

**Education Audit Appeals Panel
State of California**

Appeal of 2018-19 Audit Finding 2019-001
by:

Scale Leadership Academy - East,

Appellant.

EAAP Case No. 21-01

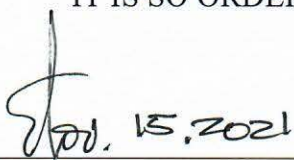
OAH No. 2021060242


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: November 15, 2021.

IT IS SO ORDERED.


Date


Joel Montero, Chairperson
for Education Audit Appeals Panel

1 ROB BONTA
Attorney General of California
2 RICHARD T. WALDOW
Supervising Deputy Attorney General
3 NICOLE J. KAU
Deputy Attorney General
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Department of Finance
8

9 BEFORE THE EDUCATION AUDIT APPEALS PANEL

10 STATE OF CALIFORNIA
11

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

13 **2018-19 Audit Finding 2019-001 by SCALE**
14 **LEADERSHIP ACADEMY-EAST,**

15 Appellants,

16 **v.**

17 **CALIFORNIA STATE CONTROLLER,**
18 **CALIFORNIA DEPARTMENT OF**
19 **FINANCE,**

20 Respondents.

OAH Case No. 2021060242

Agency Case No. 21-01

SETTLEMENT AGREEMENT

21 Appellant SCALE Leadership Academy-East (Appellant), and Respondents Betty Yee,
22 California State Controller (SCO), and DEPARTMENT OF FINANCE (Finance) (collectively,
23 the parties, and individually, each, a party) agree to a complete settlement of the above-captioned
24 matter as follows:

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B. In Audit Finding 2019-001, the Auditor determined that Appellant's independent study master agreements (agreements) did not meet all of the requirements of Education Code section 51747, subdivisions (a), (b), and (g)(8). Specifically, the agreements did not contain the maximum length of time allowed for completion of assignments, the number of allowed missed assignments before an evaluation, and that independent study is an optional educational alternative. As a result, the auditor disallowed \$2,291,386 received by the Appellant for the 2018-19 fiscal year.

D. Appellant timely filed a request for formal appeal of Audit Finding 2019-001 (the Appeal) pursuant to Education Code section 41344, subdivision (d), instituting the Appeal before the Education Audit Appeals Panel (EAAP).

E. 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.

For the purpose of completely settling and resolving the Appeal, the parties, without any admission of liability or wrongdoing, except as provided in section 1 herein, and in furtherance thereof, do agree as set forth below:

1. The Appellant shall repay in full satisfaction of Audit Finding 2019-001, the sum of \$220,000.00. The total amount of the repayment shall be withheld from the Appellant's principal apportionments in equal installments over a period of three (3) years, without interest, commencing with the Appellant's next principal apportionment following EAAP's approval and adoption of the settlement, or notice thereof, whichever is later.

1 2. This stipulated agreement is subject to and conditioned upon approval and adoption
2 by EAAP, pursuant Education Code section 41344.1, subdivision (b) and upon ratification by the
3 Appellant's Governing Board.

4 3. This stipulated agreement may be executed in counterparts, each of which shall
5 constitute an original. Facsimile and .pdf signatures by the parties and/or their designated
6 representatives are deemed the equivalent of original signatures.

7 4. The parties shall bear their own attorneys' fees and costs relative to the Appeal.
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1 Dated: 09/30/2021

SCALE LEADERSHIP ACADEMY

2 By: Charlene Wynder
3 Charlene Wynder, Esq.
4 WYNDER LAW, INC.
Attorneys for SCALE Leadership
Academy-East

5 Dated: 9/22/2021

SCALE LEADERSHIP ACADEMY

6 By: Chris Shockley
7 CHRIS SHOCKLEY
8 Executive Director

9 Dated: _____

OFFICE OF THE STATE CONTROLLER

10 By: _____
11 John Dickerson, Staff Counsel
12 Counsel for the Hon. Betty Yee
13 State Controller

14 Dated: _____

DEPARTMENT OF FINANCE

15 By: _____
16 CHRIS FERGUSON
17 Program Budget Manager
18 Department of Finance

19 *APPROVED AS TO FORM ONLY*

20 Dated: _____

21 ROB BONTA
22 Attorney General of California
23 RICHARD T. WALDOW
24 Supervising Deputy Attorney General

25 By: _____
26 Nicole J. Kau
27 Deputy Attorney General
28 Attorneys for Department of Finance

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Dated: _____

SCALE LEADERSHIP ACADEMY-
EAST

By: _____
Charlene Wynder, Esq.
WYNDER LAW, INC.
Attorneys for SCALE Leadership
Academy-East

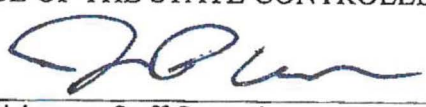
Dated: _____

SCALE LEADERSHIP ACADEMY-
EAST

By: _____
CHRIS SHOCKLEY
Executive Director

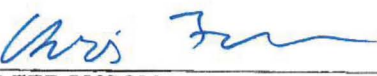
Dated: 9-20-2021

OFFICE OF THE STATE CONTROLLER

By: 
John Dickerson, Staff Counsel
Counsel for the Hon. Betty Yee
State Controller

Dated: 9-30-2021


DEPARTMENT OF FINANCE

By: 
CHRIS FERGUSON
Program Budget Manager
Department of Finance

APPROVED AS TO FORM ONLY

Dated: 10/6/21

ROB BONTA
Attorney General of California
RICHARD T. WALDOW
Supervising Deputy Attorney General

By: 
Nicole J. Kau
Deputy Attorney General
Attorneys for Department of Finance

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