



JOHN CHIANG
California State Controller

October 16, 2012

Shari Fox, Ed.D., Superintendent
San Jacinto Unified School District
2045 S. San Jacinto Avenue
San Jacinto, CA 92583-5626

Dear Dr. Fox:

The State Controller's Office reviewed the costs claimed by San Jacinto 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, 2004, excluding July 1, 2001, through June 30, 2002. Our review was limited to ensuring that the California Department of Education Standardized Testing and Reporting Program apportionment was properly offset.

The district claimed \$542,484 (\$543,484 less a \$1,000 penalty for filing a late claim) for the mandated program. Our review disclosed that \$468,153 is allowable and \$74,331 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 \$9,823 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$60,401 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$50,578, contingent upon available appropriations.

For the FY 1998-99 claim, the State paid the district \$91,311 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$71,687 is allowable. The State will apply \$19,624 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 \$96,191 from funds appropriated under Chapter 724, Statutes of 2010. Our review disclosed that \$90,165 is allowable. The State will apply \$6,026 against any balances of unpaid mandated-program claims due the district as of October 19, 2010.

For the FY 2000-01 claim, the State made no payment to the district. Our review disclosed that \$102,168 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 \$132,112 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 \$11,620 is allowable. The State will pay that amount, contingent upon available appropriations.

We discussed the review results with Seth Heeren, Director of Fiscal Services, via e-mail on September 27, 2012.

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-904

cc: Richard DeNava, Assistant Superintendent of Business Services
San Jacinto Unified School District
Seth Heeren, Director of Fiscal Services
San Jacinto Unified 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, 2001, through June 30, 2002**

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	\$ 5,806	\$ 5,806	\$ —
Test materials, supplies, and equipment	786	786	—
Pre-test and post-test coordination	38,385	38,385	—
Test administration	223	223	—
Reporting and recordkeeping	38,146	38,146	—
Total direct costs	83,346	83,346	—
Indirect costs	4,034	4,034	—
Total direct and indirect costs	87,380	87,380	—
Less offsetting reimbursements	—	(26,979)	(26,979)
Total program costs	<u>\$ 87,380</u>	60,401	<u>\$ (26,979)</u>
Less amount paid by the State ²		<u>(9,823)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 50,578</u>	
<u>July 1, 1998, through June 30, 1999</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 5,944	\$ 5,944	\$ —
Test materials, supplies, and equipment	805	805	—
Pre-test and post-test coordination	40,182	40,182	—
Test administration	229	229	—
Reporting and recordkeeping	39,936	39,936	—
Total direct costs	87,096	87,096	—
Indirect costs	4,215	4,215	—
Total direct and indirect costs	91,311	91,311	—
Less offsetting reimbursements	—	(19,624)	(19,624)
Total program costs	<u>\$ 91,311</u>	71,687	<u>\$ (19,624)</u>
Less amount paid by the State ²		<u>(91,311)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (19,624)</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 1999, through June 30, 2000</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 7,185	\$ 7,185	\$ —
Test materials, supplies, and equipment	824	824	—
Pre-test and post-test coordination	41,880	41,880	—
Test administration	234	234	—
Reporting and recordkeeping	41,627	41,627	—
Total direct costs	91,750	91,750	—
Indirect costs	4,441	4,441	—
Total direct and indirect costs	96,191	96,191	—
Less offsetting reimbursements	—	(6,026)	(6,026)
Total program costs	<u>\$ 96,191</u>	90,165	<u>\$ (6,026)</u>
Less amount paid by the State ²		(96,191)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (6,026)</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 7,678	\$ 7,678	\$ —
Test materials, supplies, and equipment	845	845	—
Pre-test and post-test coordination	47,714	47,714	—
Test administration	240	240	—
Reporting and recordkeeping	47,453	47,453	—
Total direct costs	103,930	103,930	—
Indirect costs	5,030	5,030	—
Total direct and indirect costs	108,960	108,960	—
Less offsetting reimbursements	—	(6,792)	(6,792)
Subtotal	108,960	102,168	(6,792)
Less late filing penalty ³	(1,000)	—	1,000
Total program costs	<u>\$ 107,960</u>	102,168	<u>\$ (5,792)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 102,168</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	\$ 28,130	\$ 28,130	\$ —
Test materials, supplies, and equipment	1,060	1,060	—
Pre-test and post-test coordination	50,791	50,791	—
Test administration	12,185	12,185	—
Reporting and recordkeeping	27,883	27,883	—
Total salaries and benefits	120,049	120,049	—
Materials and supplies:			
Test Materials, Supplies and Equipment	8,579	8,579	—
Total materials and supplies	8,579	8,579	—
Total direct costs	128,628	128,628	—
Indirect costs	11,242	11,242	—
Total direct and indirect costs	139,870	139,870	—
Less offsetting reimbursements	—	(7,758)	(7,758)
Total program costs	<u>\$ 139,870</u>	132,112	<u>\$ (7,758)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 132,112</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 4,823	\$ 4,823	\$ —
Test materials, supplies, and equipment	1,413	1,413	—
Pre-test and post-test coordination	1,927	1,927	—
Test administration	1,377	1,377	—
Reporting and recordkeeping	2,456	2,456	—
Total salaries and benefits	11,996	11,996	—
Materials and supplies:			
Test Materials, Supplies, and Equipment	6,655	6,655	—
Reporting and Recordkeeping	4	4	—
Total materials and supplies	6,659	6,659	—
Total direct costs	18,655	18,655	—
Indirect costs	1,117	1,117	—
Total direct and indirect costs	19,772	19,772	—
Less offsetting reimbursements	—	(8,152)	(8,152)
Total program costs	<u>\$ 19,772</u>	11,620	<u>\$ (8,152)</u>
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 11,620</u>	

Attachment 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>Summary: July 1, 1997, through June 30, 2004,</u>			
<u>Excluding July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 59,566	\$ 59,566	\$ —
Test materials, supplies, and equipment	5,733	5,733	—
Pre-test and post-test coordination	220,879	220,879	—
Test administration	14,488	14,488	—
Reporting and recordkeeping	197,501	197,501	—
Total salaries and benefits	498,167	498,167	—
Materials and supplies:			
Test materials, supplies, and equipment	15,234	15,234	—
Recording and recordkeeping	4	4	—
Total materials and supplies	15,238	15,238	—
Total direct costs	513,405	513,405	—
Indirect costs	30,079	30,079	—
Total direct and indirect costs	543,484	543,484	—
Less offsetting reimbursements	—	(75,331)	(75,331)
Subtotal	543,484	468,153	(75,331)
Less late filing penalty ³	(1,000)	—	1,000
Total program costs	<u>\$ 542,484</u>	468,153	<u>\$ (74,331)</u>
Less amount paid by the State ²		(197,325)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 270,828</u>	

¹ See Attachment 2, Finding and Recommendation.

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

³ Late filing penalty was incorrectly assessed in FY 2000-01.

**Attachment 2—
Finding and Recommendation
July 1, 1997, through June 30, 2004,
Excluding July 1, 2001, through June 30, 2002**

**FINDING—
Understated offsetting
reimbursements**

The district understated offsetting reimbursements by \$75,331 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.

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.

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 \$99,700 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: (1) California Standards Test (CST); (2) Stanford Achievement Test, Ninth Edition (SAT-9); (3) California Achievement Test, Sixth Edition Survey (CAT/6); (4) Spanish Assessment of Basic Education, Second Edition (SABE/2); and (5) 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 as follows: 100% for FY 1997-98, 70.70% for FY 1998-99, 69.60% for FY 1999-2000, 64.41% for FY 2000-01, 62.50% for FY 2002-03, and 61.07% 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	2002-03	2003-04	
STAR Program							
Apportionments:							
CDE apportionment	\$ (26,979)	\$ (27,757)	\$ (8,658)	\$ (10,545)	\$ (12,413)	\$ (13,348)	\$ (99,700)
Mandate-related percentage	100%	70.70%	69.60%	64.41%	62.50%	61.07%	
Mandate-related apportionment	(26,979)	(19,624)	(6,026)	(6,792)	(7,758)	(8,152)	(75,331)
Less offset CDE apportionment	—	—	—	—	—	—	—
Review adjustment	\$ (26,979)	\$ (19,624)	\$ (6,026)	\$ (6,792)	\$ (7,758)	\$ (8,152)	\$ (75,331)

Recommendation

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