

**Education Audit Appeals Panel
State of California**

Appeal of Audit Finding 1 of 2020-21
Program Audit of California Clean Energy
Jobs Act by:

Bishop Unified School District,

Appellant.

EAAP Case No. 22-03

OAH No. 2022110185

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: February 27, 2023.

IT IS SO ORDERED.

February 27, 2023

Date

Joel Montero

Joel Montero, Chairperson
for Education Audit Appeals Panel

1 SHAWN SILVA, State Bar No. 190019
2 KIMBERLEY K CHOW, State Bar No. 289832
3 **OFFICE OF THE STATE CONTROLLER**
4 300 Capitol Mall, Suite 1850
5 Sacramento, CA 95814
6 Telephone No.: (916) 445-2636

7 Attorneys for Respondent,
8 Malia M. Cohen, State Controller

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10 **BEFORE THE EDUCATION AUDITS APPEAL PANEL**
11 **FOR THE STATE OF CALIFORNIA**
12

13 **In the Matter of the Appeal of:**
14 **Fiscal Year 2020-21 Program Audit of**
15 **California Clean Energy Jobs Act Audit**
16 **Finding 1 by:**

) EAAP Case No.: No. 22-03
) OAH Case No.: 2022110185

) **STIPULATION AND SETTLEMENT**
) **AGREEMENT**

17 **BISHOP UNIFIED SCHOOL DISTRICT,**
18 **Appellants**

19 **vs.**

20 **OFFICE OF THE STATE**
21 **CONTROLLER¹**
22 **Respondent,**

23 **DEPARTMENT OF FINANCE,**
24 **Respondent**

25 **INTRODUCTION**

Appellant BISHOP UNIFIED SCHOOL DISTRICT (BISHOP), Respondent BETTY T. YEE,
CALIFORNIA STATE CONTROLLER (SCO), and Respondent, DEPARTMENT OF

¹ Betty T. Yee was California State Controller at the time the appeal was filed. As of January 2, 2025, Malia M. Cohen has replaced Betty T. Yee as the California State Controller.

1 FINANCE (DOF) (collectively known as “the Parties”) agree to a complete settlement of the
2 above-captioned matters as follows:

3 RECITALS

- 4 A. The SCO conducted an audit of a selection of completed projects under the California
5 Clean Energy Jobs Act for the period of July 1, 2020 through June 30, 2021, the results of
6 which were included in an audit report titled “Program Audit of the California Clean
7 Energy Jobs Act” issued on or about June 30, 2022 (Audit).
- 8 B. In Audit Finding 1, the SCO determined that BISHOP sole-sourced its contract with
9 Indoor Environmental Services for energy manager services (\$49,637.00), and for facility
10 solution services (\$291,670.00) totaling \$341,307.00, in violation of Public Resources
11 Code section 26235 subdivision (c), which prohibits local education agencies from using
12 a sole source process to award Proposition 39 funds.
- 13 C. Appellant timely filed a joint request for formal appeal of Audit Finding 1 pursuant to
14 Education Code section 41344, subdivision (d), instituting this appeal before the
15 Education Audit Appeals Panel (EAAP).
- 16 D. In order to avoid the cost and uncertainty of litigation, the Parties to this case agree to
17 resolve this dispute on the terms and conditions described below.

18 AGREEMENT

19 For the purpose of completely settling and resolving the appeal of Audit Finding 1, the Parties
20 agree as set forth below:
21

- 22 1. This stipulated agreement fully and completely resolves all claims, demands, appeals,
23 obligations, or causes of actions arising from or relating to Audit Finding 1.
24
25

- 1 2. Appellant BISHOP shall repay, in full satisfaction of Audit Finding 1, the sum of
2 \$239,000.00, without interest, in equal installments of \$29,875.00 per year over a
3 period of eight (8) years, commencing with the first payment due by June 30,
4 2023, and by June 30 of each year thereafter, until final payment by June 30, 2030,
5 following EAAP approval and adoption of this Stipulated Agreement.
- 6 3. Nothing in this Stipulated Agreement prohibits BISHOP from satisfying the sum
7 owed in less time than provided in Paragraph 2 of this Stipulated Agreement.
- 8 4. This Stipulated Agreement is subject to and conditioned upon approval and adoption by
9 EAAP, pursuant to Education Code section 41344.1, subsection (b).
- 10 5. This Stipulated Agreement may be executed in counterparts, each of which shall
11 constitute an original. Facsimile and PDF signatures transmitted to other parties to this
12 Stipulated Agreement are deemed to be the equivalent of original signatures.
- 13 6. The parties shall be responsible for their own attorneys' fees and costs relative to the
14 Appeal.
15

16 Dated: Jan. 20, 2022 ²⁰²³

BISHOP UNITED SCHOOL DISTRICT

17 By:


KELLY KOLKER

Superintendent

Bishop Unified School District

Katherine Kolker

20 Dated: Jan. 25, 2023

DEPARTMENT OF FINANCE

21 By:


CHRIS FERGUSON

Program Budget Manager


Department of Finance

22 //

1 Dated: Jan. 25, 2023
2 ~~2022~~

OFFICE OF THE STATE CONTROLLER

3 By:



4 KIMBERLEY K. CHOW
5 Staff Counsel for Respondent,
6 MALIA M. COHEN, California State Controller

7 AS TO FORM ONLY

8 Dated: Jan. 27, 2023
9 ~~2022~~

LOZANO SMITH

10 By:

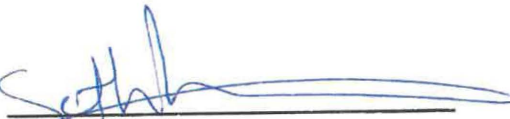


11 KELLY M. REM
12 Attorney for Bishop Unified School District

13 Dated: Jan. 26, 2023
14 ~~2022~~

OFFICE OF THE ATTORNEY GENERAL

15 By:



16 SETH CURTIS
17 Deputy Attorney General
18 Attorney for Department of Finance
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