

**Education Audit Appeals Panel
State of California**

Appeal of 2016-17 Audit Finding 2017-01
by:

Leadership High School,
Appellant.

EAAP Case No. 18-14
OAH No. 2018-11-0096

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: July 29, 2019.

IT IS SO ORDERED.

7/29/19
Date


Joel Montero, Chairperson
for Education Audit Appeals Panel

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Attorney General of California
2 CHERYL L. FEINER
Supervising Deputy Attorney General
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Deputy Attorney General
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California Department of Finance
8

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10 BEFORE THE EDUCATION AUDIT APPEALS PANEL
11 STATE OF CALIFORNIA
12

13 **In the Matter of the Appeal of Fiscal Year**
14 **2016-17; Audit Finding 2017-01 by:**

EAAP Case No. 18-14
OAH Case No. 2018110096

15 **LEADERSHIP HIGH SCHOOL,**

16 Appellant,

**STIPULATION AND SETTLEMENT
AGREEMENT**

17 v.

18 **CALIFORNIA STATE CONTROLLER,**

19 Respondent,

20
21 **CALIFORNIA DEPARTMENT OF
FINANCE,**

22 Respondent.
23

24 **INTRODUCTION**

25 Appellant Leadership High School (“Appellant” or “LHS”), Respondents California State
26 Controller’s Office (“SCO”), and California Department of Finance (“Finance”) (collectively
27 referred to herein as “the Parties”), agree to a complete resolution of the above-captioned matter
28 as follows.

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RECITALS

A. The independent accounting firm of Squar Milner LLP (Auditor) conducted an audit of the Appellant for the fiscal year of 2016-17, the results of which were included in the final audit report issued on or about December 15, 2017 (the "December 2017 Audit" or "Audit").

B. The December 2017 Audit had an audit finding ("Audit Finding 2017-01"), which determined that four teachers did not have a valid teaching credential in accordance with Education Code section 47605(l). As a result, the Auditor questioned the number of instructional minutes received by students from the four teachers, which resulted in a disallowed audit finding amount of \$397,042.

C. Appellant timely filed a request for formal appeal of Audit Finding 2017-01 (the "Appeal") pursuant to Education Code section 41344(d), instituting the Appeal before the Education Audit Appeals Panel ("EAAP").

D. 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 Appellant LHS's Appeal of Audit Finding 2017-01, the Parties do agree as set forth below:

1. Appellant shall repay in full satisfaction of Audit Finding 2017-01 the sum of \$300,000, without interest, in equal annual installments of \$50,000 per year for six years commencing with the Appellant's next principal apportionment following EAAP's approval of this stipulated agreement.

2. This Stipulation and Settlement Agreement constitutes the entire understanding between the Parties. This is an integrated Stipulation and Settlement Agreement. It may not be modified or changed in any respect except in writing signed by each party.

3. This Stipulation and Settlement Agreement is subject to and conditioned upon approval and adoption by EAAP, pursuant to Education Code section 41344.1, subdivision (b).

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4. 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.

5. The parties shall bear their own attorneys' fees and costs relative to the Appeal.


Dated: _____

LEADERSHIP HIGH SCHOOL

By: _____
WAYNE STEUMPFER
Young Minney & Corr
Attorneys for Leadership High School


Dated: 5/20/19

LEADERSHIP HIGH SCHOOL

By: 
BETH SILBERGELD
Principal
Leadership High School

Dated: 6-3-19

OFFICE OF THE STATE CONTROLLER


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

Dated: _____

DEPARTMENT OF FINANCE

By: _____
JEFF BELL
Program Budget Manager
Department of Finance

Dated: 6/10/19

By: 
SAMONA L. TAYLOR
Deputy Attorney General
Attorneys for Department of Finance
AS TO FORM ONLY

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4 5. The parties shall bear their own attorneys' fees and costs relative to the Appeal.

5
6
7 Dated: 5/20/19

LEADERSHIP HIGH SCHOOL

8 By: [Signature]
9 WAYNE STEUMPFER
10 Young Minney & Corr
11 Attorneys for Leadership High School

12 Dated: 5/30/19

LEADERSHIP HIGH SCHOOL

13 By: [Signature]
14 BETH SILBERGELD
15 Principal
16 Leadership High School

17 Dated: 6-3-19

OFFICE OF THE STATE CONTROLLER

18 By: [Signature]
19 JOHN DICKERSON
20 Counsel for Hon. Betty Yee
21 State Controller

22 Dated: 7-22-19

DEPARTMENT OF FINANCE

23 By: [Signature]
24 JEFF BELL
25 Program Budget Manager
26 Department of Finance

27 Dated: 6/10/19

28 By: [Signature]
SAMONA L. TAYLOR
Deputy Attorney General
Attorneys for Department of Finance
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Dated: 5/24/2019

LEADERSHIP HIGH SCHOOL
By: 
WAYNE STRUMPFER
Young Minney & Corr
Attorneys for Leadership High School

Dated: 6/3/19

LEADERSHIP HIGH SCHOOL
By: 
BETH SILBERGELD
Principal
Leadership High School

Dated: _____

OFFICE OF THE STATE CONTROLLER
By: _____
JOHN DICKERSON
Counsel for Hon. Betty Yee
State Controller

Dated: _____

DEPARTMENT OF FINANCE
By: _____
JEFF BELL
Program Budget Manager
Department of Finance

Dated: _____

By: _____
SAMONA L. TAYLOR
Deputy Attorney General
Attorneys for Department of Finance
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