

# NAPA COUNTY

Audit Report

## **CONSOLIDATED HANDICAPPED AND DISABLED STUDENTS (HDS), HDS II, AND SERIOUSLY EMOTIONALLY DISTURBED PUPILS PROGRAM**

Chapter 1747, Statutes of 1984; Chapter 1274, Statutes of  
1985; Chapter 1128, Statutes of 1994; and Chapter 654,  
Statutes of 1996

*July 1, 2008, through June 30, 2010*



**BETTY T. YEE**  
California State Controller

April 2018



**BETTY T. YEE**  
California State Controller

April 30, 2018

The Honorable Tracy A. Schulze, CPA, Auditor-Controller  
Napa County  
1195 Third Street, B10  
Napa, CA 94559

Dear Ms. Schulze:

The State Controller's Office (SCO) audited the costs claimed by Napa County for the legislatively mandated Consolidated Handicapped and Disabled Students (HDS), HDS II, and Seriously Emotionally Disturbed Pupils Program (Chapter 1747, Statutes of 1984; Chapter 1274, Statutes of 1985; Chapter 1128, Statutes of 1994; and Chapter 654, Statutes of 1996) for the period of July 1, 2008, through June 30, 2010.

The county claimed \$2,111,777 for the mandated program. Our audit found that \$1,786,758 is allowable and \$325,019 is unallowable. The costs are unallowable primarily because the county overstated assessment and treatment costs, misstated indirect costs, and understated offsetting reimbursements. The State made no payments to the county. The State will pay \$1,786,758, contingent upon available appropriations. Following the issuance of this report, the SCO's Local Government Programs and Services Division will notify the county of the adjustments via a system-generated letter for each fiscal year in the audit period.

If you have any questions, please contact Jim L. Spano, CPA, Assistant Division Chief, by telephone at (916) 323-5849.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/rg

cc: The Honorable Brad Wagenknecht, Chair  
Napa County Board of Supervisors  
Rose Hardcastle, CPA, Chief Fiscal Officer  
Napa County Health and Human Services Agency  
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Local Government Unit  
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Local Government Programs and Services Division  
California State Controller's Office

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## **Audit Report**

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by Napa County for the legislatively mandated Consolidated Handicapped and Disabled Students (HDS), HDS II, and Seriously Emotionally Disturbed Pupils (SEDP) Program for the period of July 1, 2008, through June 30, 2010.

The county claimed \$2,111,777 for the mandated program. Our audit found that \$1,786,758 is allowable and \$325,019 is unallowable. The costs are unallowable primarily because the county overstated assessment and treatment costs, misstated indirect costs, and understated offsetting reimbursements. The State will pay \$1,786,758, contingent upon available appropriations. Following the issuance of this report, the SCO's Local Government Programs and Services Division (LGPSD) will notify the county of the adjustments via a system-generated letter for each fiscal year in the audit period.

## Background

### Handicapped and Disabled Students Program

Chapter 26 of the Government Code (GC), commencing with section 7570, and Welfare and Institutions Code (WIC) section 5651 (added and amended by Chapter 1747, Statutes of 1984, and Chapter 1274, Statutes of 1985) require counties to participate in the mental health assessment for "individuals with exceptional needs," participate in the expanded "Individualized Education Program" (IEP) team, and provide case management services for "individuals with exceptional needs" who are designated as "seriously emotionally disturbed." These requirements impose a new program or higher level of service on counties.

On April 26, 1990, the Commission on State Mandates (Commission) adopted the statement of decision for the HDS Program and determined that this legislation imposes a State mandate reimbursable under GC section 17561. The Commission adopted the parameters and guidelines for the HDS Program on August 22, 1991, and last amended them on January 25, 2007.

The parameters and guidelines for the HDS Program state that only 10% of mental health treatment costs are reimbursable. However, on September 30, 2002, Assembly Bill 2781 (Chapter 1167, Statutes of 2002) changed the regulatory criteria by stating that the percentage of treatment costs claimed by counties for fiscal year (FY) 2000-01 and prior fiscal years is not subject to dispute by the SCO. Furthermore, this legislation states that, for claims filed in FY 2001-02 and thereafter, counties are not required to provide any share of these costs or to fund the cost of any part of these services with money received from the Local Revenue Fund established by WIC section 17600 et seq. (realignment funds).

Furthermore, Senate Bill 1895 (Chapter 493, Statutes of 2004) states that realignment funds used by counties for the HDS Program "are eligible for reimbursement from the state *for all allowable costs* to fund assessments, psychotherapy, and other mental health services . . ." and that the finding by the Legislature is "declaratory of existing law" [emphasis added].

The Commission amended the parameters and guidelines for the HDS Program on January 26, 2006, and corrected them on July 21, 2006, allowing reimbursement for out-of-home residential placements beginning July 1, 2004.

### **Handicapped and Disabled Students II Program**

On May 26, 2005, the Commission adopted a statement of decision for the HDS II Program that incorporates the above legislation and further identifies medication support as a reimbursable cost effective July 1, 2001. The Commission adopted the parameters and guidelines for this new program on December 9, 2005, and last amended them on October 26, 2006.

The parameters and guidelines for the HDS II Program state:

Some costs disallowed by the State Controller's Office in prior years are now reimbursable beginning July 1, 2001 (e.g., medication monitoring). Rather than claimants re-filing claims for those costs incurred beginning July 1, 2001, the State Controller's Office will reissue the audit reports.

Consequently, we are allowing medication support costs commencing on July 1, 2001.

### **Seriously Emotionally Disturbed Pupils Program**

GC section 7576 (added and amended by Chapter 654, Statutes of 1996) allows new fiscal and programmatic responsibilities for counties to provide mental health services to SEDP placed in out-of-state residential programs. Counties' fiscal and programmatic responsibilities include those set forth in Title 2, *California Code of Regulations*, section 60100, which provide that residential placements may be made out-of-state only when no in-state facility can meet the pupil's needs.

On May 25, 2000, the Commission adopted the statement of decision for the SEDP: Out-of-State Mental Health Services Program and determined that Chapter 654, Statutes of 1996, imposes a State mandate reimbursable under GC section 17561. The Commission adopted the parameters and guidelines for the SEDP Program on October 26, 2000. The Commission determined that the following activities are reimbursable:

- Payment for out-of-state residential placements;
- Case management of out-of-state residential placements. Case management includes supervision of mental health treatment and monitoring of psychotropic medications;
- Travel to conduct quarterly face-to-face contacts at the residential facility to monitor level of care, supervision, and the provision of mental health services as required in the pupil's IEP; and
- Program management, which includes parent notifications as required, payment facilitation, and all other activities necessary to ensure that a county's out-of-state residential placement program meets the requirements of GC section 7576.

The Commission consolidated the parameters and guidelines for the HDS, HDS II, and SEDP Programs for costs incurred commencing with FY 2006-07 on October 26, 2006, and last amended them on September 28, 2012. On September 28, 2012, the Commission stated that Statutes of 2011, Chapter 43, “eliminated the mandated programs for counties and transferred responsibility to school districts, effective July 1, 2011. Thus, beginning July 1, 2011, these programs no longer constitute reimbursable state-mandated programs for counties.” The consolidated program replaced the prior HDS, HDS II, and SEDP mandated programs. The parameters and guidelines establish the state mandate and define reimbursable criteria. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated program reimbursable costs.

## **Objective, Scope, and Methodology**

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the Consolidated HDS, HDS II, and SEDP Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The audit period was from July 1, 2008, through June 30, 2010.

To achieve our audit objective, we:

- Reviewed the annual mandated cost claims filed by the county for the audit period to identify the material cost components of each claim and to determine whether there were any errors or any unusual or unexpected variances from year to year. We also reviewed the activities claimed to determine whether they adhered to the SCO’s claiming instructions and the program’s parameters and guidelines;
- Completed an internal control questionnaire by interviewing key county staff, and performed a walk-through of the claim preparation process to determine what information was obtained, who obtained it, and how it was used;
- Reviewed source documents to verify that all out-of-state residential placement providers claimed were organized and operated on a non-profit basis;
- Verified all out-of-state treatment costs claimed by tracing costs to payment reports and warrants;
- Validated unit-of-service reports by tracing a non-statistical sample of 16,308 out of 1,178,215 units-of-service from unit-of-service reports to client files. We did not project sample errors to the intended population;
- Validated all unit rates claimed by reconciling the claimed rates to rates reported in the county’s cost reports submitted to the California Department of Mental Health (CDMH) and verifying that contractor rates used are consistent with the county’s contract settlement policy;
- Reviewed indirect costs to determine whether they were properly computed and applied;

- Reviewed offsetting revenues to determine if all relevant sources were identified, and properly computed and applied; and
- Recalculated allowable costs using our audited data, including unit-of-service reports and the appropriate unit rates.

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We limited our review of the county's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the county's financial statements.

## **Conclusion**

Our audit found instances of noncompliance with the requirements outlined in the Objective section. These instances are described in the accompanying Schedule (Summary of Program Costs) and in the Findings and Recommendations section of this report.

For the audit period, Napa County claimed \$2,111,777 for costs of the Consolidated HDS, HDS II, and SEDP Program. Our audit found that \$1,786,758 is allowable and \$325,019 is unallowable. The State made no payments to the county. The State will pay \$1,786,758, contingent upon available appropriations. Following the issuance of this report, the SCO's LGPSD will notify the county of the adjustments via a system-generated letter for each fiscal year in the audit period.

## **Follow-up on Prior Audit Findings**

We have not previously conducted an audit of the county's legislatively mandated Consolidated HDS, HDS II, and SEDP Program.

## **Views of Responsible Officials**

We issued the draft audit report on March 12, 2018. Rose Hardcastle, CPA, Chief Fiscal Officer, Napa County Health and Human Services Agency, responded by e-mail dated March 14, 2018, agreeing with the findings.



**Restricted Use**

This report is solely for the information and use of Napa County, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

April 30, 2018

## Schedule— Summary of Program Costs July 1, 2008, through June 30, 2010

| Cost Elements   | Actual Costs<br>Claimed | Allowable per<br>Audit | Audit<br>Adjustment | Reference <sup>1</sup> |
|---|-------------------------|------------------------|---------------------|------------------------|
| <u>July 1, 2008, through June 30, 2009</u>              |                         |                        |                     |                        |
| Direct costs:   |                         |                        |                     |                        |
| Psychotherapy/Other mental health services <sup>2</sup> | \$ 2,090,481            | \$ 2,089,007           | \$ (1,474)          | Finding 1              |
| Total direct costs                                      | 2,090,481               | 2,089,007              | (1,474)             |                        |
| Indirect costs <sup>2</sup>                             | 146,072                 | 149,051                | 2,979               | Finding 2              |
| Total direct and indirect costs                         | 2,236,553               | 2,238,058              | 1,505               |                        |
| Less other reimbursements <sup>2</sup>                  | (1,501,322)             | (1,513,590)            | (12,268)            | Finding 3              |
| Total program cost                                      | <u>\$ 735,231</u>       | 724,468                | <u>\$ (10,763)</u>  |                        |
| Less amount paid by State                               |                         | -                      |                     |                        |
| Allowable costs claimed in excess of amount paid        |                         | <u>\$ 724,468</u>      |                     |                        |
| <u>July 1, 2009, through June 30, 2010</u>              |                         |                        |                     |                        |
| Direct costs:   |                         |                        |                     |                        |
| Designation of lead case manager                        | \$ 23,521               | \$ 15,288              | \$ (8,233)          | Finding 4              |
| Psychotherapy/Other mental health services <sup>2</sup> | 2,094,946               | 1,933,279              | (161,667)           | Finding 1              |
| Participation in due process hearings <sup>2</sup>      | 10,000                  | -                      | (10,000)            | Finding 4              |
| Total direct costs                                      | 2,128,467               | 1,948,567              | (179,900)           |                        |
| Indirect costs <sup>2</sup>                             | 206,812                 | 171,327                | (35,485)            | Finding 2              |
| Total direct and indirect costs                         | 2,335,279               | 2,119,894              | (215,385)           |                        |
| Less other reimbursements <sup>2</sup>                  | (958,733)               | (1,057,604)            | (98,871)            | Finding 3              |
| Total program cost                                      | <u>\$ 1,376,546</u>     | 1,062,290              | <u>\$ (314,256)</u> |                        |
| Less amount paid by State                               |                         | -                      |                     |                        |
| Allowable costs claimed in excess of amount paid        |                         | <u>\$ 1,062,290</u>    |                     |                        |
| <u>Summary: July 1, 2008, through June 30, 2010</u>     |                         |                        |                     |                        |
| Direct costs:   |                         |                        |                     |                        |
| Designation of lead case manager                        | \$ 23,521               | \$ 15,288              | \$ (8,233)          | Finding 4              |
| Psychotherapy/Other mental health services <sup>2</sup> | 4,185,427               | 4,022,286              | (163,141)           | Finding 1              |
| Participation in due process hearings <sup>2</sup>      | 10,000                  | -                      | (10,000)            | Finding 4              |
| Total direct costs                                      | 4,218,948               | 4,037,574              | (181,374)           |                        |
| Indirect costs <sup>2</sup>                             | 352,884                 | 320,378                | (32,506)            | Finding 2              |
| Total direct and indirect costs                         | 4,571,832               | 4,357,952              | (213,880)           |                        |
| Less other reimbursements <sup>2</sup>                  | (2,460,055)             | (2,571,194)            | (111,139)           | Finding 3              |
| Total program cost                                      | <u>\$ 2,111,777</u>     | 1,786,758              | <u>\$ (325,019)</u> |                        |
| Less amount paid by State                               |                         | -                      |                     |                        |
| Allowable costs claimed in excess of amount paid        |                         | <u>\$ 1,786,758</u>    |                     |                        |

<sup>1</sup> See the Findings and Recommendations section.

<sup>2</sup> The county did not separately report on its claims direct and indirect costs, and offsetting reimbursements. We recategorized the county's direct and indirect costs, and offsetting reimbursements into the appropriate claim components based on information the county provided.

# Findings and Recommendations

**FINDING 1—  
Overstated  
assessment and  
treatment costs**

The county overstated assessment and treatment costs by \$163,141 for the audit period. The county claimed assessment and treatment costs within the Psychotherapy/Other Mental Health Services cost component. Costs were overstated in both fiscal years because the county used preliminary unit-of-service reports to determine claimed assessment and treatment costs.

The county claimed assessment and treatment costs that were not fully based on actual costs to implement the mandated program. For the audit period, the county provided unit-of-service reports that represented finalized units-of-service rendered to eligible clients. We reviewed the reports and noted that reported units did not reconcile to claimed units for either fiscal year under audit. Units did not reconcile because the county used preliminary unit-of-service reports to determine claimed costs.

We verified, on a sample basis, support for reporting services. We selected a haphazard sample of service transactions and found that all clients were eligible for the program and services were properly supported by progress notes, with only a few exceptions. We verified unit rates used to compute costs of county-operated facilities and contract providers. In our review, we found that the county correctly claimed costs based on rates from the annual cost reports and provider contracts.

We recalculated allowable costs based on actual, supported units-of-service provided to eligible clients using the appropriate unit rates that represented the actual cost to the county. After our recalculation, we found that the county overstated costs by \$1,474 in FY 2008-09 and \$161,667 in FY 2009-10.

The following table summarizes the overstated assessment and treatment costs claimed:

|            | Amount<br>Claimed   | Amount<br>Allowable | Audit<br>Adjustment |
|------------|---------------------|---------------------|---------------------|
| FY 2008-09 | \$ 2,090,481        | \$ 2,089,007        | \$ (1,474)          |
| FY 2009-10 | 2,094,946           | 1,933,279           | (161,667)           |
| Total      | <u>\$ 4,185,427</u> | <u>\$ 4,022,286</u> | <u>\$ (163,141)</u> |

**Criteria**

Section IV (H) of the program’s parameters and guidelines states that reimbursement is allowable for mental health services when required by the pupil’s IEP. These services include assessment, collateral, case management, individual and group psychological therapy, medication monitoring, intensive day treatment, and day rehabilitation services. The parameters and guidelines further specify that when providing mental health treatment services, the activities of socialization and vocation services are not reimbursable.

Section IV of the parameters and guidelines specifies that the State will reimburse only actual increased costs incurred to implement mandated activities that are supported by source documents showing the validity of such costs.

Recommendation

No recommendation is applicable for this mandated program, as the consolidated program is no longer mandated. For the other mandated programs, we recommend that the county ensure that it claim costs based on the actual costs incurred.

County’s Response

The county agreed with this finding.

**FINDING 2—  
Overstated indirect costs**

The county overstated indirect costs by \$32,506 for the audit period. The county miscalculated its indirect cost rate and applied the rate to the direct unit costs based on preliminary unit-of-service reports. The county used a method that was consistent with the allocations in the cost reports that it submitted to the CDMH. However, figures used in the rate calculation did not reconcile to the county’s annual cost report. The county then applied its indirect cost rate to direct treatment costs of county-operated facilities based on preliminary unit-of-service reports.

We recalculated the indirect cost rate using the claimed method and the correct amounts from the county’s annual cost report provided during the audit. The rate was calculated net of associated revenues and applied to direct costs of treatment services provided at county-operated facilities in the Psychotherapy/Other Mental Health Services component. After our recalculations, we found that the county understated indirect costs by \$2,979 for FY 2008-09 and overstated indirect costs by \$35,485 for FY 2009-10.

The following table summarizes the overstated indirect costs claimed:

|                          | Fiscal Year |             |             |
|--------------------------|-------------|-------------|-------------|
|                          | 2008-09     | 2009-10     | Total       |
| Direct treatment costs   | \$ 436,300  | \$ 501,943  |             |
| Indirect cost rate       | 34.16243%   | 34.13278%   |             |
| Allowable indirect costs | 149,051     | 171,327     |             |
| Claimed indirect costs   | 146,072     | 206,812     |             |
| Audit adjustment         | \$ 2,979    | \$ (35,485) | \$ (32,506) |

**Criteria**

Section V of the parameters and guidelines states that indirect costs that are incurred in the performance of the mandated activities and adequately documented are reimbursable. The parameters and guidelines further state that to the extent the CDMH has not already compensated reimbursable administration costs from categorical funding sources, the costs may be claimed.

Recommendation

No recommendation is applicable for this mandated program, as the consolidated program is no longer mandated. For the other mandated programs, we recommend that the county ensure that it claim indirect costs based on supported actual costs.

County’s Response

The county agreed with this finding.

**FINDING 3—  
Understated offsetting  
reimbursements**

The county understated offsetting reimbursements by \$111,139 for the audit period. The understatement results primarily from the county’s use of preliminary unit-of-service reports to calculate Short-Doyle/Medi-Cal (SD/MC) and Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) reimbursements, and the use of preliminary EPSDT funding percentages.

We recalculated allowable offsetting reimbursements for all relevant funding sources and applied the appropriate rates for SD/MC and EPSDT to eligible direct costs. For EPSDT, we recomputed the funding percentage using final cost settlement information from CDMH. We applied all relevant revenues to the full extent of funding provided, including CDMH categorical grants and Individuals with Disabilities Education Act (IDEA) funds. After our recalculations, we found that the county understated offsetting reimbursements by \$12,268 in FY 2008-09 and \$98,871 in FY 2009-10.

The following table summarizes the adjustment to offsetting reimbursements:

|                   | <u>Amount<br/>Claimed</u> | <u>Amount<br/>Allowable</u> | <u>Audit<br/>Adjustment</u> |
|-------------------|---------------------------|-----------------------------|-----------------------------|
| <u>FY 2008-09</u> |                           |                             |                             |
| CDMH              | \$ (685,842)              | \$ (685,842)                | \$ -                        |
| IDEA              | (413,549)                 | (413,549)                   | -                           |
| SD/MC             | (289,064)                 | (290,057)                   | (993)                       |
| EPSDT             | (112,867)                 | (124,142)                   | (11,275)                    |
| Sub-Total         | <u>\$ (1,501,322)</u>     | <u>\$ (1,513,590)</u>       | <u>\$ (12,268)</u>          |
| <u>FY 2009-10</u> |                           |                             |                             |
| IDEA              | \$ (413,549)              | \$ (413,549)                | \$ -                        |
| SD/MC             | (399,642)                 | (444,104)                   | (44,462)                    |
| EPSDT             | (145,542)                 | (199,951)                   | (54,409)                    |
| Sub-Total         | <u>\$ (958,733)</u>       | <u>\$ (1,057,604)</u>       | <u>\$ (98,871)</u>          |
| <u>Summary</u>    |                           |                             |                             |
| CDMH              | \$ (685,842)              | \$ (685,842)                | \$ -                        |
| IDEA              | (827,098)                 | (827,098)                   | -                           |
| SD/MC             | (688,706)                 | (734,161)                   | (45,455)                    |
| EPSDT             | (258,409)                 | (324,093)                   | (65,684)                    |
| Total             | <u>\$ (2,460,055)</u>     | <u>\$ (2,571,194)</u>       | <u>\$ (111,139)</u>         |

## Criteria

Section VII of the parameters and guidelines specifies that any direct payments (categorical funds, SD/MC, EPSDT, IDEA, and other reimbursements) received from the State that are specifically allocated to the program, and/or any other reimbursements received as a result of the mandate, must be deducted from the claim.

## Recommendation

No recommendation is applicable for this mandated program, as the consolidated program is no longer mandated. For the other mandated programs, we recommend that the county ensure that it offset all revenues and reimbursements used to fund mandated activities on its claim forms.

## County's Response

The county agreed with this finding.

## **FINDING 4— Duplicate costs**

The county claimed \$18,233 in duplicate travel expenses, case management costs, and due process hearing costs for FY 2009-10. Travel expenses and case management costs of out-of-state residential placement clients were claimed within the Designation of Lead Case Manager cost component and due process hearing costs were claimed within the Participation in Due Process Hearings cost component.

The county claimed allowable travel expenses and case management costs for employees who conduct face-to-face visits with pupils in out-of-state residential placement facilities. The purpose of these visits is to monitor the level of care and the implementation of treatment services, and to perform case management services. The county also claimed allowable costs of settlement agreements resulting from due process hearings of AB 3632-eligible clients. As specified within each settlement agreement, the county agreed to pay for mental health treatment services provided to the clients.

However, we found that the county also claimed these costs directly and indirectly within the Psychotherapy/Other Mental Health Services component. Travel expenses and due process hearing costs were included in the pool of direct costs in the county's annual report used to determine unit rates for assessment and treatment services. Furthermore, the county included the out-of-state case management unit costs within the unit-of-service report used to calculate claimed assessment and treatment costs. To avoid any duplication, we disallowed all travel expenses, case management costs, and due process hearing costs claimed directly within the Designation of Lead Case Manager and Participation in Due Process Hearings components.

The following table summarizes the duplicate costs claimed:

|                                       | <u>Amount<br/>Claimed</u> | <u>Amount<br/>Allowable</u> | <u>Audit<br/>Adjustment</u> |
|---------------------------------------|---------------------------|-----------------------------|-----------------------------|
| <u>FY 2009-10</u>                     |                           |                             |                             |
| Designation of lead case manager      | \$ 23,521                 | \$ 15,288                   | \$ (8,233)                  |
| Participation in due process hearings | <u>10,000</u>             | <u>-</u>                    | <u>(10,000)</u>             |
| Total                                 | <u>\$ 33,521</u>          | <u>\$ 15,288</u>            | <u>\$ (18,233)</u>          |

### **Criteria**

Section IV (F) of the parameters and guidelines specifies that the state mandate is to reimburse counties for conducting quarterly face-to-face contacts with the pupils at residential facilities to monitor the level of care and supervision and the implementation of treatment services and the IEP.

Section IV (I) of the parameters and guidelines specifies that activities associated with participating in due process hearings related to mental health services are eligible for reimbursement through this program.

### Recommendation

No recommendation is applicable for this mandated program, as the consolidated program is no longer mandated. For the other mandated programs, we recommend that the county ensure that duplicated costs are not claimed.

### County's Response

The county agreed with this finding.

**State Controller's Office  
Division of Audits  
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