

**Education Audit Appeals Panel
State of California**

Appeal of 2009-10 Audit Finding 10-3 by:

EAAP Case No. 11-18
OAH No. 2012120662

Sausalito Marin City School District,
Appellant.

Decision

The Education Audit Appeals Panel has adopted the attached Stipulation and Settlement Agreement Regarding Audit Finding 10-3 of the parties as its Decision in the above-entitled matter.

Effective date: August 19, 2013.

IT IS SO ORDERED.

August 19, 2013
Date

Original Signed
David Botelho, Chairperson
for Education Audit Appeals Panel

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BEFORE THE
EDUCATION AUDIT APPEALS PANEL
STATE OF CALIFORNIA

**APPEAL OF 2009-10 AUDIT FINDING
10-3 by:**
**SAUSALITO MARIN CITY SCHOOL
DISTRICT,**

Appellant,

v.

OFFICE OF THE STATE CONTROLLER,

Respondent,

DEPARTMENT OF FINANCE,

Intervenor.

Case No. EAAP 11-18; OAH 2012120662
**STIPULATION AND SETTLEMENT
AGREEMENT REGARDING AUDIT
FINDING 10-3**

Appellant Sausalito Marin City School District ("District"), Respondent Office of the State
Controller ("Controller"), and Intervenor California Department of Finance ("Finance") agree to a
complete resolution of District's appeal of Audit Finding 10-3 in the Controller's Audit Report
for fiscal year ended June 30, 2010.

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RECITALS

A. This matter involves Audit Finding 10-3 of the District's audit report dated June 30, 2010 for 2009-10 attendance at Bayside Elementary School and Martin Luther King Jr. Academy.

B. Insufficient attendance records for the 2009-10 school year resulted in Audit Finding 10-3.

C. The Controller originally certified the Audit Findings for fiscal year 2009-10 on April 28, 2011, and subsequently recertified the Audit Findings on September 20, 2011. Audit Finding 10-3 reported that appellant failed to provide evidence of teacher certified attendance records to support average daily attendance (ADA) for fiscal year 2009-10. As a result of the questioned ADA, the Marin County Special Education Local Plan Area's (SELPA) funding was reduced by \$72,981 as calculated by the California Department of Education (156.80 ADA x \$465.44 per ADA). This \$72,981 loss of funding was passed from the SELPA to the District.

D. Appellant filed this timely appeal.

E. The Parties have reviewed 2009-10 attendance documents for Bayside Elementary School and Martin Luther King Jr. Academy. Although the source documents are missing, supplementary documents, such as absence notes and school lunch records, traced to electronic attendance records in the Aeries system provide evidence that Bayside Elementary School and Martin Luther King Jr. Academy likely had similar attendance in the 2009-10 school year to attendance in prior school years. The Parties also have reviewed attendance data for prior school years at Bayside Elementary School and Martin Luther King Jr. Academy.

NOW, THEREFORE, in consideration of the promises contained here and for good and valuable consideration, the receipt and sufficiency which is hereby acknowledged, the Parties agree as follows:

II

AGREEMENT

For the purpose of completely settling and resolving Audit Finding 10-3, and to prevent the uncertainty and cost of litigation, the Parties hereby agree:

1 1. In resolution of the District's Appeal, the Parties agree to settle this matter for
2 \$1,396 based on 2009-10 ADA of 153.8. Excepting the District's agreement to pay \$1,396,
3 which has already occurred through the reduction of SELPA funding by the California
4 Department of Education, Respondent and Intervenor do not oppose any recovery the District
5 may pursue of the remaining \$71,585 it has already paid with respect to Audit Finding 10-3, to
6 the extent permitted under applicable law.

7 2. The Parties further agree that this Agreement shall fully resolve and/or cause to
8 resolve any and all demands, appeals, obligations, and/or causes of action, now and hereafter
9 arising, relating to the alleged violations of law identified in Audit Finding 10-3 in the
10 Controller's Audit Report of the District of the fiscal year ended June 30, 2010.

11 3. The Parties expressly waive any right or claim or right to assert hereafter any
12 claim, demand, audit finding, obligation, and/or cause of action relating to the alleged violation
13 of law relating to the alleged violations of law identified Audit Finding 10-3 in the Controller's
14 Audit Report of the District of the fiscal year ended June 30, 2010.

15 4. This Agreement is subject to and conditioned upon approval and adoption by the
16 Education Audit Appeals Panel, pursuant to Education Code section 41344.1(b).

17 5. This Agreement shall be filed with OAH to document the agreement of the Parties
18 and the pending resolution of this matter.

19 6. This Agreement may be executed in counterparts, each of which shall constitute an
20 original. Facsimile signatures transmitted to other parties to this Agreement are deemed to be the
21 equivalent of original signatures or counterparts.

22 7. Each party shall bear its own fees and costs of this proceeding.

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

25 Dated: 7-11-13 SAUSALITO MARINITY SCHOOL DISTRICT

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27 By: Original Signed
28 VALERIE PITTS, ED.D., SUPERINTENDENT

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Dated: 7-10-13

OFFICE OF THE STATE CONTROLLER

By: Original Signed
JOHN DICKERSON, COUNSEL

Dated: 7/10/13

DEPARTMENT OF FINANCE

By: Original Signed
NICK SCHWEIZER
Program Budget Manager

APPROVED AS TO FORM:

Dated: 7/10/13

KAMALA D. HARRIS
Attorney General of California
SUSAN M. CARSON
Supervising Deputy Attorney General

By: Original Signed
JENNIFER BUNSHOFT
Deputy Attorney General
Attorneys for Intervenor
Department of Finance