

## Minutes of the Education Audit Appeals Panel

Monday, April 22, 2019  
915 L Street, Cedar Room  
Sacramento

### Call to Order and Roll Call

Chair Joel Montero called the meeting to order at 1:32 p.m.

Panel members present: Joel Montero, designee of the Fiscal Crisis and Management Assistance Team, Caryn Moore, designee of the Superintendent of Public Instruction (in lieu of Nick Schweizer) and Jennifer Whitaker, designee of the Director of the Department of Finance.

### Approval of Minutes

**Action:** The Panel members unanimously approved minutes of the February 25, 2019 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 three determinations were made. Relief was granted in the case of San Jose Conservation Corps Charter. Relief was partially granted to Keiller Leadership Academy, reducing the penalty to \$10,000.

The summary review request for Napa Valley Unified School District was denied, and the school district filed a timely request for formal appeal. This case was related to Proposition 39 contract issues. Mr. Montero previously spoke with the Napa Valley Unified School District and referred them to Ms. Kelly for assistance. The district had questions regarding settlement. Mr. Morgan informed the Panel that he previously provided the district with information regarding how to start settlement discussions. A request to set hearing was filed on April 17, 2019 with the Office of Administrative Hearings.

The Emergency Supplemental Regulations to the 2018-19 Audit Guide have been in effect as of March 1, 2019 and the notice of Permanent Regulations was sent out on April 19, 2019.

Ms. Kelly informed the Panel of an upcoming interagency agreement with the California Department of Technology (CDT). EAAP's website has been experiencing some issues with publishing new content. Preliminary service requests have begun in order to have the website transferred onto CDT's CAWeb Publishing web hosting platform. Monthly web hosting costs will increase to approximately to \$450.

Ms. Whitaker believed it will be mandatory for all state agency websites to be published on CAWeb by July 1, 2019. M. Vazquez informed her that currently only 39 agencies are on CAWeb Publishing.

Item 2	<b>Public Participation</b> 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	<b>Legislation Report</b> 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	<b>Emergency Adoption of Regulations: 2019-2020 Audit Guide.</b> Take action as appropriate to adopt or amend the proposed regulations.	Information Action
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Item 5	<b>Notice of Proposed Rulemaking:</b> Permanent Regulations: 2019-20 Audit Guide – authorization to begin Noticed process; discussion of changes proposed by EAAP staff.	Information Action
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The text of the proposed emergency and permanent regulations is identical, so Items 4 and 5 were discussed together. The SCO had proposed changes that have been incorporated into the 2019-20 Audit Guide.

The proposed annual 2019-20 Audit Guide includes the following amendments:

- Report Components, paragraph 4, Supplementary Information, is amended consistently with the amendments to Section F (described next) the Schedule of Instructional Time no longer needs to differentiate among districts as that all districts as of Fiscal Year 2019-20 will have met their Local Control Funding Formula (LCFF) targets.
- Section F. Instructional Minutes is revised to delete language made unnecessary as a result of all districts having met their LCFF apportionment target by school year 2019-20. References to districts’ history of participation under the old longer day and longer year incentive programs are no longer necessary pursuant to Sections 46207 and 46208 of the Education Code.
- Section DD. Determinations of Funding for Nonclassroom-Based Instruction is technically

amended, consistent with section 11963.3(b)(3), to include situations in which an entity has received, or will receive in the current fiscal year, \$50,000 or 10 percent of the charter school's applicable total expenditures.

If approved by the Panel, the Emergency Rulemaking Regulations will be posted on EAAP's website and forwarded to its interested party list. Five days later, the package is submitted to the Office of Administrative Law (OAL). After EAAP's filing with OAL, the public would have five calendar days to submit comments in writing to EAAP and OAL. OAL then has five days to review the regulations and file with the Secretary of State.

Regulations are filed as emergency in order to meet the July 1, 2019 deadline.

**Action:** The Panel members unanimously adopted the proposed Emergency Rulemaking Regulations. The Panel members also approved the initiation of the rulemaking process for the Permanent Regulations for the 2019-20 Audit Guide.

Item 6	Next Meeting May 20, 2019	Information Action
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The Public Session recessed at 1:52 p.m.

**Closed Session**

The Panel met in closed session from approximately 1:53 p.m. until 1:58 p.m.

**Call to Order: Public Session**

Mr. Montero recalled the public session to order at 1:59 p.m.

**Closed Session Report:**

Mr. Montero reported there were no decisions made, but the Panel discussed Options for Youth and Opportunities for Learning litigation that is ongoing.

**Adjournment**

Mr. Montero adjourned the meeting at 2:00 p.m.