

**BEFORE THE  
EDUCATION AUDIT APPEALS PANEL  
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No.: 01-39

CORCORAN UNIFIED  
SCHOOL DISTRICT

OAH No.: N-2001110279

Petitioner/Appellant

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**DECISION**

The EDUCATION AUDIT APPEALS PANEL adopts the attached Proposed Decision of the Administrative Law Judge as its Decision in the above-entitled matter.

This Decision shall become effective on July 28, 2003.

**IT IS SO ORDERED** July 28, 2003.

*(Original Signed)*

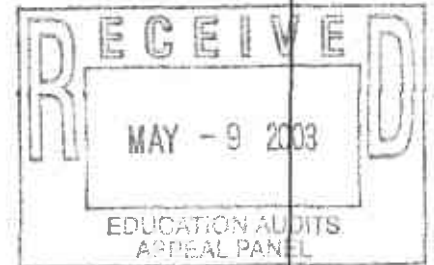
1 RICHARD J. CHIVARO, Chief Counsel  
State Bar No. 124391  
2 Shawn D. Silva, Staff Counsel  
State Bar No. 190019  
3 **OFFICE OF THE STATE CONTROLLER**  
300 Capitol Mall, Suite 1850  
4 Sacramento, CA 95814  
Telephone No.: (916) 445-6854  
5 Fax No.: (916) 322-1220

**FILED**

**MAY 6 2003**

Office of Administrative Hearings.

6 Attorneys for Respondent,  
7 STEVE WESTLY, State Controller



8  
9 THE STATE OF CALIFORNIA  
10 EDUCATION AUDITS APPEALS PANEL

11  
12 In the Matter of: the  
13 Statement of Issues Against:

**Case No.: 01-39**  
**OAH No. N-2001110279**

14 CORCORAN UNIFIED SCHOOL DISTRICT,

**STIPULATION AND PROPOSED  
DECISION**

15 Appellant  
16

17  
18 All of the parties to this action hereby agree to enter into the following stipulation,  
19 resulting in complete resolution of the matter. Accordingly, the State Controller's Office (SCO),  
20 the Department of Finance (DOF), and Corcoran Unified School District (CORCORAN), hereby  
21 agree as follows:

22 **RECITALS**

- 23 A. The independent accountant, Diane M. Augusto, CPA, conducted an audit of  
24 CORCORAN for the fiscal year ending June 30, 2000.  
25 B. On page 42 of the audit report, Ms. Augusto identified an apportionment significant  
finding. Finding 00-6 stated that as a result of a review of the class size reduction

1 program, the auditor noted that a long-term substitute teacher did not have a valid  
2 California teaching credential. This resulted in the overstatement of two pupils (equating  
3 to \$1,688) on the Form J-7CSR for class size reduction funding, and also resulted in an  
4 overstatement of 2.14 ADA on the second period attendance report and 1.59 ADA on the  
5 annual attendance report for grades 1-3.

6 C. CORCORAN timely submitted its appeal of finding 00-6 to the Education Audits Appeal  
7 Panel (EAAP) on August 16, 2001.

8 D. In an order to resolve the finding before hearing counsel for CORCORAN submitted  
9 documentation on several occasions to the SCO for review by their auditors.

10 E. After review of the submitted documentation the SCO has come to the conclusion that the  
11 students involved in finding 00-6 were actually under the direct supervision and control  
12 of a certificated teacher, in that the long-term substitute who was not properly certificated  
13 was "team teaching" with a permanent, properly certificated teacher.

#### 14 AGREEMENT

15 A. The SCO, DOF and CORCORAN agree that the students involved in finding 00-6 were  
16 actually under the direct supervision and control of a certificated teacher, in that the long-  
17 term substitute who was not properly certificated was "team teaching" with a permanent,  
18 properly certificated teacher.

19 B. The parties agree that this factual conclusion necessitates a withdrawal of the finding, in  
20 so far as it relates to the supervision of students solely by an uncertificated teacher, and  
21 the loss of ADA associated with that finding. Therefore, the finding is withdrawn as to  
22 the existence of students solely under the supervision of an uncertificated teacher, and the  
23 disallowance of 2.14 ADA on the second period attendance report and 1.59 ADA on the  
24 annual attendance report for grades 1-3 is withdrawn.  
25

- 1 C. The parties also agree that the factual conclusion made above does not affect the  
2 conclusion of finding 00-6 that specifically pertains to the determination concerning the  
3 class size reduction program, since that program is based on the ratio of students to  
4 certificated teachers. Therefore, there was an overstatement of two pupils on the Form J-  
5 7CSR, and CORCORAN is obliged to return the funding for those two pupils (\$1,688).  
6 D. The parties agree that upon CORCORAN's payment of the \$1,688.00, DOF and SCO  
7 agree to release all issues relating to finding 00-6 and that CORCORAN's audit for the  
8 year ending June 30, 2000 will be completely resolved and concluded.  
9 E. CORCORAN agrees to withdraw its appeal, with prejudice, of finding 00-6 of the annual  
10 audit for fiscal year 1999-00.

11 OFFICE OF THE STATE CONTROLLER

12 Dated: 5 May 03

13 By: *(Original Signed)*  
14 SHAWN D. SILVA  
15 Attorney for STEVE WESTLY,  
State Controller

16 DEPARTMENT OF FINANCE

17 Dated: May 5, 2003

18 By: *(Original Signed)*  
19 BARBARA SHELDON  
Attorney for Department of Finance

20  
21 CORCORAN UNIFIED  
SCHOOL DISTRICT

LOZANO SMITH

22  
23 Dated: 4/14/03

24 By: *(Original Signed)*  
25 RUTH E. MENDYK  
Attorney for Corcoran Unified  
School District

1 This stipulation is adopted and submitted to the Education Audits Appeal Panel as my  
2 proposed decision in the above-entitled matter.

3  
4 Dated: 5-7-03

(Original Signed)  
~~Administrative~~ Law Judge

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