

**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:

Fullerton Joint Union High School
District,
Appellant.

EAAP Case No. R09-82

OAH No. 2010031431

Decision

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

Effective date: November 15, 2010.

IT IS SO ORDERED.

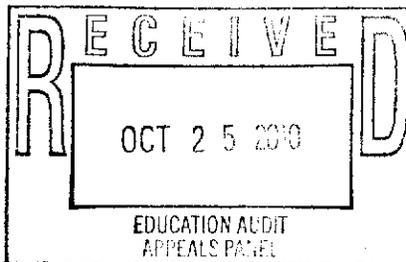
November 15, 2010

Date

Original Signed

Diana L. Ducay, Chairperson
for Education Audit Appeals Panel

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8 BEFORE THE
9 EDUCATION AUDIT APPEALS PANEL
10 STATE OF CALIFORNIA
11

12 In the Matter of the Appeal of Prior Year
Adjustment(s) for Redevelopment Agency
13 (RDA) Pass-Through Payment(s) for Fiscal
Year(s) 2003-04, 2004-05, 2005-06, 2006-07,
14 and 2007-08 by:

Case No. EAAP R09-82

OAH No. 2010031431

STIPULATED AGREEMENT

15 Fullerton Joint Union High School
District,
16

17
18 Appellant,

19 Appellant Fullerton Joint Union High School District (District), respondent State
20 Controller's Office (SCO), and intervener Department of Finance (DOF) (collectively as parties)
21 hereby enter into this Stipulated Agreement (Agreement) to resolve Education Audit Appeals
22 Panel (EAAP) case number R09-82, which is currently pending before EAAP.
23

RECITALS

24 A. On October 1, 2009, Department of Education (DOE) notified the District that, due
25 to the District's under or over-reporting of redevelopment pass-through payments received in
26 fiscal years 2003-04 through 2007-08, seven hundred sixty-two thousand, five hundred and
27 seventy-one dollars (\$762,571) would be deducted, as a prior year adjustment, from the principal
28

1 apportionment for fiscal year 2009-10.

2 B. On November 24, 2009, the District sent a written request for a formal appeal to
3 EAAP pursuant to Education Code section 41344, subdivision (d).

4 C. The District agrees that only seven hundred fifty-six thousand, eight hundred and
5 sixty-five dollars and fifty-one cents (\$756,865.51) should be deducted by DOE as a prior year
6 adjustment, from the principal apportionment for fiscal year 2009-10. Accordingly, the District
7 disputes the remaining balance of five thousand seven hundred and five dollars and forty-nine
8 cents (\$5,705.49)(disputed sum).

9 D. On further review of the issues, the parties determined that calculation of the
10 discrepancy between the District's reporting of pass-through payments and the amount reported
11 by SCO was incorrect due to late pass-through payments by the Whittier Redevelopment Agency
12 (WRA), which admitted that it incorrectly over-reported the disputed sum as a payment to the
13 District during fiscal years 2003-04 through 2007-08. To correct this reporting and payment
14 error, WRA has paid the District the disputed sum by check number 9471 in June 2010. WRA
15 will account for the payment of the disputed sum on its annual payment report for fiscal year
16 2009-10 and will explain its overpayment reporting error for fiscal years 2003-04 through 2007-
17 08.

18 E. After reviewing the District's appeal documentation, SCO and DOF are satisfied
19 that the District should be assessed by DOE for only the sum of seven hundred fifty-six thousand,
20 eight hundred and sixty-five dollars and fifty-one cents (\$756,865.51).

21 F. Pursuant to her job responsibilities, Colleen R. Patterson, as Assistant
22 Superintendent, Business Services, of the District has the legal authority to execute the
23 Agreement on behalf of the Board of Trustees of the District.

24 In order to avoid the time and expense of ongoing litigation, the parties have agreed to
25 enter into this Agreement.

26 **AGREEMENT**

27 For the purpose of settling and resolving the appeal of the above finding for fiscal years
28 2003-04 through 2007-08, the District, SCO, and DOF agree as set forth below:

1 1. In light of recent discussions among the parties and in resolution of the District's
2 appeal, the parties agree to allow DOE to reduce the District's next principal apportionment by
3 seven hundred fifty-six thousand, eight hundred and sixty-five dollars, and fifty-one cents
4 (\$756,865.51), and not by seven hundred sixty-two thousand, five hundred and seventy-one
5 dollars (\$762,571), as initially stated in DOE's October 1, 2009, letter to the District.

6 2. DOF has consulted with DOE regarding the revised deduction to the District's
7 total principal apportionment.

8 3. The parties further agree that this Agreement constitutes a full and final resolution
9 of all claims and issues arising from the appeal.

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

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

15 The parties ratify the preceding terms and conditions through the signature of their
16 representatives as follows:

17
18 DATED: October 11, 2010

FULLERTON JOINT UNION HIGH SCHOOL
DISTRICT

19
20 By: Original Signed
Colleen R. Patterson
Assistant Superintendent, Business Services
For Appellant, FULLERTON JOINT UNION
21 HIGH SCHOOL DISTRICT
22

23
24 DATED: October 8, 2010

OFFICE OF THE STATE CONTROLLER

25
26 By: Original Signed
Gary D. Hori
Attorneys for Respondent, John Chiang,
27 CALIFORNIA STATE CONTROLLER
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DATED: October 10, 2010

OFFICE OF THE ATTORNEY GENERAL

By: Original Signed
Kenneth K. Wang, Deputy Attorney General
Attorneys for Intervenor, DEPARTMENT OF
FINANCE

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