

Minutes of the Education Audit Appeals Panel

Monday, January 26, 2026
915 L Street, Cedar Room
Sacramento

Call to Order and Roll Call

Elizabeth Dearstynne called the meeting to order at 1:47 p.m.

Panel members present: Elizabeth Dearstynne, designee of the Fiscal Crisis and Management Assistance Team, Cheryl McCormick, designee of the Director of the Department of Finance and Abel Guillen, designee of the Superintendent of Public Instruction.

Ms. Dearstynne was welcomed back to the Panel as the designee of the Fiscal Crisis and Management Assistance Team. Ms. Dearstynne joined FCMAT in 2025 as an Intervention Specialist, and brings nearly three decades of experience in state government, including 20 years with the Department of Education where she last served as the Division Director of the School Fiscal Services Division, and was the Superintendent of Public Instruction designee to EAAP for nearly three and a half years. EAAP thanked Mr. Joel Montero, former FCMAT designee and Chair of the Panel for nearly a decade, for his wise counsel and service to the Panel.

A new EAAP Chairperson was to be selected. Mr. Guillen nominated Ms. Dearstynne, and Ms. McCormick concurred. Ms. Dearstynne was announced as the new EAAP Chairperson. The February 2026 meeting agenda will include a revision of delegated authority forms to reflect the new chair.

Approval of Minutes

Action: The minutes of the October 27, 2025 meeting were approved.

Item 1	Report of the Executive Officer	Information
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Rebecca Lee reported that since the last meeting, there were seven formal appeals filed. All seven cases were previous summary reviews, including Campbell Union High School District, which was partially granted in Summary Review that required Department of Education and Department of Finance approval. Two pending settlements will be heard in Closed Session. These are two of the last four cases from prior years.

Since the last meeting, nine new summary reviews were filed. There were 25 determinations. Eighteen were fully or partially granted, and seven were denied. Three cases were withdrawn.

Mr. Guillen raised a question regarding Mountain View Elementary School District's withdrawal. Ms. Lee informed him that the school district received county office approval of exemption for its classroom teacher salaries finding, which led to their request being withdrawn.

Ms. Lee provided a recap of the caseload for 2025, noting it was a record year with 69 total cases filed. Of the 64 summary review cases, there were 82 findings being appealed. The top categories of exception were the Expanded Learning Opportunities Program with 22, Independent Study

with 15, and Home to School Transportation Reimbursement with 8. All the rest of the category counts were less than 6. Seventeen formal appeals were submitted. Three went straight into formal appeal, two were for facility bond audits, and twelve were prior summary reviews.

Ms. McCormick suggested adding an additional column to the Formal Appeals Report to capture the basis for each appeal. Ms. Lee advised that EAAP staff would look into what information could be provided.

Ms. Lee discussed updates to the EAAP website, including revisions to the appeal procedures pages. EAAP will continue to update the website by improving the presentation of the agendas and meeting materials. EAAP welcomes feedback from the Panel and the public as it continues into the next stage of this project.

Item 2	Public Participation	Information
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No comments were received from the public.

Item 3	Legislation Report Discussion and action as appropriate regarding any legislation that may affect EAAP	Information
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Ms. Lee spoke on the Governor’s January 10 Budget just released, and pending Trailer Bill Language (TBL) to be released by February 1. TBL would identify how proposals will be implemented, and if there will be any changes that could impact future audit guides. Ms. Lee noted pending charter school oversight TBL that seems to be in response to the veto of prior legislation. Two programs included in the Audit Guide, the Expanded Learning Opportunities Program and Proposition 2 bond funds to support school construction projects, were noted for additional proposed funding.

Item 4	EAAP Rulemaking Calendar Approve the rulemaking calendars for 2026	Information Action
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Government Code section 11017.6 requires every state agency responsible for implementing a statute that requires interpretation pursuant to the Administrative Procedure Act to prepare, by January 30, a rulemaking calendar for that year. This consists of two schedules prescribed by the Office of Administrative Law. Schedule A is for proposed regulations implementing statutes enacted during 2025, which includes the Audit Guide for Fiscal Year 2025-26 (March 1 Supplement) and Audit Guide for Fiscal Year 2026-27 (July 1), and Schedule B is for proposed regulations implementing statutes enacted prior to 2025, which is for the Audit Guide for Fiscal Year 2026-27. A question was asked regarding why both schedules were needed, and EAAP staff advised they would look into this question for future submissions.

Action: The Panel members unanimously approved the rulemaking calendars for 2026.

Item 5	Next Meeting February 23, 2026	Information
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Adjournment

Ms. Dearstyne adjourned the meeting at 2:15 p.m.

Closed Session Report:

In closed session, the Panel unanimously approved the Stipulated Agreement of the parties in the matter of:

Item 1: Cuyama Joint Unified School District, EAAP Case 24-61

Item 2: Oak Run Elementary School District, EAAP Case 24-63