

**Education Audit Appeals Panel
State of California**

Appeal of 2013-14 Audit Finding 2014-29,
-33 and -40 by:

Inglewood Unified School District,

Appellant.

EAAP Case No. 16-20

OAH No. 2016081164

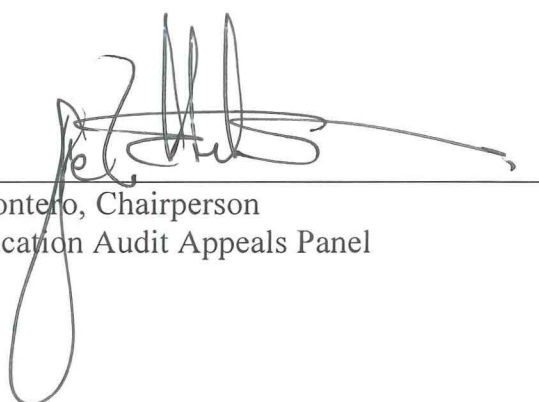
Decision

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

Effective date: Dec. 11, 2017.

IT IS SO ORDERED.

Dec. 11, 2017
Date


Joel Montero, Chairperson
for Education Audit Appeals Panel

XAVIER BECERRA
Attorney General

State of California
DEPARTMENT OF JUSTICE



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October 18, 2017

Via overnight mail

RECEIVED

Mr. Timothy Morgan
Education Audit Appeals Panel
770 L Street, Suite 1100
Sacramento, CA 95814
(916) 445-7745

OCT 19 2017


**EDUCATION AUDIT
APPEALS PANEL**

RE: *In the Matter of the Audit Appeal of the 2013-2014 Audit Findings by Inglewood USD*
EAAP Case No. 16-20, OAH Case No. 2016081164

Dear Mr. Morgan:

Pursuant to our telephone conversation earlier this month, please see the attached Stipulation and Settlement Agreement with the original signatures of: Dr. Thelma Melendez de Santa Ana, Ph.D., State Trustee for the Inglewood Unified School District; Jeff Bell, Program Budget Manager of the Department of Finance; Richard Miadich of Olson Hagel & Fishburn LLP, counsel for Inglewood Unified School District; and the undersigned, counsel for the Department of Finance. I believe you are coordinating with Scott J. Merrill, counsel for the Office of the State Controller, and he will likely send his original signature directly to your office. The attached Stipulation and Settlement Agreement contains a copy of Mr. Merrill's signature. Should you have any questions or concerns, please contact me at (213) 269-6215 or by e-mail: Alyson.Parker@doj.ca.gov.

Sincerely,



ALYSON REED PARKER
Deputy Attorney General

For **XAVIER BECERRA**
Attorney General

Encl.
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1 XAVIER BECERRA
Attorney General of California
2 JENNIFER M. KIM
Supervising Deputy Attorney General
3 ALYSON REED PARKER
Deputy Attorney General
4 State Bar No. 270660
300 South Spring Street
5 Los Angeles, CA 90013
Telephone: (213) 576-1325
6 Fax: (213) 897-2805
E-mail: Alyson.Parker@doj.ca.gov
7 *Attorneys for Intervenor*
Department of Finance

8
9 BEFORE THE EDUCATION AUDIT APPEALS PANEL
10 STATE OF CALIFORNIA

11 **In the Matter of the Audit Appeal of:**

12 **Appeal of 2013-2014 Audit Findings 2014-**
13 **29, -33, and -40 by INGLEWOOD UNIFIED**
14 **SCHOOL DISTRICT,**

15 Appellant,

16 v.

17
18 **CALIFORNIA STATE CONTROLLER,**

19 Respondent,

20 **DEPARTMENT OF FINANCE**

21 Intervenor.
22

OAH No. 2016081164

EAAP Case No. 16-20

**STIPULATION AND SETTLEMENT
AGREEMENT**

23 Appellant Inglewood Unified School District (Appellant), Respondent California State
24 Controller (SCO), and Intervenor Department of Finance (Finance) (collectively, the parties)
25 agree to a complete settlement of the above-captioned matter as follows:

26 **RECITALS**

27 A. The SCO conducted an audit of Appellant for the 2013-2014 fiscal year, the results of
28 which were included in the final audit report issued on or about May 12, 2016.

1 B. In Audit Finding 2014-29, the SCO determined that Appellant engaged in attendance
2 monitoring, recording, and reporting errors. As a result, the SCO disallowed \$80,655 of funding
3 received by Appellant for the 2013-2014 fiscal year.

4 C. In Audit Finding 2014-33, the SCO determined that Appellant was deficient in
5 calculating and reporting instructional time. As a result, the SCO disallowed \$239,272 of funding
6 received by Appellant for the 2013-2014 fiscal year.

7 D. In Audit Finding 2014-40, the SCO determined that Appellant failed to maintain
8 adequate documentation to support its unduplicated pupil count. As a result, the SCO disallowed
9 \$325,930 of funding received by Appellant for the 2013-2014 fiscal year.

10 E. Disputing the findings listed in B, C, and D, above, Appellant timely filed a request
11 for formal appeal of the foregoing audit finding pursuant to Education Code section 41344,
12 subdivision (d), instituting the appeal before the Education Audit Appeals Panel (EAAP).

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

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

16 AGREEMENT

17 For the purpose of completely settling and resolving the appeal of Audit Findings 2014-29,
18 2014-33, and 2014-40, the parties agree as set forth below:

19 1. As for Audit Finding 2014-29, the disallowed amount of \$80,655 shall be reduced to
20 \$27,952.

21 2. As for Audit Finding 2014-33, the disallowed amount of \$239,272 shall be reduced to
22 \$23,927.

23 3. As for Audit Finding 2014-40, the disallowed amount of \$325,930 shall be reduced to
24 \$299,994.

25 4. Appellant will repay in full satisfaction of Audit Findings 2014-29, 2014-33, and
26 2014-40 the sum total of \$351,873. The total amount of the disallowance, \$351, 873, will be
27 withheld from the Appellant's principal apportionment over the eight years following the date of
28

1 the EAAP's approval of this stipulated agreement, without interest, as follows: \$43,984 will be
2 withheld each year for the first seven years, then \$43,985 will be withheld in the eighth year.

3 5. The stipulated agreement fully and completely resolves all claims, demands, appeals,
4 obligations, or causes of action arising from or relating to Audit Findings 2014-29, 2014-33, and
5 2014-40. Accordingly, the parties expressly waive any right or claim to assert or pursue
6 thereafter any claim, demand, obligation, and/or cause of action relating to Audit Findings 2014-
7 29, 2014-33, and 2014-40.

8 6. The stipulated agreement is subject to and conditioned upon approval and adoption by
9 EAAP, pursuant to Education Code section 41344.1, subdivision (b).

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

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

14 *SIGNATURE PAGES FOLLOW*

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Dated: _____

Inglewood Unified School District

By: 
Dr. Thelma Melendez de Santa Ana, Ph.D.
State Trustee for Inglewood Unified School District

Dated: _____

Office of the State Controller

By: _____
Scott J. Merrill, Esq.
Staff Counsel

Dated: _____

Department of Finance

By: _____
Jeff Bell
Program Budget Manager

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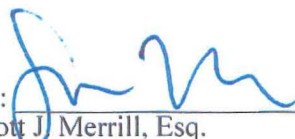
Dated: _____

Inglewood Unified School District

By: _____
Dr. Thelma Melendez de Santa Ana, Ph.D.
State Trustee for Inglewood Unified School
District

Dated: 9/22/2017

Office of the State Controller

By:  _____
Scott J. Merrill, Esq.
Staff Counsel

Dated: _____

Department of Finance

By: _____
Jeff Bell
Program Budget Manager

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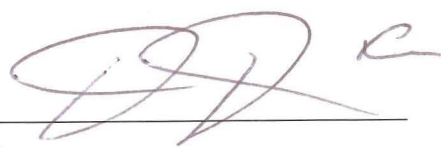
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Office of the State Controller

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Department of Finance

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Jeff Bell
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AS TO FORM ONLY

Dated: 9/19/17

By: 
Richard C. Miadich, Esq.
Olson Hagel & Fishburn LLP
Attorney for Inglewood Unified School District

Dated: _____

By: _____
XAVIER BECERRA
Attorney General of California
JENNIFER M. KIM
Supervising Deputy Attorney General

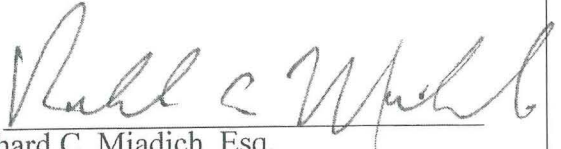
Dated: _____

By: _____
ALYSON REED PARKER
Deputy Attorney General
Attorneys for Defendant
Department of Finance

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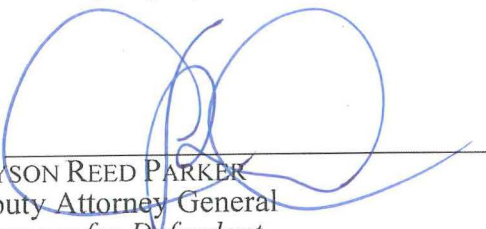
1 AS TO FORM ONLY

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4 Dated: 9/19/17

By: 
Richard C. Miadich, Esq.
Olson Hagel & Fishburn LLP
Attorney for Inglewood Unified School
District

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XAVIER BECERRA
Attorney General of California
JENNIFER M. KIM
Supervising Deputy Attorney General

Dated: 9/20/2017

By: 
ALYSON REED PARKER
Deputy Attorney General
Attorneys for Defendant
Department of Finance

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