

**Education Audit Appeals Panel
State of California**

Appeal of 2011-12 Audit Findings
2012-02, 2012-14, 2012-16 and 2012-21
by:

Oakland Unified School District,
Appellant.

EAAP Case No. 14-16
OAH No. 2015020416

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: October 26, 2015.

IT IS SO ORDERED.

October 26, 2015
Date

Original Signed By:
David Botelho, Chairperson
for Education Audit Appeals Panel

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*Attorneys for OAKLAND
UNIFIED SCHOOL DISTRICT*

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

IN THE MATTER OF APPEAL OF FISCAL
YEAR 2011-2012, AUDIT FINDINGS 12-02, 12-
14, 12-16, and 12-21 by:

OAKLAND UNIFIED SCHOOL DISTRICT,

Appellant,

v.

OFFICE OF THE STATE CONTROLLER,

Respondent,

DEPARTMENT OF FINANCE,

Intervenor.

EAAP CASE NO.: 14-16

OAH NO. 2015-02-0416

**STIPULATION AND
SETTLEMENT AGREEMENT**

Appellant OAKLAND UNIFIED SCHOOL DISTRICT ("Appellant"),
Respondent BETTY YEE, California State Controller, ("SCO"), and Intervenor
DEPARTMENT OF FINANCE ("Finance") (collectively known as "the parties")
agree to a complete settlement of the above-captioned matter as follows:

RECITALS

A. The SCO conducted an audit of the Appellant for the 2011-12 fiscal year, the results of which were included in the final audit report issued on or about November 10, 2014.

B. In Audit Finding 12-02, the SCO questioned \$511,425 in salary and wages paid to several employees of Appellant based on insufficient documentation to support employee time certification records.

C. In Audit Finding 12-14, the SCO determined Appellant did not maintain sufficient records of attendance to support the ADA Appellant reported to the California Department of Education for two school sites. As a result, the SCO recommended Appellant reimburse the State \$1,251,219 for the disallowed attendance apportionment.

D. In Audit Finding 12-16, the SCO determined Appellant did not maintain sufficient records of attendance to support the ADA Appellant reported to the California Department of Education for several school sites. As a result, the SCO recommended Appellant establish internal controls to verify the accuracy of attendance reported prior to submitting attendance reports to the California Department of Education for apportionment purposes.

E. In Audit Finding 12-21, the SCO determined Appellant did not comply with the California Department of Education's instructions and guidance in the computation of Class Size Reduction ("CSR") funding. As a result, the SCO recommended Appellant reimburse the State \$117,810 for over-claimed CSR funding.

F. Appellant timely filed a request for formal appeal of the foregoing audit findings pursuant to Education Code section 41344(d) instituting this appeal before the Education Audit Appeals Panel ("EAAP").

G. Finance intervened pursuant to Education Code section 41344.1, subdivision (b).

H. To avoid the cost and uncertainty of litigation, the parties to this case agree to completely resolve this dispute on the terms and conditions described below.

AGREEMENT

For the purpose of completely settling and resolving the appeals of Audit Findings 12-02, 12-14, 12-16, and 12-21 the parties agree as set forth below:

1. Appellant shall withdraw its appeals of Audit Findings 12-02, 12-16, and 12-21 as part of this settlement.

2. Appellant shall repay in full satisfaction of Audit Finding 12-14 the sum of \$63,270.86 with no interest, from its next school year apportionment following EAAP approval of this stipulated agreement.

3. This stipulated agreement fully and completely resolves all claims, demands, appeals, obligations, or causes of action arising from or relating to Audit Findings 12-02, 12-14, 12-16, and 12-21. Accordingly, the parties expressly waive any right or claim to assert or pursue thereafter any claim, demand, obligation, and/or cause of action relating to Audit Findings 12-02, 12-14, 12-16, and 12-21.

5. This stipulated agreement is subject to and conditioned upon approval and adoption by EAAP, pursuant to Education Code section 41344.1(b).

6. This stipulated agreement may be executed in counterparts, each of which shall constitute an original. Facsimile and .pdf signatures by the parties and/or their designated representatives are deemed the equivalent of original signatures.

7. The parties shall bear their own attorneys' fees and costs.

Dated: 10/13/15

OAKLAND UNIFIED SCHOOL DISTRICT

By: Richard C. Miadich
RICHARD C. MIADICH

Olson Hagel & Fishburn LLP

Attorneys for Oakland Unified School District

Dated: _____

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Officer of Governing Board
Oakland Unified School District

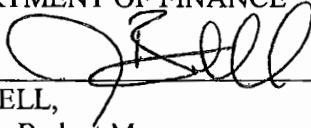
Dated: _____

OFFICE OF STATE CONTROLLER


By: _____
JOHN DICKERSON, Attorney
Counsel for Hon. Betty Yee
State Controller

Dated: 24 SEP 15

DEPARTMENT OF FINANCE

By: 
JEFF BELL,
Program Budget Manager
Department of Finance

Dated: 10/5/15

By: 
CHARLES J. ANTONEN
Deputy Attorney General
Attorney for Department of Finance
AS TO FORM ONLY

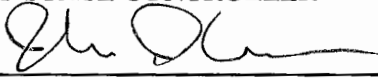
Dated: _____

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Officer of Governing Board
Oakland Unified School District

Dated: 9.17.15

OFFICE OF STATE CONTROLLER

By: 
JOHN DICKERSON, Attorney
Counsel for Hon. Betty Yee
State Controller

Dated: _____

DEPARTMENT OF FINANCE

By: _____
JEFF BELL,
Program Budget Manager
Department of Finance

Dated: _____

By: _____
CHARLES J. ANTONEN
Deputy Attorney General
Attorney for Department of Finance
AS TO FORM ONLY