

**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:

Paramount Unified School District,
Appellant.

EAAP Case No. R09-88

OAH No. 2010031435

Decision

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

Effective date: December 20, 2010.

IT IS SO ORDERED.

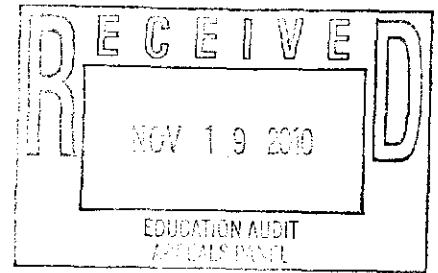
December 20, 2010
Date

Original Signed
Diana L. Ducay, Chairperson
for Education Audit Appeals Panel

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8 **BEFORE THE EDUCATION AUDIT APPEALS PANEL**

9 **STATE OF CALIFORNIA**

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

CASE NO. R09 -88
OAH No. 2010031435

STIPULATED AGREEMENT

14 PARAMOUNT UNIFIED SCHOOL
DISTRICT,

15
16 Appellant.

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18 The STATE CONTROLLER'S OFFICE ("SCO"), the DEPARTMENT OF FINANCE
19 ("Finance"), and the PARAMOUNT UNIFIED SCHOOL DISTRICT ("District") (collectively,
20 "Parties") hereby enter into this Stipulated Agreement ("Agreement") to resolve Education Audit
21 Appeals Panel ("EAAP") Case No. R09-88, currently pending before EAAP.

22 **RECITALS**

23 A. On October 1, 2009, California Department of Education ("CDE") notified the
24 District that, due to the District's under-reporting of redevelopment pass-through payments
25 received between Fiscal Year ("FY") 2003-2004 and FY 2007-2008, CDE was reducing the
26 District's Total Principal Apportionment by \$267,652.00 for FY 2010-2011.

27 B. On October 30, 2009, the District sent a written request for a formal appeal to
28 EAAP pursuant to Education Code section 41344. The District asserted that the statutory pass-

1 through payments reported to the SCO as stated in CDE's October 1st letter did not represent the
2 actual amount of pass-through payments received by the District.

3 C. On September 15, 2010, the District provided the SCO and Finance with a
4 Document Exchange Packet.

5 D. After reviewing the District's Document Exchange Packet and performing their
6 own calculations, the SCO and Finance agreed that the District's Principal Apportionment for FY
7 2010-2011 should be reduced no more than \$116,810.00.

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 the recent discussion of the Parties and in resolution of the District's
12 Appeal, the Parties agree to allow CDE to reduce and adjust the District's Total Principal
13 Apportionment for the next fiscal year by **\$116,810.00**, and not the \$267,652.00 as initially stated
14 in CDE's October 1, 2009 letter.

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

18 C. The Parties further agree that this Agreement constitutes a full and final resolution
19 of all claims and issues arising from the Appeal.

20 D. The SCO will review the amounts reported to the CDE pursuant to Health and
21 Safety Code section 33684, subd.(g)(2), and ensure that the adjustment made pursuant to
22 paragraph A of this Agreement is reflected in the FY 2008 – 2009 or other FY as appropriate.

23 E. This Agreement is subject to and conditioned upon approval and adoption by
24 EAAP, pursuant to Education Code section 41344.1, subdivision (b).

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

28 The Parties ratify the preceding terms and conditions through the signature of their

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1 representatives as follows:

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3 DATED: November 10, 2010

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DATED: November 9, 2010

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PARAMOUNT UNIFIED SCHOOL DISTRICT

By: Original Signed
David Verdugo, Ed.D.
Superintendent
Appellant,
PARAMOUNT UNIFIED SCHOOL DISTRICT

OFFICE OF THE STATE CONTROLLER

By: Original Signed
John Dickerson
Attorneys for Respondent, JOHN CHIANG,
CALIFORNIA STATE CONTROLLER

DATED: November 9, 2010

OFFICE OF THE ATTORNEY GENERAL,
CALIFORNIA DEPARTMENT OF JUSTICE

By: Original Signed
Betty Chu-Fujita
Attorneys for Intervener, CALIFORNIA
DEPARTMENT OF FINANCE

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8 BEFORE THE EDUCATION AUDIT APPEALS PANEL

9 STATE OF CALIFORNIA

10
11 **IN THE MATTER OF THE APPEAL OF PRIOR**
12 **YEAR ADJUSTMENTS FOR REDEVELOPMENT**
13 **AGENCY (RDA) PASS-THROUGH PAYMENT(S)**
FOR FISCAL YEAR(S) 2003-04, 2004-05, 2005-
06, 2006-07, 2007-08, BY:

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15 PARAMOUNT UNIFIED SCHOOL
DISTRICT,

16 Appellant,

EEAP Case No.: R09-88

OAH No.: 2010031435

**ADDENDUM TO STIPULATED
AGREEMENT**

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18 The STATE CONTROLLER'S OFFICE ("SCO"), the DEPARTMENT OF FINANCE
19 ("Finance"), and the PARAMOUNT UNIFIED SCHOOL DISTRICT ("District") (collectively,
20 "Parties") hereby enter into this Addendum to the Stipulated Agreement ("Addendum") to clarify
21 the language on page 2, line 13, of the Stipulated Agreement executed on or about November 10,
22 2010. The Parties resolve to substitute the phrase "next fiscal year," to "next principal
23 apportionment," as it pertains to the \$116,810.00 adjustment.

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

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DATED: December 7, 2010

PARAMOUNT UNIFIED SCHOOL DISTRICT

By: Original Signed
David Verdugo, Ed.D.
Superintendent
Appellant,
PARAMOUNT UNIFIED SCHOOL DISTRICT

DATED: December 7, 2010

FAGEN, FRIEDMAN & FULFROST, LLP

By: Original Signed
Peter K. Fagen
Kelly Owens
Attorneys for Appellant,
PARAMOUNT UNIFIED SCHOOL DISTRICT

DATED: December 7, 2010

OFFICE OF THE STATE CONTROLLER

By: Original Signed
John Dickerson
Attorneys for Respondent, JOHN CHIANG,
CALIFORNIA STATE CONTROLLER

DATED: December 7, 2010

OFFICE OF THE ATTORNEY GENERAL,
CALIFORNIA DEPARTMENT OF JUSTICE

By: Original Signed
Betty Chu-Fujita
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DEPARTMENT OF FINANCE