

Minutes of the Education Audit Appeals Panel

Monday, January 28, 2019
915 L Street, Cedar Room
Sacramento

Call to Order and Roll Call

Nick Schweizer called the meeting to order at 1:32 p.m.

Panel members: Nick Schweizer, designee of the Superintendent of Public Instruction and Jennifer Whitaker, designee of the Director of the Department of Finance.

Approval of Minutes

Action: The Panel members unanimously approved minutes of the September 24, 2018 meeting.

Item 1	Report of the Executive Officer 1. Summary of appeal activities 2. Appeals and Summary Review Caseload 3. Other items of interest	Information
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Ms. Kelly reported that since the last meeting, no additional summary reviews have been filed and no determinations were made. There are four Summary Review cases pending. There was one formal appeal filed since the last meeting, by Moorpark Unified School District. The closed session agenda has two proposed settlements in the cases of St. Hope Public Schools and Grace Hopper S.T.E.M. Academy.

EAAP continues to participate in the training sessions offered to LEAs and CPA firms on the School Facility Performance Audits. Tomorrow is the last of the 5 scheduled sessions. Ms. Kelly spoke on the Appendix B: School Facilities Program Bond Fund Audit. EAAP, CDE, SCO and OPSC envision for the audit to be submitted to SCO for certification. The audit is required to be submitted a year from completion of the project. The date SCO certifies it as completed would serve as the starting date for the formal appeal process and a 60-day deadline. CPAs are unhappy with the SCO certification and the accompanying 10 percent withhold. Nothing is written in statute that states these audits must be submitted to SCO for certification. Ms. Kelly has had discussions with DOF regarding the statutes that need to be clarified for this audit. Discussions are ongoing.

Item 2	Public Participation This time is reserved for any person to address the Panel. If the subject is on the Public Session Agenda, individuals may comment now or at the time the item is considered. If the subject is not on the Public Session Agenda, the Panel is not empowered to take action on it. Public comment is limited to 3 minutes per speaker; the Panel may extend the limit by a uniform amount per speaker. No comment will be taken on matters at issue in items on the Closed Session Agenda, or on any pending adjudicatory proceeding.	Information
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There were no comments from the public.

Item 3	Legislation Report Discussion and action as appropriate regarding any legislation that may affect EAAP	Information Action
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Ms. Kelly reported that there was no legislation to discuss that will directly affect EAAP.

Item 4	EAAP Rulemaking Calendar Approve the rulemaking calendars for 2019	Information Action
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Ms. Kelly informed the Panel that the rulemaking calendars required review and approval. The Government Code requires state agencies to prepare a rulemaking calendar by January 31 of that year. The Office of Administrative Law collects and compiles the agencies rulemaking calendars into one calendar. These calendars, Schedule A and B, follow the template prescribed by OAL.

Action: The Panel members unanimously approved the rulemaking calendars for 2019.

Item 5	<i>Emergency Supplemental Regulations: 2018-19 Audit Guide</i> To address issues resulting from legislative changes to the conditions of apportionment, and make non-substantive edits.	Information Action
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The text of the proposed emergency and permanent regulations is identical, so Items 5 & 6 should be discussed together. The SCO had proposed several changes that have been incorporated into the 2018-19 Supplemental Audit Guide.

The proposed supplemental 2018-19 Audit Guide includes the following changes:

- *Auditing Standards Item 4, Table 2* adds a note to specify that for populations between 52 and 250 items, the auditors may test a sample size of approximately 10% of the population. This is standard practice in auditing, and this technical amendment avoids confusion to assure auditors that they can continue this method of sampling.

- *Report Components Section, Item 6. Findings and Recommendations* makes a technical change to add a finding code to the Apprenticeship audit findings, 43000, to categorize the findings related to the Chancellor of the California Community Colleges.
- *Sections A Attendance, D Independent Study, E Continuation, M Juvenile Court Schools, Y Independent Study-Course Based, AA Attendance, CC Nonclassroom-Based Instruction/Independent Study, DD Determination of Funding for NonClassroom-Based Instruction*, delete reference to ungraded units of ADA, since LEAs no longer report any ungraded units of ADA. This phrase throughout the audit guide is obsolete.
- *Section D Independent Study*, deletes the reference to Education Code Section 46300.4, which applies to the old adult education program, making the reference obsolete.
- *Section P Transportation Maintenance of Effort Item 2* makes technical amendments to make clearer the steps auditors can follow to access the exhibit on California Department of Education’s website, which details revenue received by the LEA.
- *Section R Comprehensive School Safety Plan* makes a technical amendment to procedure 1 to clarify that the school safety plan was approved by the school district or county office of education, rather than the LEA.
- *Section W Unduplicated LCFF Pupil Counts* makes a technical amendment to reflect that California Department of Education transitioned from the California English Language Development Test to the English Language Proficiency Assessments for California, in 2018.

Action: The Panel members unanimously adopted the proposed Emergency Rulemaking Regulations.

Item 6	Notice of Proposed Rulemaking: <i>Permanent Supplemental Regulations: 2018-19 Audit Guide</i>	Information Action
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Action: The Panel members unanimously approved the initiation of the rulemaking process.

Item 7	Next Meeting February 25, 2019 Tentative EAAP meeting calendar for 2019	Information Action
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Action: The Panel members unanimously approved the EAAP meeting calendar for 2019.

The Public Session recessed at 1:48 p.m.

Closed Session

The Panel met in closed session from approximately 1:49 p.m. until 2:06 p.m.

Call to Order: Public Session

Mr. Schweizer recalled the public session to order at 2:07 p.m.

Closed Session Report:

Mr. Schweizer reported that in closed session, the Panel unanimously approved the Stipulated Agreements of the parties in the matters of St. Hope Public Schools, EAAP Case 16-27 and Grace Hopper STEM Academy, EAAP Case 17-15.

Adjournment

Mr. Schweizer adjourned the meeting at 2:08 p.m.