

**Minutes of the
Education Audit Appeals Panel**
Monday, June 20, 2016
915 L Street, Cedar Room
Sacramento

Call to Order and Roll Call

Chair David Botelho called the meeting to order at 1:35 p.m.

Panel members present: David Botelho, designee of the Director of the Department of Finance; and Joel Montero, Chief Executive Officer of the Fiscal Crisis and Management Assistance Team and Nick Schweizer, designee of the Superintendent of Public Instruction.

Review of Agenda

Mr. Botelho read out the agenda items.

Approval of Minutes

Action: The Panel members unanimously approved the minutes of the March 28, 2016 meeting.

Item 1	Report of the Executive Officer 1. Summary of appeal activities 2. Apportionment significant findings: audit reports and RDAs 3. Other items of interest	Information
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Executive Officer Mary Kelly reported that since the last meeting, thirteen new summary review requests were filed. Seven determinations were made, and one was withdrawn. Summary reviews were approved for: Kenwood, Alpaugh and two from Lakeport. No relief was granted on the requests by: Petaluma, Durham and Camino. Ms. Kelly also reported that one formal appeal was filed by Petaluma City Schools on May 3, 2016.

Ms. Kelly also announced that Mr. Botelho will retire this year; his last day in the office will be on July 29, 2016. Mr. Botelho is currently the Chair of the Education Audit Appeals Panel. Ms. Kelly suggested that in light of his significant experience on the Panel, Joel Montero be named the next chair. She noted that a panel decision is not required to name a Chair; however the next meeting's agenda will include revision of the delegated authority forms. Mr. Schweizer agreed that Mr. Montero was a good choice as Chair. Mr. Montero expressed his interest in the role.

Mr. Morgan suggested that we add his name to the delegations as well. In the event Ms. Kelly is not available, Mr. Morgan can assist to meet potential Rulemaking deadlines with the Office of Administrative Law.

Item 2	Public Participation This time is reserved for any person to address the Panel. If the subject is on the Public Session Agenda, individuals may comment now or at the time the item is considered. If the subject is not on the Public Session Agenda, the Panel is not empowered to take action on it. Public comment is limited to 3 minutes per speaker; the Panel may extend the limit by a uniform amount per speaker. No comment will be taken on matters at issue in items on the Closed Session Agenda, or on any pending adjudicatory proceeding.	Information
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There were no comments from the public.

Item 3	Legislation Report Discussion and action as appropriate regarding any legislation that may affect EAAP	Information Action
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Ms. Kelly reported that there was no legislation to discuss.

Item 4	Permanent Supplemental Regulations: 2015-16 Supplemental Audit Guide. No comments were received during the 45-day notice period, which ended May 9, 2016. Take action as appropriate to adopt or amend the proposed regulations.	Information Action
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Ms. Kelly reported that no comments or suggested changes were received for the 2015-16 Supplemental Audit Guide that was approved at our previous meeting. The Panel now has to amend or adopt the Audit Guide and then submit it to OAL. OAL then has 30 days to submit it to the State Controller’s Office. For the 15-16 Audit Guide, we did do an emergency rulemaking package; those changes were in effect upon submittal to SCO on March 7.

Ms. Matsuura had a comment on the 2015-16 Supplemental Audit Guide. She said that the initial statement of reasons states that we were eliminating testing for immunization for independent study and special education pupils due to SB 277. Ms. Matsuura would like have on record that the students are not being excluded from testing due to SB 277, instead they are excluded until there is more clarity available as to what independent study means.

Ms. Kelly stated she previously spoke with OAL, in regards to revising the terminology in the initial statement of reasons. OAL advised that it would require an additional 15 day comment period and a revised initial statement of reasons. Since Ms. Matsuura’s concerns would not change the Audit Guide, staff will adjust the terminology in the final statement of reasons.

Action: By unanimous vote, the Panel adopted the 2015-16 Supplemental Audit Guide.

Item 5	Permanent Regulations: 2016-17 Annual Audit Guide No comments were received during the 45-day notice period, which ended June 6, 2016. Take action as appropriate to adopt or amend the proposed regulations.	Information Action
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No emergency rulemaking file was submitted for the 2016-17 Annual Audit Guide. During the 45 day public comment period, no comments were received nor changes made to what the panel previously approved. The plan is to submit to OAL on June 21 and then OAL has 30 working days to file with SCO. Ms. Kelly noted that she expects to have the 2016-17 Audit Guide on the website in early August.

The following changes were approved at the March 28, 2016 Panel Meeting and remain the same.

Action: By unanimous vote, the Panel adopted the 2016-17 Annual Audit Guide Regulations.

Item 6	Next Meeting July 25, 2016	Information Action
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The Public Session recessed at 1:44 p.m.

Closed Session

The Panel met in Closed Session from approximately 1:50 p.m. until 1:58 p.m.

Call to Order: Public Session

Mr. Botelho recalled the Public Session to order at 1:58 p.m.

Closed Session Report:

Mr. Botelho reported that the Panel had unanimously approved the Stipulated Agreement of the parties in the Inglewood Unified School District matter, EAAP Case No. 15-01.

Adjournment

Mr. Botelho adjourned the meeting at 1:59 p.m.