

**Education Audit Appeals Panel
State of California**

Appeal of prior year adjustment(s) for redevelopment agency (RDA) pass-through payment(s) for fiscal year(s) 2003-04, 2004-05, 2005-06, 2006-07, and 2007-08 by:

Centralia School District,

Appellant.

EAAP Case No. R09-83

OAH No. 2010031437

Decision

The Education Audit Appeals Panel has adopted the attached Stipulated Agreement of the parties its Decision in the above-entitled matter.

Effective date: January 23, 2012.

IT IS SO ORDERED.

January 23, 2012

Date

Original Signed

Diana L. Ducay, Chairperson
for Education Audit Appeals Panel

1 RICHARD J. CHIVARO, State Bar No. 124391
JOHN E. DICKERSON, State Bar No. 248005
2 **OFFICE OF THE STATE CONTROLLER**
300 Capitol Mall, Suite 1850
3 Sacramento, CA 94250
4 Telephone No.: (916) 445-2636

5 Attorneys for Respondent
JOHN CHIANG, State Controller

6
7
8 **BEFORE THE EDUCATION AUDIT APPEALS PANEL**
9 **STATE OF CALIFORNIA**

10
11 In the Matter of the Appeal of Prior Year
Adjustments for Redevelopment Agency
(RDA) Pass-through Payment(s) for Fiscal
12 Year(s) 2003-2004, 2004-2005, 2005-2006,
2006-2007, 2007-2008 by:

CASE NO. R09-3
OAH No. 2010031437

STIPULATED AGREEMENT

13
14 CENTRALIA SCHOOL DISTRICT,

15 Appellant.

16
17 The STATE CONTROLLER'S OFFICE ("SCO"), the DEPARTMENT OF FINANCE
18 ("Finance"), and the CENTRALIA SCHOOL DISTRICT (the "District") --- collectively, "the
19 Parties" hereunder --- hereby enter into this Stipulated Agreement ("Agreement") to resolve
20 Education Audit Appeals Panel ("EAAP") Case No. R09-3, currently pending before EAAP.

21 **PROCEDURAL HISTORY**

22 A. On October 1, 2009, in conjunction with the audit and reporting process mandated
23 by Assembly Bill 1389 (Stats. 2008, ch. 751) ("AB 1389"), the California Department of
24 Education ("CDE") notified the District that, due to the District's under-reporting of
25 redevelopment pass-through payments received between Fiscal Year ("FY") 2003-2004 and FY
26 2007-2008, CDE was reducing the District's Total Principal Apportionment by \$469,156.00 for
27 FY 2010-2011.
28

1 B. On December 2, 2009, the District sent a written request for a formal appeal to
2 EAAP pursuant to Education Code section 41344.

3 C. On August 11, 2010, the Presiding Administrative Law Judge of the Office of
4 Administrative Hearings directed the parties to “exchange all documents pertinent to this case by
5 September 15, 2010 and to meet and confer no later than October 15, 2010 to try and resolve[] the
6 case and define the issues.”

7 D. On October 22, 2010, the District submitted to all parties a letter defining the issues
8 in the case along with the data reflecting the errors in the reporting of redevelopment pass-through
9 amounts owed to the District during the AB 1389 audit and reporting process. No other party
10 submitted any documents pertinent to this case, nor any narrative description of the issues.

11 E. After reviewing the District’s Document Exchange Packet and performing their
12 own calculations, the SCO and Finance agreed that the District’s Principal Apportionment in each
13 of the upcoming eight fiscal years should be reduced no more than \$58,644.50, for an aggregate
14 reduction of \$469,156.00.

15 F. In order to avoid the time and expense of ongoing litigation between the Parties,
16 the Parties have agreed to enter into this Agreement.

17 **AGREEMENT**

18 A. In light of the recent discussion of the Parties and in resolution of the District’s
19 appeal, the Parties agree that the CDE shall reduce the District’s Total Principal Apportionment by
20 an aggregate \$469,156.00, applied over the course of each of the upcoming eight fiscal years,
21 without interest, in yearly installments of \$58,644.50, according to the following schedule:

22	FY 2011-2012	\$58,644.50
23	FY 2012-2013	\$58,644.50
24	FY 2013-2014	\$58,644.50
25	FY 2014-2015	\$58,644.50
26	FY 2015-2016	\$58,644.50
27	FY 2016-2017	\$58,644.50
28	FY 2017-2018	\$58,644.50

Fagen Friedman & Fulfroft, LLP
1 Civic Center Drive, Suite 300
San Marcos, California 92069
Main: 760-304-6000 • Fax: 760-304-6011

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

FY 2018-2019 \$58,644.50

B. Finance has consulted with CDE regarding the District's Total Principal Apportionment, and Finance will continue to consult with CDE, including providing CDE with the final terms of this Agreement.

C. The Parties agree that no aspect of the reporting and audit process culminating in the October 1, 2009 letter, and no aspect of that letter, shall be construed in this or any subsequent proceeding to foreclose the right of the District to recover from relevant redevelopment agencies any additional pass-through payments for the fiscal years 2003-2004 through 2007-2008, beyond those referenced in the October 1, 2009 letter, to which the District may be entitled under law.

D. The Parties further agree that this Agreement constitutes a full and final resolution of all claims and issues arising from the above-captioned appeal.

E. This Agreement is subject to and conditioned upon approval and adoption by EAAP, pursuant to Education Code section 41344.1, subdivision (b).

F. This Agreement may be executed in counterparts, each of which shall constitute an original. Facsimile signatures transmitted to other parties to this Agreement are deemed to be the equivalent of original signatures or counterparts.

The Parties ratify the preceding terms and conditions through the signature of their representatives, as follows:

///
///

DATED: November ~~11~~, 2011 CENTRALIA SCHOOL DISTRICT

JANUARY 11, 2012

By: Original Signed
Gregory Luke
Attorney for Appellant CENTRALIA SCHOOL DISTRICT

1 DATED: November ~~2011~~

2 1/11/12

OFFICE OF THE STATE CONTROLLER

Original Signed

3 By: _____

4 John Dickerson
Attorney for Respondent, JOHN CHIANG,
5 CALIFORNIA STATE CONTROLLER

6
7 DATED: ~~November~~ 2011

8
9 1/11/2012

OFFICE OF THE ATTORNEY GENERAL,
CALIFORNIA DEPARTMENT OF JUSTICE

Original Signed

10 By: _____

11 Phillip J. Matsumoto
Attorney for Intervener, CALIFORNIA
12 DEPARTMENT OF FINANCE

Fagen Friedman & Fulfroft, LLP

1 Civic Center Drive, Suite 300
San Marcos, California 92069

Main: 760-304-6000 • Fax: 760-304-6011

18
19
20
21
22
23
24
25
26
27
28