

**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 for  
Joel Montero, Chairperson  
for Education Audit Appeals Panel

1 XAVIER BECERRA  
Attorney General of California  
2 CHERYL L. FEINER  
Supervising Deputy Attorney General  
3 SAMONA L. TAYLOR  
Deputy Attorney General  
4 State Bar No. 295256  
455 Golden Gate Avenue, Suite 11000  
5 San Francisco, CA 94102-7004  
Telephone: (415) 510-3593  
6 Fax: (415) 703-5480  
E-mail: Samona.Taylor@doj.ca.gov  
7 *Attorneys for*  
*California Department of Finance*  
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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.

1 RECITALS

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

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

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

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

15 AGREEMENT

16 For the purpose of completely settling and resolving the Appellant LHS's Appeal of Audit  
17 Finding 2017-01, the Parties do agree as set forth below:

18 1. Appellant shall repay in full satisfaction of Audit Finding 2017-01 the sum of  
19 \$300,000, without interest, in equal annual installments of \$50,000 per year for six years  
20 commencing with the Appellant's next principal apportionment following EAAP's approval of  
21 this stipulated agreement.

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

25 3. This Stipulation and Settlement Agreement is subject to and conditioned upon  
26 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.

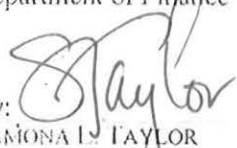
5. The parties shall bear their own attorneys' fees and costs relative to the Appeal.

Dated: \_\_\_\_\_ LEADERSHIP HIGH SCHOOL  
By: \_\_\_\_\_  
WAYNE STUMPFER  
Young Minney & Corr  
Attorneys for Leadership High School

Dated: 5/30/19 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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2 constitute an original. Facsimile and .pdf signatures by the parties and/or their designated  
3 representatives are deemed the equivalent of original signatures.

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

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  
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