

**Education Audit Appeals Panel  
State of California**

Appeal of 2006-07 Audit Finding 07-3 by:

St. HOPE Public Schools,  
Appellant.

EAAP Case No. 09-04

OAH No. 2010020097

**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: September 24,2012.

IT IS SO ORDERED.

September 24,2012  
Date

*Original Signed*  
David Botelho, Chairperson  
for Education Audit Appeals Panel

1 Richard J. Chivaro, SBN 124391  
Justin W. Dersch, SBN 258603  
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5 Attorneys for Respondent,  
6 JOHN CHIANG, California State Controller

7 **BEFORE THE EDUCATION AUDIT APPEALS PANEL**  
8 **FOR THE STATE OF CALIFORNIA**

9 In the Matter of the Audit Appeal of: ) EAAP Case No. 09-04  
10 2006-2007 Audit Finding 07-3 by: ) OAH Case No. 2010020097  
11 ST. HOPE PUBLIC SCHOOLS, ) **STIPULATED AGREEMENT**  
12 )  
13 Appellant. )  
14 )  
15 )

16 Appellant ST. HOPE PUBLIC SCHOOLS (Appellant), Respondent JOHN CHIANG,  
17 California State Controller (SCO), and Respondent DEPARTMENT OF FINANCE (Finance)  
18 (collectively known as "the Parties") agree to a complete resolution of the above-captioned  
19 matter as follows:

20 RECITALS

21 A. The independent accounting firm of Gilbert Associates, Inc. (Auditor) conducted  
22 an audit of the appellant for the 2006-07 fiscal year, the results of which were included in the  
23 audit report issued on or about December 12, 2007.

24 B. In Audit Finding No. 07-3, the Auditor determined that the Appellant was not in  
25 compliance with Education Code section 47605(l), which requires that "[t]eachers in charter  
26 schools shall hold a Commission on Teacher Credentialing certificate, permit, or other document  
27 equivalent to that which a teacher in other public schools would be required to hold."

28 C. The SCO certified the audit.

1 D. The Auditor determined that there was material noncompliance with Education  
2 Code section 47605(l), which resulted in a \$93,052 (64.46 ADA) overstatement in the amount of  
3 apportionment the Appellant claimed from the State.

4 E. Appellant then timely filed a request for formal appeal instituting this action  
5 pursuant to Education Code section 41344(d).

6 F. Finance intervened as a Respondent pursuant to Education Code section  
7 41344.1(b).

8 G. On October 26, 2010, and January 4, 2011, the Appellant, at the request of the  
9 Respondents, submitted additional documentation supporting its position.

10 H. In order to avoid the cost and uncertainty of litigation, the parties to this case  
11 agree to resolve this dispute on the terms and conditions described herein.

12 AGREEMENT

13 For the purpose of completely settling and resolving the appeal of Audit Finding No. 07-  
14 3, the Parties agree as set forth below:

15 1. This stipulated agreement fully and completely resolves all claims, demands,  
16 appeals, obligations, or causes of actions arising from or relating to Audit Finding No. 07-3.  
17 Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter any  
18 claim, demand, obligation, and/or cause of action relating to Audit Finding No. 07-3.

19 2. The Appellant shall repay in full satisfaction of Audit Finding 07-3 from its future  
20 apportionments the sum of \$31,494 in equal installments of \$10,498 over a period of three (3)  
21 years, with no interest, commencing with the 2012-13 school year.

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

24 4. This stipulated agreement may be executed in counterparts, each of which shall  
25 constitute an original. Facsimile and pdf signatures transmitted to other parties to this stipulated  
26 agreement are deemed to be the equivalent of original signatures on counterparts.

27 ///

28 ///

1 5. The parties shall be responsible for their own attorneys' fees and costs.

2  
3 Dated: July 2<sup>nd</sup>, 2012

ST. HOPE PUBLIC SCHOOLS

4  
5 By: Original Signed

6 TIM SCHEIBLE, Superintendent  
Representative for Appellant

7  
8 Dated: July 12, 2012

DEPARTMENT OF FINANCE

9  
10 By: Original Signed

11 JENNIFER K. ROCKWELL  
Chief Counsel for Respondent,  
Department of Finance

12  
13 Dated: July 13, 2012

OFFICE OF THE STATE CONTROLLER

14  
15 By: Original Signed

16 JUSTIN W. DERSCH  
Staff Counsel for Respondent,  
17 JOHN CHIANG, California State Controller