

**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:

El Monte City School District,

Appellant.

EAAP Case No. R09-81

OAH No. 2010031412

Decision

The Education Audit Appeals Panel has adopted the attached Stipulation and Proposed Decision of the parties as its Decision in the above-entitled matter.

Effective date: May 20, 2013.

IT IS SO ORDERED.

May 20, 2013
Date

Original Signed
David Botelho, Chairperson
for Education Audit Appeals Panel

DANNIS WOLIVER KELLEY
71 STEVENSON STREET, 19TH FLOOR
SAN FRANCISCO, CA 94105

LAWRENCE M. SCHOENKE, State Bar No. 92314
DANNIS WOLIVER KELLEY
71 Stevenson Street, 19th Floor
San Francisco, CA 94105
Telephone: (415) 543-4111
Facsimile: (415) 543-4384

Attorneys for Appellant
EL MONTE CITY SCHOOL DISTRICT

STATE OF CALIFORNIA
EDUCATION AUDIT APPEALS PANEL

In the Matter of the Appeal of prior year
adjustments for RDA Pass-through
Payments for FYs 2003-04 through 2007-
2008, inclusive, by:

EAAP Case No. R09-81
OAH Case No. 2010031412

SETTLEMENT AGREEMENT

EL MONTE CITY SCHOOL DISTRICT,
Appellant.

Prehearing
Conference: March 14, 2011
10:00 a.m.
Hearing: TBD
9:00 a.m.

The STATE CONTROLLER'S OFFICE ("SCO"), the DEPARTMENT OF FINANCE
("Finance"), and the EL MONTE CITY SCHOOL DISTRICT ("District") (collectively,
"Parties") hereby enter into this Stipulated Agreement ("Agreement") to resolve Education Audit
Appeals Panel ("EAAP") Case No. R09-81, currently pending before EAAP.

RECITALS

A. On October 1, 2009, California Department of Education ("CDE") notified the
District that, due to the District's under-reporting of redevelopment pass-through payments
received between Fiscal Year ("FY") 2003-04 and FY 2007-08, CDE was reducing the District's
Total Principal Apportionment by \$46,363 for FY 2009 - 2010.

B. On November 30, 2009, the District sent a written request for a formal appeal to
EAAP pursuant to Education Code section 41344.

C. On further review of the issues, the Parties determined that calculation of the

DAVIDS WOLTER KELLEY
71 STEVENSON STREET, 19TH FLOOR
SAN FRANCISCO, CA 94105

1 discrepancy between the District's reporting of pass-through payments and the amount reported
2 by the SCO was incorrect due to fact that South El Monte Redevelopment Agency ("RDA") did
3 not make any of the pass-through payments as reported. The District did receive, as part of
4 larger payment, \$2,586.00 from the City of Irwindale Community Redevelopment Agency.

5 D. After reviewing the District's Appeal documentation and performing its own
6 calculation to account for the lack of RDA payments, the SCO found that the District's Principal
7 Apportionment should be reduced no more than \$2,586.00.

8 E. In order to avoid the time and expense of ongoing litigation between the Parties,
9 the Parties have agreed to enter into this Agreement.

10 AGREEMENT

11 A. In light of recent discussions between the Parties and in resolution of this Appeal
12 by the District, the District's next Total Principal Apportionment shall be reduced by \$2,586.00,
13 and not the \$46,363.00 as initially stated in CDE's October 1, 2009 letter.

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

17 C. If approved and adopted by EAAP, the Parties further agree that this Agreement
18 constitutes a full and final resolution of all claims and issues arising from the Appeal. This
19 Agreement includes pass through payments due and/or received through the end of Fiscal Year
20 2007 - 2008, and does not include pass through payments due and/or received thereafter, except
21 as indicated.

22 D. This Agreement is approved by the District's Governing Board.

23 E. The SCO will review the amounts reported to the CDE pursuant to Health and
24 Safety Code section 33684, subdivision (g)(2), and ensure that the adjustment made pursuant to
25 this Agreement is reflected as appropriate.

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

DANNIS WOLIVER KELLEY
71 STEVENSON STREET, 19TH FLOOR
SAN FRANCISCO, CA 94105

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

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

DATED: November 28, 2012

DANNIS WOLIVER KELLEY

Original Signed

By: Clarissa Kanady
Attorney for District

DATED: November 27, 2012

OFFICE OF THE STATE CONTROLLER

Original Signed

By: David I Brownfield
Attorney for the Controller

DATED: November 27, 2012

DEPARTMENT OF FINANCE

Original Signed

By: NICK SCHWEIZER
PROGRAM BUDGET MANAGER