



JOHN CHIANG
California State Controller

July 11, 2011

Drew Bohan
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

Re: State Controller's Office Response to Incorrect Reduction Claim
Graduation Requirements, 08-4435-I-52
Clovis Unified School District, Claimant
Education Code 51225.3; Statutes of 1983, Chapter 498
Fiscal Year (FY) 1998-99, FY 1999-2000, FY 2000-01, and FY 2001-02

Dear Mr. Bohan:

This letter responds to Clovis Unified School District's Incorrect Reduction Claim (IRC) No. 08-4435-I-52 filed on August 4, 2008. We have no comment at this time.

IRC No. 08-4435-I-52 was filed on the State Controller's Office (SCO) first revised final audit report dated September 30, 2005, pertaining to the Graduation Requirements Program for the period of July 1, 1998, through June 30, 2002. The Commission on State Mandates (CSM) consolidated this IRC with IRC No. 05-4435-I-50 filed by the district on September 1, 2005.

The SCO responded to IRC No. 05-4435-I-50 on October 10, 2007. We previously addressed the issues raised in IRC No. 08-4435-I-52 in our response to IRC No. 05-4435-I-50.

The district filed IRC No. 05-4435-I-50 based on our initial final audit report, dated October 22, 2004. In responding to this IRC, we incorporated our changes made in the first revised final report, dated September 30, 2005, and the second revised final report, dated April 30, 2007. In the initial and first revised audit reports, we determined that the entire costs claimed were unallowable. In the second revised final report, dated April 30, 2007, we allowed a portion of staffing and supply costs claimed as a result of the CSM's adoption of our re-evaluation concerning the Sacramento County Superior Court 2004 ruling, *San Diego Unified School District et al. v. Commission on State Mandates et al.*, Case No. 03CS01401. We reduced the audit adjustment by \$4,117,233, from \$8,054,465 to \$3,937,232.

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We continue to believe that the second revised final report dated April 30, 2007, complies with the court ruling. Therefore, we believe that the CSM should find: (1) the SCO correctly reduced the district FY 1998-99 claim by \$2,472,350; (2) the SCO correctly reduced the district FY 1999-2000 claim by \$1,438,384; and (3) the SCO correctly reduced the district FY 2000-01 claim by \$26,498.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/vb

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cc: Jim L. Spano, Chief
Mandated Cost Audits Bureau
Division of Audits, State Controller's Office