM determined that Chapter 828, Statutes of 1997, and the implementing regulations at Title 5, *California Code of Regulations*, sections 850 through 904, imposed a state mandate upon school districts reimbursable under Government Code section 17561, commencing October 10, 1997.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The CSM adopted the parameters and guidelines on January 24, 2002. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist school districts in claiming mandated program reimbursable costs.

On reconsideration by Statutes of 2004, Chapter 216, section 34; and Statutes of 2004, Chapter 895, section 19, the CSM found that effective July 1, 2004, many of the reimbursable activities were either federally mandated or no longer required, and thus were not reimbursable. Accordingly, the CSM deleted references to the non-reimbursable activities and renamed the program to the National Norm-Referenced Achievement Test Program effective July 1, 2004. This latter program has been suspended since September 30, 2008.

The parameters and guidelines for the STAR Program (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 \$26,217 from the CDE.

We determined the amount that should have been offset by multiplying the total CDE apportionment by the reimbursable mandate percentages, which are based on test results published on the CDE STAR website. The district administered the following STAR tests during the review period: California Standards Test (CST); Stanford Achievement Test, Ninth Edition (SAT-9); California Achievement Test, Sixth Edition

Survey (CAT/6); Spanish Assessment of Basic Education, Second Edition (SABE/2); and the 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 59.67% for FY 2001-02 and 55.11% for FY 2002-03.

The following table summarizes the unreported offsetting reimbursement calculation for the review period:

	Fiscal Year		Total
	2001-02	2002-03	
STAR Program Apportionments:			
CDE apportionment	\$ (11,912)	\$ (14,305)	<u>\$ (26,217)</u>
Mandate-related percentage	<u>59.67%</u>	<u>55.11%</u>	
Mandate-related apportionment	(7,108)	(7,883)	(14,991)
Less offset CDE apportionment	<u>-</u>	<u>-</u>	<u>-</u>
Review adjustment	<u>\$ (7,108)</u>	<u>\$ (7,883)</u>	<u>\$ (14,991)</u>

Recommendation

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