

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

In the Matter of:

Hanford Joint Union High School District,

Appellant.

EAAP Nos.: 02-11 & 03-05

OAH Nos.: N2002090295 &
N2004070117

DECISION

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

This Decision shall become effective on 25 April 2005

IT IS SO ORDERED 25 April 2005

(Original Signed)

Thomas E. Dithridge, Chairperson

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) 445-1073
5 Fax No.: (916) 322-1220

6
7 Attorneys for Respondent,
STEVE WESTLY, California State Controller

8
9 BEFORE THE
10 EDUCATION AUDIT APPEALS PANEL
11 STATE OF CALIFORNIA
12

13 In the Matter of the Formal Appeal of:
14 HANFORD JOINT UNION HIGH SCHOOL
15 DISTRICT,
16 Appellant.

EAAP Case Nos.: 02-11 & 03-05
OAH Nos. N2002090295 & N2004070117
**STIPULATION AND PROPOSED
DECISION**

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19 All of the parties to this action hereby agree to enter into the following stipulation,
20 resulting in complete resolution of the matter. Accordingly, the State Controller's Office (SCO),
21 the Department of Finance (DOF), and Hanford Joint Union High School District (HANFORD
22 or District) hereby agree as follows:

23 RECITALS

24 A. The independent accountant, Diane M. Augusto, CPA, conducted audits of
25 HANFORD for the fiscal years ending June 30, 2001, and June 30, 2002.

1 B. Both reports contained findings related to the Morgan-Hart Class Size Reduction
2 program, based upon the method of calculation of the student to teacher ratio, specifically
3 Findings 01-2 and 02-2.

4 C. At the time, HANFORD did not have the ability to calculate an active monthly
5 enrollment for the classes concerned.

6 D. HANFORD filed timely appeals of both audit reports.

7 E. HANFORD has subsequently developed the ability to calculate active monthly
8 enrollment for the fiscal years involved in the two audit findings. The results are 612 and 841
9 for fiscal years 2000-01 and 2001-02, respectively.

10 AGREEMENT

11 A. The SCO, DOF and HANFORD agree to utilize the numbers recently generated
12 by HANFORD for active monthly enrollment, to revise the claims of HANFORD and determine
13 their eligibility for Morgan-Hart Class Size Reduction Funds.

14 B. HANFORD agrees to refund the difference between the initial claims and the
15 revised claims, a total of \$5,049, through a concomitant reduction in their next apportionment of
16 funds.

17 C. SCO and DOF agree to accept the revised claims of HANFORD based upon the
18 new numbers generated, and withdraw audit findings 01-2 of FY 2000-01, and 02-2 of FY 2001-
19 02.

20 D. HANFORD agrees to withdraw their appeals [EAAP case numbers 02-11 & 03-
21 05, Office of Administrative Hearings case numbers N2002090295 & N2004070117] with
22 prejudice.

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1 OFFICE OF THE STATE CONTROLLER

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3 Dated: 1 Feb 05

4 By: *(Original Signed)*
5 SHAWN D. SILVA
6 Attorney for Respondent
7 STEVE WESTLY,
8 California State Controller

9 DEPARTMENT OF FINANCE

10 Dated: 1/21/05

11 By: *(Original Signed)*
12 JULIE WENG-GUTIERREZ
13 Deputy Attorney General
14 Attorney for Department of Finance

15 HANFORD JOINT UNION HIGH SCHOOL DISTRICT

16 Dated: 1/5/05

17 By: *(Original Signed)*
18 CHERYL SILVA
19 Business Manager, for
20 Hanford Joint Union High School District