



JOHN CHIANG
California State Controller

October 22, 2012

David Yoshihara, Ed.D., Superintendent
San Gabriel Unified School District
408 Junipero Serra Drive
San Gabriel, CA 91776

Dear Dr. Yoshihara:

The State Controller's Office reviewed the costs claimed by the San Gabriel Unified 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, 2002, excluding July 1, 1999, through June 30, 2001. Our review was limited to ensuring that the California Department of Education Standardized Testing and Reporting Program apportionment was properly offset.

The district claimed \$96,202 for the mandated program. Our review disclosed that \$41,724 is allowable and \$54,478 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 \$30,478 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$4,629 is allowable. The State will apply \$25,849 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 \$30,541 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$8,617 is allowable. The State will apply \$21,924 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 \$1,342 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$28,478 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$27,136, contingent upon available appropriations.

We informed Cynthia Bracamonte, Executive Assistant to the Superintendent, of the review results via e-mail on September 19, 2012. Ms. Bracamonte responded that she forwarded the e-mail to Maria Nonette Martin, the Assistant Superintendent of Business Services, on September 20, 2012. We did not receive a response from Ms. Martin.

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/bf

Attachments

RE: S13-MCC-903

cc: Maria Nonette Martin, Assistant Superintendent of Business Services
San Gabriel Unified School District
Cynthia Bracamonte, Executive Assistant to the Superintendent
San Gabriel Unified School District
Arturo Delgado, 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, 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, 2002,
Excluding July 1, 1999, through June 30, 2001**

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1997, through June 30, 1998</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 18,160	\$ 18,160	\$ —
Test administration	5,286	5,286	—
Reporting and recordkeeping	3,297	3,297	—
Total salaries and benefits	26,743	26,743	—
Materials and supplies:			
Reporting and recordkeeping	1,907	1,907	—
Total material and supplies	1,907	1,907	—
Total direct costs	28,650	28,650	—
Indirect costs	1,828	1,828	—
Total direct and indirect costs	30,478	30,478	—
Less offsetting reimbursements	—	(25,849)	(25,849)
Total program costs	<u>\$ 30,478</u>	4,629	<u>\$ (25,849)</u>
Less amount paid by the State ²		(30,478)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (25,849)</u>	
<u>July 1, 1998, through June 30, 1999</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 18,314	\$ 18,314	\$ —
Test administration	5,186	5,186	—
Reporting and recordkeeping	3,363	3,363	—
Total salaries and benefits	26,863	26,863	—
Materials and supplies:			
Reporting and recordkeeping	2,061	2,061	—
Total material and supplies	2,061	2,061	—
Total direct costs	28,924	28,924	—
Indirect costs	1,617	1,617	—
Total direct and indirect costs	30,541	30,541	—
Less offsetting reimbursements	—	(21,924)	(21,924)
Total program costs	<u>\$ 30,541</u>	8,617	<u>\$ (21,924)</u>
Less amount paid by the State ²		(30,541)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (21,924)</u>	

Attachment 1 (continued)

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:			
Pre-test and post-test coordination	\$ 20,380	\$ 20,380	\$ —
Test administration	4,586	4,586	—
Reporting and recordkeeping	3,533	3,533	—
Total salaries and benefits	28,499	28,499	—
Materials and supplies:			
Test materials, supplies, and equipment	2,426	2,426	—
Reporting and recordkeeping	1,791	1,791	—
Total material and supplies	4,217	4,217	—
Total direct costs	32,716	32,716	—
Indirect costs	2,467	2,467	—
Total direct and indirect costs	35,183	35,183	—
Less offsetting reimbursements	—	(6,705)	(6,705)
Total program costs	<u>\$ 35,183</u>	28,478	<u>\$ (6,705)</u>
Less amount paid by the State ²		(1,342)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 27,136</u>	
<u>Summary: July 1, 1997, through June 30, 2002,</u>			
<u>Excluding July 1, 1999, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Pre-test and post-test coordination	\$ 56,854	\$ 56,854	\$ —
Test administration	15,058	15,058	—
Reporting and recordkeeping	10,193	10,193	—
Total salaries and benefits	82,105	82,105	—
Materials and supplies:			
Test materials, supplies, and equipment	2,426	2,426	—
Reporting and recordkeeping	5,759	5,759	—
Total materials and supplies	8,185	8,185	—
Total direct costs	90,290	90,290	—
Indirect costs	5,912	5,912	—
Total direct and indirect costs	96,202	96,202	—
Less offsetting reimbursements	—	(54,478)	(54,478)
Total program costs	<u>\$ 96,202</u>	41,724	<u>\$ (54,478)</u>
Less amount paid by the State ²		(62,361)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (20,637)</u>	

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, 1997, through June 30, 2002, Excluding July 1, 1999, through June 30, 2001

**FINDING—
Understated offsetting
reimbursements**

The district understated offsetting reimbursements by \$54,478 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 January 24, 2002, the Commission on State Mandates adopted the parameters and guidelines, which establish the state mandate and define the reimbursement criteria.

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.

California 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 \$67,934 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 in the review period: California Standards Test (CST); Stanford Achievement Test, Ninth Edition (SAT-9); and the Spanish Assessment of Basic Education, Second Edition (SABE/2). The CST 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, 69.55% for FY 1998-99, and 63.48% for FY 2001-02.

	Fiscal Year			Total
	1997-98	1998-99	2001-02	
STAR program apportionments:				
CDE apportionment	\$ (25,849)	\$ (31,523)	\$ (10,562)	\$ (67,934)
Mandate-related percentage	× 100%	× 69.55%	× 63.48%	
Mandate-related apportionment	(25,849)	(21,924)	(6,705)	(54,478)
Less offset CDE apportionment	—	—	—	—
Review adjustment	\$ (25,849)	\$ (21,924)	\$ (6,705)	\$ (54,478)

Recommendation

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