



JOHN CHIANG
California State Controller

January 14, 2013

Janet Temkin, Superintendent
Cucamonga School District
8776 Archibald Avenue
Rancho Cucamonga, CA 91730

Dear Ms. Temkin:

The State Controller's Office reviewed the costs claimed by Cucamonga 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, 1998, 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 \$251,656 for the mandated program. Our review disclosed that \$227,771 is allowable and \$23,885 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 Finding and Recommendation.

For the fiscal year (FY) 1997-98 claim, the State made no payment to the district. Our review disclosed that \$36,667 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2001-02 claim, the State made no payment to the district. Our review disclosed that \$56,966 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2002-03 claim, the State made no payment to the district. Our review disclosed that \$66,968 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2003-04 claim, the State made no payment to the district. Our review disclosed that \$67,170 is allowable. The State will pay that amount, contingent upon available appropriations.

We informed Marianne Jagers, Assistant Superintendent of Business Services, of the review results via e-mail on December 20, 2012. On December 21, 2012, Ms. Jagers responded requesting payment information, but did not directly respond to the finding.

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-916

cc: Marianne Jagers, Assistant Superintendent of Business Services
Cucamonga School District
Gary Thomas, Ed.D., County Superintendent of Schools
San Bernardino 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, 1998, 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:			
Training, policies, and procedures	\$ 3,338	\$ 3,338	\$ —
Test materials, supplies, and equipment	146	146	—
Pre-test and post-test coordination	14,383	14,383	—
Reporting and recordkeeping	14,018	14,018	—
Total salaries and benefits	31,885	31,885	—
Materials and supplies:			
Test materials, supplies, and equipment	15,978	15,978	—
Reporting and recordkeeping	69	69	—
Total materials and supplies	16,047	16,047	—
Total direct costs	47,932	47,932	—
Indirect costs	1,576	1,576	—
Total direct and indirect costs	49,508	49,508	—
Less offsetting reimbursements	—	(12,841)	(12,841)
Total program costs	<u>\$ 49,508</u>	36,667	<u>\$ (12,841)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 36,667</u>	
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 12,911	\$ 12,911	\$ —
Test materials, supplies, and equipment	157	157	—
Pre-test and post-test coordination	26,357	26,357	—
Reporting and recordkeeping	17,832	17,832	—
Total salaries and benefits	57,257	57,257	—
Materials and supplies:			
Reporting and recordkeeping	739	739	—
Total materials and supplies	739	739	—
Total direct costs	57,996	57,996	—
Indirect costs	2,656	2,656	—
Total direct and indirect costs	60,652	60,652	—
Less offsetting reimbursements	—	(3,686)	(3,686)
Total program costs	<u>\$ 60,652</u>	56,966	<u>\$ (3,686)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 56,966</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 15,909	\$ 15,909	\$ —
Test materials, supplies, and equipment	1,294	1,294	—
Pre-test and post-test coordination	30,720	30,720	—
Test administration	5,458	5,458	—
Reporting and recordkeeping	10,948	10,948	—
Total salaries and benefits	<u>64,329</u>	<u>64,329</u>	<u>—</u>
Materials and supplies:			
Test materials, supplies, and equipment	3,392	3,392	—
Total materials and supplies	<u>3,392</u>	<u>3,392</u>	<u>—</u>
Total direct costs	67,721	67,721	—
Indirect costs	<u>2,973</u>	<u>2,973</u>	<u>—</u>
Total direct and indirect costs	70,694	70,694	—
Less offsetting reimbursements	—	(3,726)	(3,726)
Total program costs	<u>\$ 70,694</u>	66,968	<u>\$ (3,726)</u>
Less amount paid by the State		<u>—</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 66,968</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 3,082	\$ 3,082	\$ —
Pre-test and post-test coordination	27,001	27,001	—
Test administration	15,753	15,753	—
Reporting and recordkeeping	12,232	12,232	—
Total salaries and benefits	<u>58,068</u>	<u>58,068</u>	<u>—</u>
Materials and supplies:			
Test materials, supplies, and equipment	8,551	8,551	—
Total materials and supplies	<u>8,551</u>	<u>8,551</u>	<u>—</u>
Total direct costs	66,619	66,619	—
Indirect costs	<u>4,183</u>	<u>4,183</u>	<u>—</u>
Total direct and indirect costs	70,802	70,802	—
Less offsetting reimbursements	—	(3,632)	(3,632)
Total program costs	<u>\$ 70,802</u>	67,170	<u>\$ (3,632)</u>
Less amount paid by the State		<u>—</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 67,170</u>	

Attachment 1 (continued)

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Review</u>	<u>Review Adjustment ¹</u>
<u>Summary: July 1, 1997, through June 30, 2004, excluding July 1, 1998, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 35,240	\$ 35,240	\$ —
Test materials, supplies, and equipment	1,597	1,597	—
Pre-test and post-test coordination	98,461	98,461	—
Test administration	21,211	21,211	—
Reporting and recordkeeping	55,030	55,030	—
Total salaries and benefits	<u>211,539</u>	<u>211,539</u>	<u>—</u>
Materials and supplies:			
Test materials, supplies, and equipment	27,921	27,921	—
Reporting and recordkeeping	808	808	—
Total materials and supplies	<u>28,729</u>	<u>28,729</u>	<u>—</u>
Total direct costs	240,268	240,268	—
Indirect costs	11,388	11,388	—
Total direct and indirect costs	251,656	251,656	—
Less offsetting reimbursements	—	(23,885)	(23,885)
Total program costs	<u>\$ 251,656</u>	227,771	<u>\$ (23,885)</u>
Less amount paid by the State		<u>—</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 227,771</u>	

¹ See Attachment 2, Finding and Recommendation.

**Attachment 2—
Finding and Recommendation
July 1, 1997, through June 30, 2004,
excluding July 1, 1998, through June 30, 2001**

**FINDING—
Unreported offsetting
reimbursements**

The district did not report offsetting reimbursements, totaling \$23,885, 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 upon school districts a state mandate reimbursable under Government Code section 17561, commencing October 10, 1997.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 24, 2002. In compliance with Government Code section 17558, the State Controller's Office issued 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 \$29,784 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; Stanford Achievement Test, Ninth Edition; California Achievement Test, Sixth Edition Survey; and the Spanish Assessment of Basic Education, Second Edition. 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; 66.56% for FY 2001-02; 65.38% for FY 2002-03; and 63.65% for FY 2003-04.

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

	Fiscal Year				Total
	1997-98	2001-02	2002-03	2003-04	
STAR Program Apportionments:					
CDE apportionment	\$ (12,841)	\$ (5,538)	\$ (5,699)	\$ (5,706)	\$ (29,784)
Mandate-related percentage	100%	66.56%	65.38%	63.65%	
Mandate-related apportionment	(12,841)	(3,686)	(3,726)	(3,632)	(23,885)
Less offset CDE apportionment	—	—	—	—	—
Review adjustment	\$ (12,841)	\$ (3,686)	\$ (3,726)	\$ (3,632)	\$ (23,885)

Recommendation

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